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Corps, partners temporarily suspend study for Alaska Deep-Draft Arctic Port System

USACE – Alaska District Public Affairs

JOINT BASE ELMENDORF-RICHARDSON – The U.S. Army Corps of Engineers-Alaska District, in cooperation with its partners, will exercise a 12-month pause in the feasibility study for the Alaska Deep-Draft Arctic Port System.

The temporary suspension allows the Corps and its partners to revalidate potential economic benefits and justification for the project.

On Sept. 28, Royal Dutch Shell Oil announced it was suspending exploration activities in the Arctic for the “foreseeable future,” bringing into question the validity of the current economic assumptions and the overall justification for the project.

“A study that can’t be economically justified is typically terminated,” said Bruce Sexauer, chief, Civil Works, Alaska District, “however, because of the nature of the oil and gas industry and the strong interest in enhanced Arctic marine infrastructure, the Corps and its partners have decided to pause the study, rather than terminate it.”

The study, which began in December 2011, has proceeded to date under an agreement with the State of Alaska, the cost sharing non-federal sponsor.

Potential port sites were investigated and the Port of Nome was identified as having the greatest potential for initial Arctic port investment.

A plan was identified for Nome Harbor to extend the existing causeway and deepen the harbor to minus 28-feet Mean Lower Low Water.

Guidelines established by law and policy govern how the Corps of Engineers calculates project benefits. The bulk of benefits used to justify the Port of Nome expansion in the study are related to travel cost savings for oil and gas support vessels for activities in the Chukchi Sea.

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By utilizing the Port of Nome, the vessels could save 1,600 miles per round trip. The benefits also assumed the development of three exploration wells in the Chukchi Sea by the year 2020.

During the next year, the Corps and its partners will monitor Arctic activities to determine if there may be the potential for federal interest in continuing the study. At the end of the hiatus, the Corps, State of Alaska and the city of Nome will assess whether to proceed with the study as is or to change the scope of the study to analyze other options.

Questions and comments on this action are welcomed and may be submitted to the following email: AKRegPorts@usace.army.mil. Comments received at the above address will be used to assess the future path of the Alaska Deep-Draft Arctic Port System feasibility study.

For more information or media inquiries, contact the USACE-Alaska District Public Affairs Office at (907) 753-2721 or (907) 753-2522.

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