Congress of the United States Mashington, DC 20510

December 2, 2021

The Honorable Shalanda Young Acting Director Office of Management and Budget 725 17th Street, NW Washington, DC 20503

The Honorable Michael L. Connor Assistant Secretary of the Army for Civil Works U.S. Army Corps of Engineers 441 G Street, NW Washington, DC 20314

Dear Acting Director Young and Assistant Secretary Connor:

As lawmakers representing the Commonwealth of Virginia, we write today concerning funding needs for the Norfolk Harbor and Channels Widening and Deepening project. In order to keep this essential project for Virginia on schedule, we request at least \$159 million in federal funding in Fiscal Year 2022 through the U.S. Army Corps of Engineers (USACE) Fiscal Year 2022 Work Plan and funding made available through the recently enacted bipartisan Infrastructure Investment and Jobs Act (IIJA).

The Port of Virginia is one of the largest and busiest ports on the East Coast and is one of the Commonwealth's most powerful economic engines. Annually, the Port of Virginia is responsible for more than 400,000 jobs and \$92 billion in spending across Virginia and generates more than seven and half percent of the Commonwealth's Gross State Product. The Port's reach also extends throughout the Mid-Atlantic and into the Ohio Valley and Midwest. U.S. exports account for more than half of its container movements and serve a robust rail market to and from American farmers and manufacturers throughout the Midwest and Ohio Valley.

The widening and deepening of Norfolk Harbor is essential to continue safe and timely passage of ever-increasing commercial and military vessels through the harbor. Deepening Norfolk Harbor to 55 feet from its current 50 feet depth and widening Thimble Shoal Channel to 1,400 feet will enable safe, two-way traffic in and out of the harbor and will help prevent delays to commercial and military vessels – a necessity in today's global trading landscape. Expanding Norfolk Harbor to allow for two-way traffic will also help prevent backlogs of commercial vessels that could cause costly delays and supply chain disruptions that are currently affecting some port facilities across the U.S.

Construction on the first constructible element of the Norfolk Harbor project, deepening Thimble Shoal Channel – West, began in December 2019, 18 months ahead of schedule. In August 2021, the Port awarded a contract to deepen and widen Thimble Shoal Channel – East. Both segments

are scheduled to be complete by August 2022. Both contracts are funded and administered by the Port and are in full compliance with federal standards under a Memorandum of Understanding with USACE in July 2017. Further, the construction work is eligible as Work-In-Kind once a Project Partnership Agreement is signed. The Commonwealth of Virginia has provided full funding of \$20 million for Preconstruction Engineering and Design and \$330 million for construction in its FY19-20 biennial budget.

We were pleased that the President's FY22 Budget Request included \$83.7 million and a New Start designation for the Norfolk Harbor project. We were also pleased to see this funding maintained in the House and Senate Fiscal Year 2022 Energy and Water Subcommittee Appropriations bills. As the Fiscal Year 2022 appropriations process continues, we respectfully request this amount be maintained in the USACE Fiscal Year 2022 Work Plan. This amount will fund construction for the Newport News Channel and a portion of the inner harbor. In addition, we request at least \$75.3 million in funding through the recently signed IIJA to fully fund inner harbor construction and advance Atlantic Ocean Channel construction to address capacity constraints at the Craney Island Dredged Material Management Area. Allocating at least \$159 million in federal funding to Norfolk Harbor in Fiscal Year 2022 will allow this nationally significant project to remain on track for completion by early 2025.

The Port of Virginia is a commercial and economic engine for the United States and continues to play an integral role in American foreign and domestic commerce and trade. Federal investment into this project will allow the Port to remain a prominent economic hub for the nation and a key player in domestic and international trade by generating more than \$3.9 billion in net national economic development benefits. Completion of this project will also support the construction of the Coastal Virginia Offshore Wind project – a 2.6-gigawatt commercial offshore wind project off Virginia's coast that will power up to 660,000 Virginia homes and the Commonwealth's push to become a hub for offshore wind development along the East Coast.

Thank you for your consideration. Please do not hesitate to reach out if you have any questions regarding this request. We look forward to continue working with you to support this critical project for Virginia and our nation's ports and harbors.

Sincerely,

k R Werner

Mark R. Warner U.S. Senator

Robert C. "Bobby" Scott Member of Congress

Tim Kaine U.S. Senator

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Gerald E. Connolly Member of Congress

Donald S. Beyer Member of Congress

Elaine G. Luria Member of Congress

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Abigail D. Spanberger Member of Congress