

OFFICE OF THE MAYOR

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U.S. Army Corps of Engineers, Mobile District
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RE: Draft General Reevaluation Report & Supplemental Environmental Impact Statement (GRR/SEIS) to evaluate improvements to the Mobile Harbor Federal Navigation Channel, Mobile, AL.

Colonel Joly:

On behalf of the City of Mobile, I am writing to express my strong support for the ongoing efforts to widen and deepen the Mobile Harbor Federal Navigation Channel and to provide comments on the Mobile Harbor Draft General Reevaluation Report & Supplemental Environmental Impact Statement (GRR/SEIS).

The study conducted by the U.S. Army Corps of Engineers (USACE) fully examined the costs, benefits and environmental and economic impact of widening and deepening the Mobile Harbor Channel to the authorized dimensions under Section 201 of the 1986 Water Resources Development Act. The study also evaluated a range of alternative plans that would improve the safety and efficiency of the current navigation system.

I fully concur with the findings of the U.S. Army Corps of Engineers Draft GRR/SEIS report. The GRR/SEIS examined the potential impacts of deepening and widening the federal navigation channel and provided the Tentatively Selected Plan (TSP) for navigation improvements.

Simply put: Advancing the Port of Mobile is critical to driving economic success for the State of Alabama and the Gulf Coast region. The Port, managed by the Alabama State Port Authority, is one of the fastest growing harbors in the nation. Modernization of the federal channel is vital to the continued growth and prosperity of both the City of Mobile and the State of Alabama.

The City of Mobile is strategically located on Mobile Bay with the Gulf of Mexico to the south and the confluence of the Alabama and Tombigbee rivers to the north.

This location has established Mobile as a global trading hub ever since the city's founding by French explorers in 1702. For more than 300 years, Mobile has continued to thrive as a result of shipbuilding and international trade at the Port. The widening and deepening of our harbor channel will serve as a catalyst for economic development, increase our global competitiveness, create jobs and promote an environment in which all citizens can prosper.

The significance of this generational project to Mobile's future cannot be overstated:

- The Port of Mobile is one of the largest economic engines for the state, with a \$22.4 billion annual economic impact. Expansion of the channel is vital in maintaining the port's growth and long-term sustainability. The Panama Canal historically provided a limit on the size of container ships and other vessels. But as the canal has been widened, the ships have gotten larger. The existing channel constrains deeper-drafting containerships and restricts many vessels to one-way traffic. This reduces efficiency and increases costs for shippers and regional industries relying on just-in-time logistics.
- An economic impact study from the University of Alabama's Center for Business and Economic Research found that the the port is responsible for 134,608 direct and indirect jobs in the state with a direct and indirect tax impact of \$486.9 million. A deeper and wider channel will clear the way for the port to accommodate larger ships that are already starting to come through the expanded Panama Canal. The deeper channel will allow ships to carry more weight, making the port more efficient for importers and exporters - spurring dockside development, creating more jobs and a greater tax impact for the State of Alabama.
- Since 2002, more than \$1 billion in public/private funding has been invested into improving the Port of Mobile's infrastructure, with more than half of that total coming within the past decade.
- Mobile currently serves as a home port for Carnival Cruise Lines with tremendous potential for growth as the region's tourism market continues to expand. The channel widening will eliminate delays associated with the movement of the Carnival Fantasy and other cruise ships. At present, commercial ships must wait and allow the Fantasy to complete its passage to and from the Mobile Alabama Cruise Terminal which is located in the Port of Mobile. The demurrage costs alone from these delays are significant and have a negative impact on the Port's competitiveness. Not only would the channel widening prevent these delays, but also prevent frequent delays of the Fantasy's departure while waiting for ships to transit the channel.
- The Port of Mobile is one of the 10 largest full-service seaports in the United States, with over 28.7 million tons of goods and 318,889 shipping containers handled port-wide. The cargo transportation industry continues its shift to increased use of standardized containers for multimodal (marine, rail, and truck) freight transportation systems. Additionally, the industry is trending toward larger, deeper-draft vessels, particularly for containerships and dry bulk carriers. The container business has been a point of strong growth for the Port of Mobile in recent years, including a record 20 percent container growth in 2017. The federal navigation channel's existing dimensions place constraints on deeper drafting vessels and without improvements could negate the growth of the port's container sector.
- The current channel presents three primary navigational challenges: 1. Larger size vessels experience transit delays due to the current width of the channel; 2. Existing channel depths limit vessel cargo capacity; and 3. Existing traffic congestion has increased safety concerns.
- The USACE Tentatively Selected Plan would include the following navigation improvements: Deepen the channel by 5 feet to a depth of 50 feet, widen the channel for three nautical miles to allow two-way traffic, expand the Choctaw Pass turning basin to accommodate safe turning of larger vessels, and ease the existing bend in the Bar Channel.

- The GRR/SEIS study states the TSP presents a growth in containerized and other vessel traffic and is economically justified with a benefit-to-cost ratio of 3.0.

The City of Mobile and my Administration are ready to assist in any way we can to ensure this project is successful. This project is a top priority of my Administration and we commit to working closely with the members of our U.S. House and Senate delegation both to maintain their support and to secure necessary funding.

We appreciate the strong partnership that has been forged between the City of Mobile and U.S. Army Corps of Engineers Mobile District. Together, we are working to be good stewards of Mobile's incredible natural resources and to improve the quality of life for our region.

Our bay and coastal waterways are a unique and invaluable ecosystem, supporting a diversity of marine life and amazing natural beauty. Under the leadership of the USACE, we firmly believe that this project will preserve those resources while also serving as a catalyst for economic growth.

In summary, the City of Mobile strongly recommends this transformational project be completed because of the significantly positive impact it will have on our citizens, businesses and the Port of Mobile's ever-expanding role in the global supply chain.

The City of Mobile is committed to continue to working closely with the U.S. Army Corps of Engineers throughout the public comment period and as it drafts the final GRR/SEIS report.

Sincerely,



William S. Stimpson
Mayor