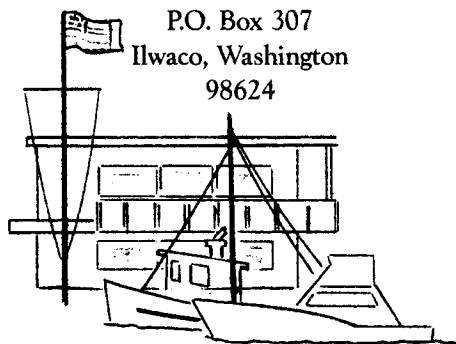


Commissioners  
FRANK UNFRED  
DICK WATROUS  
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# PORT OF ILWACO



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May 5, 2004

Mr. Ron Schultz  
Office of Governor Gary Locke  
100 Insurance Building  
PO Box 43113  
Olympia, WA 98504

Dear Mr. Schultz

## **RE: Preliminary Report from the US Commission on Ocean Policy**

Thank you for giving us this opportunity to submit comments on the subject report. It has far reaching recommendations that will potentially affect our community, state, nation and world.

To date, my time has been focused on three chapters of the very lengthy report: **12 Sediment Management, 13 Commerce and Transportation, and 19 Fisheries Management.**

The five policy recommendations on sediment management provide a good foundation for change:

**12-1 "...The strategy should consider: adverse impacts on marine environments...ensure involvement of port managers..."**

Dredging the Columbia River is a major regional issue. We believe that dredge disposal practices should be improved for safety and environmental reasons. Mounding of dredge materials on the near shore ocean bottom results in larger wave heights jeopardizing the lives of mariners. And dumping dredged material on Dungeness crabs should be eliminated or at least mitigated.

**12-2 "...Least cost disposal option for dredging projects reflects a more accurate accounting..."**

The report accurately states that the Corps of Engineers skews its accounting of costs and benefits when evaluating projects.

**12-3 "...Regional dredging teams..."**

All of the region's needs should be considered, not just the needs of bigger ports and communities. The US Army Corps of Engineers procedures result in passing over the needs of small ports and favoring the needs of larger ports. Four ports in Pacific and

Wahkiakum Counties produced a summary report of projects that require federal attention.

**12-4 "...Congress should modify its current authorization and funding processes to encourage USACE to monitor outcomes from past projects and study the cumulative, regional impacts of its activities within coastal watersheds and ecosystems."**

The Columbia River navigational improvements made by the Corps of Engineers have plugged Baker Bay with silt. Rep. Brian Baird has worked hard to include language in the Water Resources Development Act (WRDA) to study this problem and mitigate the effects.

#### **12-5 Contaminated sediments**

This is another critical issue

#### **Other Policy changes needed**

In Ilwaco our fishing industry is critical to our local economy. Historically, the tonnage through federal channels sets the priority for federal dredging decisions. Now the "bar has been raised" such that no shallow draft port merits federal administration budget priority. Fortunately Congress was able to appropriate funds in FY 2003 to get our channel dredged. Without dredging, fishing boats would take their fish elsewhere thus leading to smaller tonnages and ultimately the local economy would be sacrificed. Recreation boats don't count. And the Corps uses the National Economic Development Model that prescribes that our loss is offset by a gain elsewhere in the nation. **The Corps of Engineers needs new rules that will protect small ports.**

#### **Chapter 13 Commerce and Transportation**

This chapter also appears slanted in favor of larger ports. For example page 147 mentions the significant obstacles faced by larger ports, but fails to mention the fact that dredging smaller ports is completely absent from the federal administration's budget request. The chapter goes on to describe the problems of rail and highway capacity, but in Pacific County there is no rail service at all, we are more than 65 miles to the nearest interstate highway, and we are more than 100 miles from a commercial airport. However our port businesses provide 388 jobs in a community of fewer than 1000 people.

#### **Chapter 19 Fisheries Management**

The constituents of the Port of Ilwaco, both fisherman and processors are very opposed to Individual Fishing Quotas. The report cites the halibut fishery in Alaska as a popular success of IFQs, but what about the fishermen that were driven out of their jobs?

Please consider these comments when preparing your recommendations for Governor Locke.

Sincerely,

  
Mack Funk

Cc: Senator Patty Murray  
Senator Maria Cantwell  
Rep. Brian Baird  
Port of Ilwaco Commissioners  
Dale Beasley, Columbia River Crab Fishermen's Association  
Butch Smith, Ilwaco Charter Association  
Pierre Marchand, Jessie's Ilwaco Fish Co.  
Dr. Jeff Koenings, Washington Dept. of Fish & Wildlife  
Jim Anderson, US Army Corps of Engineers  
Washington Public Ports Association  
Pacific Northwest Waterways Association  
Southwest Washington Coastal Communities

#### **SEC. 5102. BAKER BAY AND ILWACO HARBOR, WASHINGTON.**

The Secretary shall conduct a study of increased siltation in Baker Bay and Ilwaco Harbor, Washington, to determine if the siltation is the result of a Federal navigation project (including diverted flows from the Columbia River) and, if the Secretary determines that the siltation is the result of a Federal navigation project, the Secretary shall carry out a project to mitigate the siltation as part of maintenance of the Federal navigation project.

#### **SEC. 5103. CHEHALIS RIVER, CENTRALIA, WASHINGTON.**

The Secretary shall credit toward the non-Federal share of the cost of the project for flood damage reduction, Chehalis River, Centralia, Washington, the cost of planning, design, and construction work carried out by the non-Federal interest before the date of the partnership agreement for the project if the Secretary determines that the work is integral to the project.

#### **SEC. 5104. HAMILTON ISLAND CAMPGROUND, WASHINGTON.**

The Secretary is authorized to plan, design, and construct a campground for Bonneville Lock and Dam at Hamilton Island (also known as 'Strawberry Island') in Skamania County, Washington.

#### **SEC. 5105. PUGET ISLAND, WASHINGTON.**

The Secretary is directed to place dredged and other suitable material along portions of the Columbia River shoreline of Puget Island, Washington, between river miles 38 to 47 in order to protect economic and environmental resources in the area from further erosion, at a Federal cost of \$1,000,000. This action shall be coordinated with appropriate resource agencies and comply with applicable Federal laws.

## President's 2004 budget does not meet basic infrastructure needs

The President's budget was submitted to Congress February 3. It includes \$4.19 billion for the U.S. Army Corps of Engineers' civil works program, down from \$4.65 billion in 2002. Funding supports three main civil works missions: 1) flood protection; 2) commercial navigation; and 3) aquatic ecosystem restoration. The proposal falls far short of PNWA's funding goals to meet basic navigation necessities in the region. The line item budget for Corps civil works is available at [www.usace.army.mil/civilworks/cecwb/budget](http://www.usace.army.mil/civilworks/cecwb/budget). The budget overview is at [www.whitehouse.gov/omb/budget/fy2004](http://www.whitehouse.gov/omb/budget/fy2004).

### **Zero funding for shallow coastal ports**

There is no funding for shallow draft coastal ports in the President's budget. The Administration says that shallow commercial and recreational ports do not meet the commercial navigation mission. The Ports of Bandon, Brookings Harbor, Gold Beach, Port Orford, Umpqua, Siuslaw, Tillamook Bay and Ilwaco are all excluded. PNWA strongly supports funding for these important commercial ports.

### **Zero for Columbia River deepening**

Columbia River channel deepening funds are not in the budget. The only new Northwest construction project was \$2 million for Lower Columbia River ecosystem restoration. PNWA's top priority Columbia River construction project is the channel deepening.

### **New user fee proposed for inland operations and maintenance**

The Administration is proposing to require inland waterway users to pay either 25 percent or 50 percent of operations and maintenance (O&M) costs through the Inland Waterway User Fee. The fee currently pays for half of all new construction on the inland waterways. O&M is

now 100 percent federally funded. The President proposes that users of high-use waterways of over 5 billion ton-miles per year pay 25 percent of O&M costs. Users of lower-use waterways, including the Columbia and Snake Rivers, would pay 50 percent of O&M. Trust fund expenditures would increase from \$104 million in 2002 to \$256 million in 2004. PNWA opposes this new user fee.

### **New user fee proposed for deep draft construction**

The Harbor Maintenance Tax, which currently pays for 100 percent of all deep-draft O&M, would be expanded to pay the federal share of new construction. Currently, local sponsors pay 35 percent of new construction and the federal government pays 65 percent. HMT expenditures would increase from \$653 million in 2002 to \$826 million in 2004.

### **O&M budget insufficient**

For those projects that are budgeted, the Administration does not provide sufficient funding to meet regional needs. Under-funded projects include the Mouth of the Columbia (\$1.5 million), the lower Columbia River (\$2.5 million), Portland Harbor (\$4.2 million) and several locks upriver. Shortfalls also occur for deferred maintenance, such as the navigation lock and foundation at John Day (\$10.3 million), and jetty repairs at Coos Bay (\$10 million) and Tillamook Bay (\$10 million). PNWA supports increasing the O&M budget to meet these needs.

### **Security expense reduces O&M funding**

The shortfalls above would occur if all the budgeted O&M funds were available to meet navigation needs. However, approximately 20-25 percent of the O&M budget will be diverted from maintenance to increasing security at

navigation facilities. This will reduce O&M navigation capability by \$3.8 million in the Walla Walla District and \$11.6 million in the Portland District. There is potential that channels may not be dredged or maintenance will be further deferred. PNWA supports improving security, but funds for security improvements should be appropriated as additions to, not as replacements for, regular O&M funds.

#### **Dredges in the Civil Works budget**

The Corps budget includes \$8 million to maintain the dredge *Wheeler* in ready reserve status. PNWA supports active use of the federal hopper dredges to their full capability. Yesterday, we reported on navigation budget shortfalls. This \$8 million could be better spent by having the *Wheeler* actually dredging navigation channels. And, more work could be performed at lower cost by removing restrictions on the dredges *Essayons* and *Yaquina*.

#### **Department of Homeland Security**

Homeland Security's budget will include funds to assess the nation's critical infrastructure (nuclear power plants, water facilities, telecommunications networks, and transportation systems), increase border security and trade initiatives (including machines for inspecting cargo containers), and continue the Container Security Initiative. We did not see an indication of whether funding will be made available to ports or others as grants.

#### **Department of Transportation**

Highway spending is being linked to Highway Account Trust Fund receipts. A proposed new highway infrastructure performance and maintenance initiative is funded at \$1 billion per year for six years. It will target "ready-to-go" highway projects that address traffic congestion and improve infrastructure condition. Bridge Program funding is up \$800 million, to over \$4 billion, to help states address unsafe and inadequate bridges. The Local Rail Freight Assistance program has been phased out and no funding is requested for 2004.

#### **Bonneville Power Administration**

OMB charges that "Bonneville competes with the private sector" and "the statutory application of preference in the sale of power creates administrative inefficiencies and restricts market activity. Market pricing of power and unrestricted sales would improve opportunities for more efficient operations." PNWA is concerned that the Administration is seeking to shift BPA from cost-based to market-based pricing and possibly privatizing BPA. The Northwest is already experiencing power rates above national averages. These actions would be extremely harmful to the regional economy.

#### **Economic Development Administration**

Funding for EDA is down for 2004. The EDA's budget will place priority on economic growth, enhancing regional competitiveness and supporting long-term development of regional economies. Funding includes \$30 million for planning and technical assistance grants, \$232 million for public works grants and \$55 million in economic adjustment grants. Economic adjustment includes grants to support Brownfields redevelopment.

#### **Environmental Protection Agency**

The EPA budget includes \$121 million for Brownfields cleanup and \$1.4 billion for Superfund site cleanup.

#### **Bureau of Reclamation**

Funding for the Columbia Basin Project is down \$1.9 million, to \$8.9 million. A new Western Water Initiative is proposed at \$11 million to increase efficiency in the delivery of water and power while reducing conflicts and crises over water.