LETTERS OF SUPPORT - NONFEDERAL SPONSOR APPENDIX

DRAFT NORFOLK HARBOR NAVIGATION IMPROVEMENTS MEETING AREA VALIDATION REPORT/ SUPPLEMENTAL ENVIRONMENTAL ASSESSMENT

VIRGINIA

APPENDIX F

2021

U.S. Army Corps
of Engineers
Norfolk District

THE PORT OF VIRGINIA®

THE PORT OF VIRGINIA®

VIRGINIA PORT AUTHORITY
600 World Trade Center, Norfolk, VA 23510
(757)683-8000

November 10, 2021

Colonel Brian P. Hallberg, PMP
Commander, Norfolk District
U.S. Army Corps of Engineers
803 Front Street
Norfolk, VA 23510

Dear Colonel Hallberg,

I am writing to reaffirm the Virginia Port Authority's support, as the agent for the Commonwealth of Virginia, for the implementation of the Norfolk Harbor Navigation Improvements Project, including the Meeting Areas at Thimble Shoal Channel. As presented in the Validation Report and Supplemental Environmental Assessment, the report reaffirms that Meeting Area 2 is part of the Recommended Plan (RP) and recommends the addition of Meeting Area 1 to the RP, at a first cost of approximately $83,500,000.

It is the intent of the Port Authority to serve as the Non-Federal Sponsor of the Project and to provide the necessary items of local cooperation, including the contribution of the Non-Federal share of the additional implementation cost for Meeting Area 1, currently estimated at $50,100,000 or approximately 60 percent of the implementation cost (50 percent during construction and an additional 10 percent over 30 years.) In this regard, it is the intent of the Port Authority to enter into a Project Partnership Agreement with the Federal Government for this project at the appropriate time prior to the start of construction.

Sincerely,

Stephen A. Edwards
CEO and Executive Director

THE PORT OF VIRGINIA

John F. Reinhart
CEO/Executive Director

Virginia Port Authority
600 World Trade Center
Norfolk, VA 23510

August 1, 2017

Lieutenant General Todd T. Semonite
Chief of Engineers
US Army Corps of Engineers
441 G Street NW
Washington, DC 20314-1000

Dear General Semonite:

On behalf of the Virginia Port Authority, marketed as The Port of Virginia, I am pleased to extend our support for the modification of the Norfolk Harbor and Channels, Virginia navigation project to include widening Thimble Shoal Channel.

The Port of Virginia is the fifth largest port in the nation and among the fastest growing on the US East Coast. This modern port with extensive intermodal connections to the Midwest is a critical gateway for the movement of goods throughout the country and to the world. Fifty-five percent of the cargo moving through the port is transported to other states. Norfolk Harbor also is one of the nation's 13 strategic ports and home to the US Navy's Atlantic fleet – the only nuclear-carrier-capable port facility on the USEC. Finally, Virginia exports more coal than any other state in the nation.

The Port of Virginia is committed to investing in infrastructure to increase capacity needed to meet rising and record-setting volumes. The port's ability to move cargo efficiently and economically serves as a catalyst for job creation in several states; reduces costs for American businesses and consumers; and results in billions of dollars in national economic benefits. In order to fully realize the benefits of these investments and maintain the national economic impact, The Port of Virginia fully supports widening Thimble Shoal Channel.

Section 201 of the Water Resources Development Act (WRDA) of 1986 authorized the Norfolk Harbor and Channels, Virginia, Project as described in House Document 99-85 dated 18 July 1985, entitled "Norfolk Harbor and Channels, Virginia." The Norfolk Harbor and Channels project is a single purpose deep draft navigation project consisting of a network of federally improved channels extending from the Atlantic Ocean through the Chesapeake Bay and into Hampton Roads, serving The Port of Virginia. The project has been constructed in separable elements based on the needs of the port community. The 50 Foot Outbound Element was completed in 1989; the 50 Foot Anchorage in 1999; and the 50 Foot Inbound Element in 2007.

The Virginia Port Authority and the US Army Corps of Engineers executed a Feasibility Cost Share

Agreement on June 15, 2015 to prepare a General Reevalution Report of the Norfolk Harbor and Channels project, which includes deepening the entire length of the project as well as the proposed Thimble Shoal Widening. The study is fully funded and underway with the Tentatively Selected Plan Milestone scheduled for August 25, 2017 and a Chief of Engineers Report in December 2018.

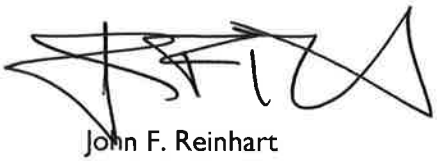
The largest containerships and coal carriers calling on the US east coast call on The Port of Virginia. The recent consolidation of major container ship lines and expansion of the Panama Canal has resulted in ship lines deploying Ultra Large Container Vessels (ULCVs) to exploit economies of scale. Growth in trade and the expanded Panama Canal means that these larger ships are calling US ports more frequently. Accommodating these ships requires deeper and wider channels. Thimble Shoal Channel is 1000 feet wide, and as the size of the commercial vessels has grown, the safe passing margins have significantly decreased. Thimble Shoal Channel is not wide enough to accommodate a safe meeting of an Ultra Large Container Vessel (ULCV) and any other vessel resulting in US Coast Guard restrictions of one-way traffic. This directly impacts commerce as well as the US Navy state of readiness, delaying cargo schedules and causing port congestion and berth inefficiency. Channel widening is needed for the safe and efficient flow of vessel traffic.

The proposed modification includes widening the existing Thimble Shoal Channel from its constructed 1,000 foot width, the current authorization limit, by an additional 400 feet for a length of seven miles. Project costs have been developed to a planning stage level of confidence to widen Thimble Shoal Channel, and the cost of the proposed Thimble Shoal Widening falls within the Section 902 cost limit of the Norfolk Harbor and Channels project as stated in WRDA 1986.

Widening of Thimble Shoal Channel is needed to allow for two way traffic for ULCVs and ensure the safe and efficient flow of vessel traffic. One-way traffic causes delays that increase transportation costs for waterborne cargo (imports and exports), disrupt harbor operations, and reduce access to the navigation channels for commercial and military vessels entering and exiting the harbor. Reduced access limits the efficiency of terminal operations causing congestion at berths and throughout the existing landside transportation network and decreases US Navy readiness. Widening the channel to allow for two-way traffic would increase the efficiency of terminal operations, increase the efficiency of the existing landside transportation network, and improve US Navy readiness. Reduced transportation costs for waterborne cargo and increased terminal and landside transportation efficiency would generate a preliminary estimate of at least $3.7 million in annual equivalent National Economic Development benefits.

The Port of Virginia fully supports widening Thimble Shoal Channel, and we look forward to working with the US Army Corps of Engineers and Congress to address this critical infrastructure need.

Respectfully yours,



John F. Reinhart
CEO and Executive Director

THE PORT OF VIRGINIA

John F. Reinhart
CEO/Executive Director

Virginia Port Authority
600 World Trade Center
Norfolk, VA 23510

March 8, 2018

Colonel Jason E. Kelly, PMP
Commander, Norfolk District
U.S. Army Corps of Engineers
803 Front Street
Norfolk, VA 23510

Dear Colonel Kelly,

I am writing to reaffirm the Virginia Port Authority's support, as the agent for the Commonwealth of Virginia, for the implementation of the Norfolk Harbor and Channels Deepening Project. As presented in the General Reevaluation Report, the Project consists of the deepening of the Norfolk Harbor Channel and the Channel to Newport News to 55 feet, the Thimble Shoal Channel to 56 feet, and the Atlantic Ocean Channel to 59 feet; the widening of the portion of the Thimble Shoal Channel east of the Chesapeake Bay Bridge Tunnel to 1,300 feet; and the widening and deepening of Anchorage F to a diameter of 3,600 feet and a depth of 51 feet, respectively. The total project implementation cost is currently estimated at $291,500,000.

It is the intent of the Port Authority to serve as the Non-Federal Sponsor of the Project and to provide the necessary items of local cooperation, including the contribution of the Non-Federal share of the project implementation cost currently estimated at $177,492,000 or approximately 60 percent of the project implementation cost. In this regard, it is the intent of the Port Authority to enter into a Project Partnership Agreement with the Federal Government for this project at the appropriate time prior to the start of construction. In fact, the General Assembly of the Commonwealth has indicated strong support for the funding of the Planning Engineering and Design Phase of the project.

Warm regards,

John F. Reinhart
CEO and Executive Director