

**Port of Oakland Harbor Navigation Improvement (-50 Ft.) Project  
Status Update, March 7, 2002**

**Project Summary.**

**Description:** Deep Draft Navigation. Project components include slight widening and deepening of the harbor entrance, outer and inner harbor channels, and two turning basins to -50 feet as well as utility relocations. Existing project depths are -42 feet. Local service facilities include berth deepening and wharf strengthening.

**Purpose / Need:** The -50 ft. project is required to accommodate the latest generation of container vessels. The design vessel for the project is a container ship designed to carry in excess of 6500 twenty-foot equivalent units (TEU's) of containers. It has a design draft (depth in the water) of 48 ft., is 1,139ft. long, and 140ft. wide.

**Project Benefits:** 8,000 additional jobs; \$1.9 billion increased annual business revenue; \$55.5 million increased annual local taxes; and 100% beneficial reuse of dredged materials for wetlands restoration, habitat enhancement, and upland use within San Francisco Bay. The project will also support the efficient transition of four closing military installations to civilian use; particularly the Federally authorized project to restore wetlands at the closed Hamilton Army Airfield.

**Support:** The Port of Oakland's project enjoys broad-based bipartisan support within the California Congressional delegation, and as a result of the significant public involvement during the planning of this project, it has the widespread support of business, environmental, and labor interests. The project is also supported by the three relevant local regulatory agencies (State Lands Commission, Regional Water Quality Control Board, and Bay Conservation and Development Commission); and the Federal agencies who also participated in the planning process (U.S. Army Corps of Engineers, United States Coast Guard, Environmental Protection Agency, the U.S. Fish and Wildlife Service, and the National Marine Fisheries Service).

**Related Projects:** To respond to the continued increase of international trade, the Port of Oakland is currently undertaking a \$600 million expansion at the seaport, at its own expense. This expansion consists primarily of building two new marine terminals, a jointly used intermodal rail terminal, realigned roadways, and a 30-acre public waterfront park.

**Funding / Schedule:** The project was authorized in the Federal Water Resources Development Act of 1999. It received \$4 million in Congressional appropriations to start construction in fiscal year (FY) 2001. Congress passed and the President signed the FY 2002 Energy and Water Development Appropriations bill in November 2001. The bill

includes \$10 million for the -50 foot deepening project (continuing construction); \$10.127 million for Federal Channel operations and maintenance (O&M), and \$4.5 million for the Hamilton Wetlands Restoration Project (construction). The total project authorization is \$252,290,000, with a Federal share of \$128,081,000 and a non-Federal share of \$124,209,000. The Port has already secured financing for its local share. Most states provide some level of funding to their ports for authorized projects like this one. In order for the Port of Oakland and other California ports to leverage federal dollars, the State and Congressional delegation must actively support navigation projects. The project will require additional Congressional appropriations in fiscal years 2003 through 2005. The Project's schedule will be delayed unless Congress increases the proposed budget for project years 2003-5.

**Contract Procurement / Construction:** The first contract of the -50 Foot Project was completed in February 2002, within schedule and budget. The Corps of Engineers awarded the negotiated procurement contract on September 28, 2001. The work was for Phase I.a. Inner Harbor Turning Basin (IHTB)-A and included the demolition of two bays of the former Navy Fleet Industrial Supply Center (FISC) Annex, Pier 4, and a concrete building at the head of Pier 4. This initiated the work necessary to expand the IHTB from 1200 ft. to 1500 ft. along the NW/SE axis. The Corps is scheduled to award the second contract (Phase I.a. IHTB-B) of the -50 ft. Deepening Project in March 2002. This work consists of the construction of new bulkhead along the southeast corner of the IHTB, the demolition of the northwest corner of the FISC Annex wharf, and dredging.

**Summary:** The Port of Oakland's dredging project is essential if it is to remain internationally competitive. The proposed dredging project will maintain Oakland's position as an international cargo gateway. There are only two primary cargo gateways in California Los Angeles/Long Beach and San Francisco/Oakland and only three on the West Coast. Without improvements to Oakland's infrastructure, cargo could flow to Mexican and Canadian ports, resulting in lost jobs and taxes from California and the U.S. Furthermore, this would have a severe impact on those businesses that depend on the Port for its import and export needs, and would result in inefficient use of energy resources for trucking as well as increased traffic hazards as the cargo is diverted to other, less efficient, modes of transportation.