



Delaware Deepening An Economic Shell Game

Fact Sheet #3 — Delaware Deepening An Economic Shell Game

The Army Corps of Engineers and the Delaware River Port Authority are proposing to deepen the main navigation channel of the Delaware River from the Ocean to Philadelphia an additional five feet. Dump the Delaware Deepening is a coalition of environmental, civic and health organizations opposed to the project.

The Corps' cost benefit analysis is inflated, plans for funding the local share of the project are both inappropriate and set a dangerous precedent for the region, and job expectations are unsupported.

The Project Primarily Benefits the Oil Companies.

According to the Corps, over 80% of the benefit from the proposed deepening project accrue to six oil facilities. But the Corps does not have commitments from these oil facilities that they will actually invest the \$21 to \$50 million of private funds that will be required to take advantage of the deepened channel.

In order for the oil facilities to accommodate the more deeply loaded ships that could be accommodated by a 45 foot navigation channel the oil facilities would also have to deepen their own private channels and berths. In some instances, facilities have affirmatively indicated they will not be investing the monies necessary to deepen their berths and take advantage of the deepened channel.

The Alliance believes it is inappropriate to include benefits in the cost/benefits analysis that will never be realized.

In addition the Corps' Cost/Benefit calculation:

- Estimates a cost of lightering that is 13% higher than the true cost;
- Estimates the amount of oil lightered at 12% higher than is actually lightered
- Overstates historic crude oil import growth in the region;

Together these incorrect figures artificially inflate the benefits that should be attributed to the project.

The Delaware River Port Authority Proposes using Bridge Tolls to Fund their Share:

As proposed, the \$300 million deepening project requires \$200 million of federal funds and \$100 million to be provided by the local sponsor, the Delaware River Port Authority (DRPA). At present the distribution of funding for the local share is as follows:

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- \$15 million authorized (not appropriated) from the state of Pennsylvania;
- \$15 million authorized (not appropriated) from the State of New Jersey;
- \$ 2 million authorized (not appropriated) from the State of Delaware; and
- \$68 million from the DRPA itself.

The DRPA has put forth a number of plans for raising its share of the needed funds:

- They have created a business plan that contemplates creation of a dredge disposal business which would rely upon highly contaminated, out-of-region dredge spoils;
- They have proposed increasing bridge tolls and/or PATCO fares in order to pay for the River project. DRPA has indicated a plan to issue bonds to pay for their local share of the project. DRPA bonds can only be supported by bridge tolls and PATCO fares. This plan directly contradicts Congress' stated belief that water transportation users should fund the project, not surface transportation users.

The Alliance is concerned about proposals to import potentially toxic dredge spoils from out-of-region and/or to charge surface transportation users (cars, trucks and buses) more money to pay for this ill-conceived River project.

The Project Will Not Increase the Number of Long-Term Jobs Available in the Region.

The Corps' own documents state that "No induced tonnage from the project improvement is projected." The Temporary construction jobs that will accompany the project will likely go to out-of-region dredging firms who import most of their labor from their homeports. The public has been given no reason to believe that permanent jobs in this region will result from the channel deepening project.

An Alliance has been formed to oppose the project. Dump the Delaware Deepening is comprised of organizations and individuals throughout the region concerned about this project. If you want to get involved call us at 1-800-8-DELAWARE.