

Congress of the United States
Washington, DC 20515

November 4, 2015

The Honorable Barack Obama
President of the United States
The White House
1600 Pennsylvania Ave NW
Washington, DC 20500

Dear Mr. President:

We write to share our strong support for the Craney Island Eastward Expansion, a partnership of the U.S. Army Corps of Engineers and the Virginia Port Authority. As bipartisan members of the Senate and House from Virginia, this is our top civil works funding priority. This project has national implications for commerce throughout the eastern half of the country. We request civil works funding in the FY17 President's Budget and consideration for this project in the FY16 work plan pending approval of the FY16 Energy & Water appropriations bill. This project could execute up to \$50 million in funds if approved over these fiscal years.

This project will expand the current dredge fill facility at Craney Island in Hampton Roads, Virginia and allow for a marine terminal on site that will nearly double the cargo capacity of the Port of Virginia. Virginia is currently the sole east coast port authorized to dredge 55-foot channels with 57-foot sea lane approach, deep enough to accept post-Panamax cargo vessels, which are projected to account for 62% of container ship capacity by 2030. In anticipation of this increased capacity, the Port of Virginia received a \$15 million federal TIGER grant in FY14 for a direct interstate highway connection from the main Norfolk marine terminal, which will move more cargo more quickly. The new Craney Island marine terminal will also move this cargo to our nation's rail network via the recently opened Heartland Rail Corridor from Hampton Roads, Virginia, to the Midwest, further underscoring how the benefits of this project to transportation and commerce will be felt far beyond Virginia's borders.

This project was authorized in WRDA 2007 at a 50% federal cost-share and has an active Project Partnership Agreement between the Army Corps and the Commonwealth of Virginia. While we understand that civil works funds are limited, we also understand that a Limited Reevaluation Report (LRR) is under review within OMB and the Office of the Assistant Secretary of the Army (Civil Works) that shows a strong case for a federal interest in the project greater than the 4% federal contribution that OMB has previously considered sufficient. Even if 4% were sufficient, which is inconsistent with Congressional intent, project costs have now grown due to inflation and the lack of any funding in the President's budget since FY12 means the federal share has not even met this 4%. To date, more than \$100 million has been invested in the project, which is more than 10% complete, to which the federal contribution has only been \$33 million from FY10, FY11, and FY12.

Advancing this project will not only incur future economic benefits but will buttress the existing investment. FY16 work plan funding and FY17 support in the President's budget would allow the first dredge fill cell of the expansion project to be completed on schedule in 2019. This would allow for the continued disposal of dredged materials from Norfolk Harbor at a lower cost for the federal government than at the Norfolk Ocean Disposal Site. In addition, the most recent dike design refinements further increase the future available volume, which will deliver additional long-term dredged material transportation and disposal savings (\$95.7 million) over the original 2006 estimate.

Furthermore, with \$100 million invested and the project more than 10% done, it is important that we do not further delay the project's progress given that extreme weather events, such as Superstorm Sandy in 2012, are a risk every year to damage the project and set back the timetable for completion.

As ship sizes and cargo volumes increase, east coast ports need additional capacity to meet the nation's cargo demands. This project supports your stated international trade policies by incurring some \$16 billion of benefits through developing critical domestic infrastructure, increasing port capacity, improving navigation, creating jobs, and reducing transportation costs for American businesses. The Port of Virginia's location within a day's drive of two-thirds of the U.S. population makes it a vital piece of the nation's multi-modal commercial and transportation system.

We believe the Craney Island Eastward Expansion has clear benefits for the nation and is worthy of federal support. We again request funding for this project in the FY16 work plan and in your FY17 budget request. We appreciate your considering these requests, and we look forward to discussing this matter with you further.

Thank you very much for your attention to this matter.

Sincerely,



MARK R. WARNER
United States Senator



TIM KAINE
United States Senator



BOB GOODLATTE
Member of Congress



ROBERT C. "BOBBY" SCOTT
Member of Congress

The Honorable Barack Obama

November 4, 2015

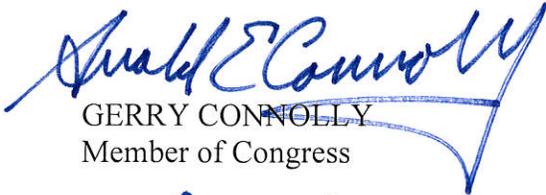
Page 3



J. RANDY FORBES
Member of Congress



ROBERT J. WITTMAN
Member of Congress



GERRY CONNOLLY
Member of Congress



ROBERT HURT
Member of Congress



SCOTT RIGELL
Member of Congress



DAVE BRAT
Member of Congress



DONALD S. BEYER, JR.
Member of Congress



BARBARA COMSTOCK
Member of Congress

CC: The Honorable Shaun Donovan, Director, Office of Management and Budget
The Honorable Jo-Ellen Darcy, Assistant Secretary of the Army (Civil Works)