
EXHIBIT A
CORRESPONDENCE

INTERSTATE COLUMBIA RIVER IMPROVEMENT PROJECT (ICRIP)

**P.O. Box 3529 Portland, OR 97208
Port of Kalama Port of Longview
Port of Portland Port of St. Helens
Port of Vancouver Port of Woodland**

July 29, 1999

Colonel Randall J. Butler
Commander
U.S. Army Corps of Engineers, Portland District
P.O. Box 2946
Portland, OR 97208-2946

Dear Colonel Butler:

This letter confirms our support for the recommended deepening of the Columbia River channel from 40 to 43 feet, contained in the Corps of Engineers' (the "Corps") "Final Integrated Feasibility Report for Channel Improvements and Environmental Impact Statement for the Columbia and Lower Willamette River Navigation Channel" (the "Final Integrated Report"). It also confirms our intent, as the non-federal Co-sponsors for the proposed channel deepening, to enter into a Project Cooperation Agreement (PCA) with the Corps prior to construction of the project. This will be accomplished at the appropriate time by signatures from the Oregon and Washington sponsor representatives, the Ports of Portland and Vancouver, which have been designated through intergovernmental agreements among the other sponsoring ports of Longview, Kalama, Woodland, and St. Helens.

Our intent to enter into the PCA is based on our support of the feasibility report's recommendation that the navigation channel be deepened to 43 feet. This is the only alternative supported by the sponsoring ports. It is the only one that addresses the existing channel's depth limitations in a way that will maintain the Columbia River's position as a national export gateway. No other alternative, including proposals for one-stop and topping-off facilities downriver, offers the nation or the region the competitive enhancement provided by the annual transportation cost savings identified for the 43-foot alternative.

We also support the findings regarding the non-structural alternative of improving LoadMax river stage forecasting system. The sponsor ports are encouraged by and supportive of recent improvements to LoadMax by the National Weather Service Northwest River Forecast Center, as well as advances in website access to real-time river level data. As stated in the final feasibility report and in the Corps' responses to comments, LoadMax improvements alone will only result in marginal increases in safety and maximum vessel drafts. They will not serve as an alternative to deepening the channel from the perspective of the deep-draft navigation users and, therefore, are not an acceptable alternative to deepening the channel to 43 feet. It is estimated that future additional improvements to the river stage forecast system would be implemented as part of the day-to-day operations with or without a new project.

Other recommendations we wish to specifically endorse include those with respect to the Willamette River and sponsor construction of a portion of the proposed project. Although it is

primarily the concern of the Oregon sponsors, the recommendation to delay construction of the Willamette River channel deepening to coordinate with the State of Oregon's comprehensive investigation and remediation of contaminated sediments within the Portland Harbor is supported by all sponsors. In addition, we are prepared to meet our commitments for the construction of the "separable element" from river mile 95 to the end of the project, including embayment circulation improvements.

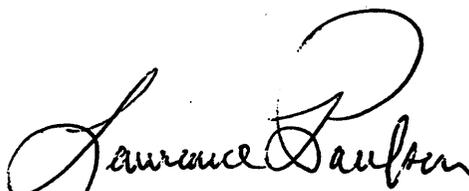
The non-federal sponsors are capable of funding our obligations for cost sharing the proposed project, including environmental restoration. Our options include funds from the States of Oregon and Washington, as well as general obligation bonds, tax revenues, and cash reserves. To date, the states of Oregon and Washington have committed up to \$37.7 million towards the local sponsors' share to deepen the Columbia River navigation channel. The Co-sponsors will seek remaining funding of approximately \$16 million through the states. An additional \$6.3 million will be sought from the State of Oregon for funding of the Willamette River portion of the project at such time as this portion of the project is ready to proceed. Specific details will be provided in the final financing plan to be submitted with the PCA.

We request that Corps headquarters complete its review and approval of the "Final Integrated Feasibility Report for Channel Improvements and Environmental Impact Statement for the Columbia and Lower Willamette River Navigation Channel" as soon as possible.

Sincerely,



Mike Thorne
Executive Director, Port of Portland
Oregon Sponsor Representative



Lawrence L. Paulson
Executive Director, Port of Vancouver
Washington Sponsor Representative

INTERSTATE COLUMBIA RIVER IMPROVEMENT PROJECT

P. O. Box 3529
Portland, OR 97208

Port of Kalama Port of Longview Port of Portland
Port of St. Helens Port of Vancouver
Port of Woodland

April 22, 1994

Colonel Charles A. W. Hines
Commander
U. S. Army Engineer District, Portland
P. O. Box 2946
Portland, OR 97208-2946

Dear Colonel Hines:

This letter re-confirms our support for the recommendations contained in the Corps of Engineers Report entitled Columbia River Channel Deepening Reconnaissance Study dated, October 1991. These recommendations are that the reconnaissance study be approved and serve as a basis for approval and funding for a more detailed feasibility study to identify the preferred plan, which in the case of the Lower Columbia River Ports is a 43-foot deep-draft navigation channel. Additionally, we anticipate authorizing the Port of Portland, our representative in contractual relations with the Corps of Engineers, to enter into a feasibility cost-sharing agreement with the Corps of Engineers when the reconnaissance study is certified by Corps Headquarters in Washington, D.C. Upon certification of the reconnaissance study, we expect to participate in the feasibility study which is estimated to cost \$6,100,000.

We understand that if the channel deepening project is recommended and authorized for construction by the Congress, construction would not begin until we entered into a local cooperation agreement with the federal government. Further, we understand that if we enter into a cost-sharing agreement, we must comply with the cost-sharing provisions of Section 101 of the Water Resource Development Act of 1986.

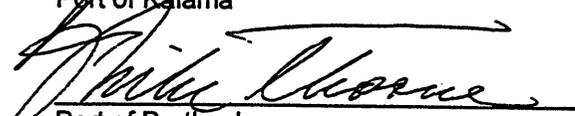
The financing options available to the Ports for our share of construction costs under the cost sharing provisions of Section 101 include cash from operational funds, the use of one or more of our individual bonding capacities, and cash contributions from the states of Oregon and Washington. Considering the economic importance of this project to the region, we are optimistic about our ability to provide the necessary construction funding when the project is authorized by Congress.



Port of Kalama



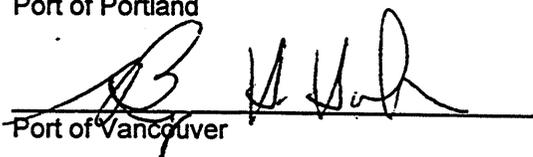
Port of Longview



Port of Portland



Port of St. Helens



Port of Vancouver



Port of Woodland



Port of Portland

Box 3529, Portland, Oregon 97208, U.S.A.
503/231-5000

September 9, 1997

Ms. Laura L. Hicks
Project Manager
Columbia River Channel Deepening Project
US Army Engineer District, Portland
PO Box 2946
Portland, OR 97208-2946

Dear Ms. Hicks:

A principal agenda topic at the Interstate Columbia River Improvement Project (ICRIP) meeting on August 12, 1997, was a May 29, 1997, Corps proposal for an ecosystem restoration initiative for the lower river that could be integrated into the channel deepening project. The Corps proposal was in response to a July 24, 1996, ICRIP request that "the Corps determine the probable scope and associated cost, including cost sharing requirements, for an ecosystem restoration initiative that could be developed in conjunction with channel deepening." The purpose of this letter is to provide written confirmation of the results of the August 12 ICRIP meeting.

Following a comprehensive presentation, from Jeff Dorsey of your staff, the port executive directors unanimously approved the Corps proposal for a feasibility level study that will examine:

1. Dike breach at Shillapoo Lake (vicinity Port of Vancouver) to restore wetlands and riparian habitat.
2. Tide gate retrofit at various diking districts along the lower river to increase salmon runs in affected streams.
3. Modification of dredged material placement at Lord-Walker, Fisher-Hump, and Miller Sands.
4. Placement of up to 4,000,000 cubic yards of dredged material in deep water between Miller Sands and Pillar Rock Islands.

Ms. Laura L. Hicks
September 9, 1997
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Approval of the Corps proposal was conditioned on the following:

1. Ecosystem restoration feasibility studies are cost shared at 50% with the non-federal sponsor.
2. The estimated total cost of \$280,000 for the ecosystem restoration feasibility study can be absorbed into the original budget for the channel deepening study without exceeding the \$6,100,000 study estimate contained in the Feasibility Cost Sharing Agreement.
3. Integration of the ecosystem restoration feasibility study into the channel deepening feasibility study will not adversely impact the schedule for the channel deepening study.

We look forward to working with you and members of the study team on this important project.

Sincerely,



Bob Friedenwald
Project Director

cc: Port of Astoria
Port of Kalama
Port of Longview
Port of Portland
Port of St. Helens
Port of Vancouver
Port of Woodland