Ocean City Inlet and Harbor Navigation Improvement Project

Economics and Engineering

Authority and Economics

- Army Corps Navigation improvement projects authorized by Section 107 of the River and Harbor Act of 1960 (as amended)
- Section 107 projects are formulated for commercial navigation (Engineering Regulation 1105-2-100)
- Economic justification for projects based on analysis of operating costs for commercial vessels
- Benefits of navigation improvements must outweigh costs (Benefit to Cost Ratio)

Ocean City Inlet and Harbor

Federally authorized dimensions of Ocean City Harbor and Inlet are 10 feet deep (mean lower low water) and 200 feet wide.

Dredging

- Inlet typically needs to be dredged several times annually
- Funding availability for this maintenance dredging cannot keep up with needs
- Much of dredging performed through Assateague Island Restoration Project (ends in ~ fiscal year 2027) or emergency dredging funds

Potential Long-term Solutions to Manage Shoaling

- Building a structure to alter patterns for sediment deposit
- Deepening the channel
- Realigning the channel to deeper water

Benefit to Cost Ratio (BCR)

Ratio of the annual benefits of the project compared to the annual costs to construct and maintain

Project must have BCR of > 1.0 to be in federal interest to proceed

Contribute info to a survey on boating use in inlet!

Economic Evaluation

Primarily considers:
- Benefits derived from commercial vessels (including charter recreation vessels)
- Economic benefits determined by comparing the current condition without a project to anticipated condition if project existed
- Existing fleet & trip characteristics (vessel type, draft, crew, trips) and forecast of future fleets
- Reduction in labor/time costs due to tidal delays
- Reduction in fuel costs due to tidal delays
- Reduction in damages to vessels
- Reduction in channel maintenance costs

Recreational use of inlet considered in evaluation of benefits to regional economic development and other social effects. Dollar amount of recreational benefits allowed in final economic analysis is limited.