



DEPARTMENT OF THE ARMY
CHIEF OF ENGINEERS
2600 ARMY PENTAGON
WASHINGTON, DC 20310-2600

DAEN

JUL 17 2024

SUBJECT: Akutan Harbor Navigational Improvements, Akutan, Alaska

THE SECRETARY OF THE ARMY

1. I submit for transmission to Congress my report on navigation improvements for Akutan, Alaska. It is accompanied by the report of the Alaska District and Pacific Ocean Division Engineers. This study is being conducted under the authorization in Section 203 of the Water Resources Development Act (WRDA) of 2000, Tribal Partnership Program, as amended (33 U.S.C. §2269). Section 203 provides authority for the Secretary of the Army, upon the request of an Indian tribe, and in cooperation with Indian tribes and heads of other federal agencies, to study, report, and recommend as appropriate on the feasibility of carrying out a specific water resources project that will substantially benefit Indian tribes and are located within Indian country, as defined in 18 U.S.C. §1151, or within proximity to Alaska Native villages. This study also utilized the authority of Section 2006 of WRDA 2007, as amended (33 U.S.C. §2242), Remote and Subsistence Harbors. Section 2006 provides that the Secretary may recommend a project without demonstrating that the improvements are justified solely by National Economic Development (NED) benefits if the Secretary determines that the improvements meet specific criteria detailed in the authority. Section 2006(a) allows for the recommendation of a harbor navigation improvement if (1) it would be in Alaska, (2) the harbor is economically critical such that over 80 percent of the goods transported through the harbor would be consumed within the region served by the project, and (3) the long-term viability of the community where the project is located would be threatened without the project. Preconstruction engineering and design (PED) activities will continue under current authorities.

2. The reporting officers recommend authorizing a plan that consists of a harbor sized to accommodate a design vessel with a length of 58 feet and a draft of 8 feet. The recommendation is not justified based on NED benefits; however, recommendation of an NED plan is not required because the recommended plan meets all three criteria under Section 2006(a). The Recommended Plan includes the following General Navigation Features:

- a. Harbor Entrance Channel. The entrance channel would have a width that varies from a minimum of 60 feet to a maximum of 120 feet at the turn. The entrance channel depth would be -17 feet MLLW.
- b. Turning Basin. The harbor turning basin is 120 feet by 120 feet (minus a 60-foot by 40-foot mooring basin) that is a local service facility. The turning basin depth is -14 feet MLLW.

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c. Breakwater. The harbor will be protected by a 400-foot-long rubble mound breakwater with a crest height of +15.5' MLLW.

3. The Native Village of Akutan and the Aleutians East Borough are the non-federal cost sharing sponsors for all features of the project. Based on *October 2023* price levels, the estimated project first cost is \$69,800,000 which includes the value of lands, easements, rights-of-way, and relocations (LERR), including the real property interests required for dredged material placement facilities. Total LERR costs are estimated to be \$100,000. The current project plan requires standard Temporary Work Area Easements for staging and access, standard Road Easements and a Channel Improvement Easement.

a. The federal share of the project first cost for initial construction is estimated at \$68,100,000 and the non-federal share is estimated at \$1,700,000 in accordance with the provision of Section 101(a)(1) of WRDA 1986, as amended (33 U.S.C. §2211(a)(1)), after application of the waiver required by Section 1156 of WRDA 1986, as amended (33 U.S.C. §2310), to the non-federal share, and after application of the ability to pay adjustment authorized for projects under the Tribal Partnership Program to the non-federal share.

b. The non-federal sponsor shall pay over a period not to exceed 30 years, an additional 10 percent of construction costs for General Navigation Features (GNF) of the project less any credit for the value of LERR required for the project, in accordance with Section 101(a)(2) of WRDA 1986, as amended (33 U.S.C. §2211(a)(2)), reduced by application of the ability to pay adjustment, which payment is estimated at \$1,700,000.

c. The annual cost of operation, maintenance, repair, replacement, and rehabilitation (OMRR&R) for the Recommended Plan is a federal cost and is estimated to be \$153,000. OMRR&R activities include dredging of general navigation features (GNF) features every 10 years and minor rock replacement on the breakwaters every 25 years.

d. The associated cost for local service facilities is approximately \$9,900,000, which consists of constructing a rubble mound causeway, mooring basin with mooring dolphins, loading/unloading pad, access road, and associated facilities on land. Coordination with the U.S. Coast Guard Aids to Navigation Office would be conducted in PED to ensure that necessary marking of the new entrance channels is considered. Aids to Navigation costs are estimated to be \$94,000 and are an associated federal cost. These costs are 100 percent non-federal and are not included in the project first costs.

4. Based on a 2.75 percent discount rate and a 50-year period of analysis, the equivalent average annual benefits are estimated at \$362,000 to \$772,000 and equivalent average annual costs are estimated at \$3,191,000, with equivalent average annual net benefits of \$(2,829,000) to \$(2,419,000) with a most-likely value of \$(2,624,000) and a most-likely benefit-to-cost ratio (BCR) of 0.18 to 1.

5. The Native Village of Akutan is a Federally Recognized Tribe for which the Federal Government has a trust responsibility. The community of Akutan has been identified as having environmental justice concerns using the Counsel of Environmental Quality's Climate and

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Economic Justice Screening Tool (CEJST) and the Environmental Protection Agency's (USEPA) Environmental Justice Screening and Mapping Tool (EJScreen). The recommendations herein are consistent with current Administration priorities such as Executive Order (E.O.) 14112 - Reforming Federal Funding and Support for Tribal Nations to Better Embrace Our Trust Responsibilities and Promote the Next Era of Tribal Self-Determination and E.O. 14096 - Revitalizing Our Nation's Commitment to Environmental Justice for All.

6. Continuing coordination with federal and state resource agencies will seek to ensure that all practicable means to avoid or minimize adverse environmental effects will be considered for incorporation in the Recommended Plan. Pursuant to Section 7 of the Endangered Species Act (ESA) of 1973, as amended, the Corps expects to concurrently coordinate with National Marine Fisheries Service (NMFS) and the United States Fish and Wildlife Service (USFWS) on effects to ESA-listed marine mammals while its application is pending for Incidental Harassment Authorization under the Marine Mammal Protection Act (MMPA) during PED, under an approved ESA/MMPA policy exception from the Assistant Secretary of the Army (Civil Works) dated 17 May 2024. This coordination would address anticipated increases in noise levels associated with construction activities (e.g., drilling, confined underwater blasting and pile driving) required to dredge the entrance channel and turning basin, and to construct the breakwater. Proposed mitigation to avoid impacts to marine mammals during construction activities is outlined in the report, although formal mitigation measures have not been identified to date. As project coordination continues and specific project information becomes available, mitigation commitments will be identified and coordinated with the NMFS and the USFWS to support timely permitting and implementation.

7. In accordance with U.S. Army Corps of Engineers (USACE) policy on the review of decision documents, all technical, engineering, and scientific work underwent an open, dynamic, and rigorous review process. The comprehensive review process included District Quality Control Review, Agency Technical Review, and Headquarters Policy and Legal Compliance review to confirm the planning analyses, alternative design and safety, and the quality of decisions. Washington-level review indicates that the plan recommended by the reporting officers complies with all essential elements of the U.S. Water Resources Council's Economic and Environmental Principles, Requirements, and Guidelines for Water and Land Related Resources Implementation Studies, as well as other administrative and legislative policies and guidelines. The views of interested parties, including federal, state, and local agencies, were considered and all comments from public reviews have been addressed and incorporated into the final report documents where appropriate.

8. USACE decision documents recognize cost risk and uncertainty surrounding implementation. All cost estimates will carry a degree of uncertainty. The estimated total project first cost for the Recommended Plan at the 80% confidence interval is estimated at \$69,800,000. This project carries a degree of uncertainty such that if the main drivers described below are realized, the first cost for the Recommended Plan could increase to approximately \$92,500,000. The recommended plan has various construction and non-construction components. These components range from 10 to 15 percent in project definition. The overall recommended plan is at 10 percent design. Based on the recommended project design of the construction components and scope definition of the non-construction components, the total project cost is designated as a Class 3 estimate. The

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total project first cost includes a contingency value of \$26,600,000, which is approximately 50 percent of the estimated base project cost of \$53,200,000. The cost contingencies are intended to cover cost and schedule increases due to the identified project risks and their probability of occurrence. Changes to assumptions or the basis of design can result in additional risks not currently identified. For the Recommended Plan project first costs, the currently known major uncertainty drivers are the following: 1) Limited bathymetric survey data in the near shore zone produces more uncertainty in breakwater and dredging quantities; 2) no geotechnical boring data could increase the dredging cost estimates; 3) there is high likelihood that placement in water will be delayed at times due to storms, sea conditions, etc. This will cause delays in placement and additional costs for equipment to be moved to protection. This may also cause situations where rework will be required for placed material that is not protected that is moved due to storms; 4) variation in major material costs and bid assumptions; 5) ability of the non-federal sponsor to provide their share of funds and obtain all required real estate interests in a timely fashion as reflected in the project schedule; and 6) any changes to assumptions on productivity, construction sequencing due to funding allocations and future market conditions can affect overall project cost. As the project moves into the next phases, USACE will focus risk management and mitigation on the primary cost and other significant risk drivers to the extent within USACE control. However, there still exists the potential for other unanticipated and uncontrollable changes in environmental or economic conditions that could further increase the total project first cost beyond the current estimate and/or necessitate changes in the project's design.

9. In full consideration of the risks as documented in the preceding paragraphs in this report, I concur in the findings, conclusions, and recommendation of the reporting officers. Accordingly, I recommend that the Akutan Harbor Navigational Improvements be authorized in accordance with the reporting officers' Recommended Plan at an estimated cost first cost of \$69,800,000 with such modifications as in the discretion of the Chief of Engineers may be advisable. Federal implementation of the project under the Tribal Partnership Program includes, but is not limited to, the following items of local cooperation to be undertaken by the non-federal sponsor in accordance with applicable federal laws, regulations, and policies:

a. Provide the non-Federal share of construction costs, as further specified below:

(1) Provide, during design, the non-federal share of the costs of design for the general navigation features of the project in accordance with the terms of the design agreement for the project.

(2) Provide, during construction, 10 percent of the costs of the general navigation features of the project, with reductions for the Section 1156 waiver and for the ability to pay adjustment.

b. Provide all lands, easements, and rights-of-way, including those required for relocations and dredged material placement facilities, acquire or compel the removal of obstructions, and perform or ensure the performance of all relocations, including utility relocations, as determined by the Federal government to be necessary for the construction, operation, and maintenance of the general navigation features.

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c. Pay, with interest over a period not to exceed 30 years following completion of construction of the general navigation features, an additional amount equal to 10 percent of the construction costs of the general navigation features less the amount of credit afforded by the Federal government for the value of the real property interests and relocations, including utility relocations, provided by the non-Federal sponsor for the general navigation features, reduced by application of the ability to pay adjustment, except for the value of the real property interests and relocations provided for mitigation, which is included in the construction costs of the general navigation features;

d. Ensure that the local service facilities are constructed, operated, and maintained at no cost to the Federal government, and that all applicable licenses and permits necessary for construction, operation, and maintenance of such work are obtained.

e. Give the federal government a right to enter, at reasonable times and in a reasonable manner, upon the real property interests that the non-federal sponsor owns or controls for the purpose of operating and maintaining the project.

f. Hold and save the federal government free from all damages arising from design, construction, operation, and maintenance of the project, except for damages due to the fault or negligence of the Federal government or its contractors.

g. Perform, or ensure performance of, any investigations for hazardous, toxic, and radioactive wastes (HTRW) that are determined necessary to identify the existence and extent of any HTRW regulated under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA), 42 U.S.C. 9601-9675, and any other applicable law, that may exist in, on, or under real property interests that the Federal government determines to be necessary for construction, operation and maintenance of the general navigation features;

h. Agree, as between the Federal government and the non-Federal sponsor, to be solely responsible for the performance and costs of cleanup and response of any HTRW regulated under applicable law that are located in, on, or under real property interests required for construction, operation, and maintenance of the project, including the costs of any studies and investigations necessary to determine an appropriate response to the contamination, without reimbursement or credit by the Federal government;

i. Perform the non-Federal sponsor's responsibilities in a manner that will not cause HTRW liability to arise under applicable law to the maximum extent practicable; and

j. Comply with the applicable provisions of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, Public Law 91-646, as amended, (42 U.S.C. §§4630 and 4655) and the Uniform Regulations contained in 49 C.F.R Part 24, in acquiring real property interests necessary for construction, operation, and maintenance of the project including those necessary for relocations, and placement area improvements; and inform all affected persons of applicable benefits, policies, and procedures in connection with said act.

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10. The recommendation contained herein reflects the information available at this time and current departmental policies governing formulation of individual projects. It does not reflect program and budgeting priorities inherent in the formulation of a national civil works construction program or the perspective of higher review levels within the Executive Branch. Consequently, the recommendation may be modified before it is transmitted to the Congress as a proposal for authorization and implementation funding. However, prior to transmittal to Congress, the non-federal sponsor, interested federal agencies, and other parties will be advised of any significant modifications and will be afforded an opportunity to comment further.

A handwritten signature in black ink, appearing to read "Scott A. Spellmon". The signature is fluid and cursive, with the first name "Scott" and last name "Spellmon" clearly distinguishable.

SCOTT A. SPELLMON
Lieutenant General, U.S. Army
Chief of Engineers