

Wilmington Harbor Improvement Project: Deficient Section 203 Feasibility Report

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The North Carolina Ports Authority's revised Section 203 report, completed in February 2020, prematurely selects an outcome, under-represents environmental damage that would result from the project, and continues to rely on unsupported economic assumptions.

The Ports Authority's Revised 203 Report Falls Far Short of Serving the Purposes of NEPA
Corps guidance directs that a 203 study should document decision-making in a manner that would comply with NEPA.¹

- **The NEPA process has barely started.**
 - No Draft Environmental Impact Statement has been prepared for the project
 - There has been no public notice and comment on the 203 report, nor on any underlying environmental analysis.
 - Corps guidance envisions the NEPA process being completed, with a Record of Decision, before the Corps sends the 203 report on to OMB.²
- **The environmental analysis in the 203 report is inadequate for making an informed decision about the impacts of the project.**
 - The 203 report inappropriately eliminates all non-dredging alternatives.
 - The report fails to review negative impacts to minority or low-income populations. Without justification or analysis it concludes that the project “would likely have beneficial effects on low income and minority populations as compared to the effects of the No Action Alternative.”³
 - The report is riddled with citations to decades-old studies about the ecosystems within the project area and attempts to draw conclusions about likely environmental impacts based on data predating the last dredging of the harbor.
 - The report uses outdated sea level rise data that results in outdated and severely underestimated predictions, calling into question many of the report's analyses.
 - The cursory air quality discussion, inappropriately based on a 2013 emissions inventory for Charleston Harbor, claims without support that larger vessels are more efficient and would result in lower air quality impacts, conflicting with the assumption that vessels would stop calling at Wilmington without the project.
 - The 203 report provides only cursory, unsupported statements of environmental impacts for different dredging depths, limited solely to unexplained conclusions in a summary table.
 - The report's inadequate mitigation plan lacks specifics as required by Corps guidance, and is exacerbated by the flawed analysis of environmental damages.⁴

¹ See USACE ER 1165-2-209 at B-7

² See USACE ER 1165-2-209 at B-9.

³ Revised 203 at 257.

⁴ USACE ER1165-2-209 at B-7.

The 203 Report's Unsupported Economic Assumptions Undermine Alleged Purpose of Project
Several of the Corps' concerns with the June 2019 draft 203 report—particularly those pertaining to unjustified economic claims that tainted the entire report's analyses—remain unresolved in the revised 203 report.

- **The report overestimates commodity forecasts and in turn overstates project benefits.**
 - The current report's Economics Analysis Appendix contains the exact same table and numbers highlighted by the Corps as overstatements in the original 203 report, and fails to explain the drastic difference between these numbers and data from the Waterborne Commerce Statistics Center as previously directed by the Corps.
- **The report assumes that *all* USEC-Asia services currently calling at Wilmington would switch to PPX3 or larger vessels and would shift to Savannah without the project.**
 - The Corps identified these as unreasonable assumptions, but the revised 203 report continues to claim that “[u]nder without-project conditions USEC-Asia services will not call at the Port of Wilmington.”⁵
 - The report assumes without justification that all possible USEC-Asia TEUs will either go through Wilmington or to Savannah, without consideration of other possible divisions of cargo among other ports.
 - The report never considers what would happen in future years if Savannah or other ports decide to dredge to deeper depths.
- **Unexplained trucking and vehicle miles traveled analyses call into question alleged transportation cost reduction benefits, and ignores freight rail entirely.**
 - The report fails to explain how it determined the alleged reductions in vehicle-miles traveled under different scenarios, including whether this is based on retaining existing TEUs at the port, or increasing TEUs at the port.
 - The report fails to provide any discussion or analysis of how freight rail will be used in the future, particularly in light of the Port of Savannah's Mason Mega Rail project that is set to position Savannah as North America's largest intermodal rail facility for a port authority.

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⁵ E.g. Revised 203 at 121.