

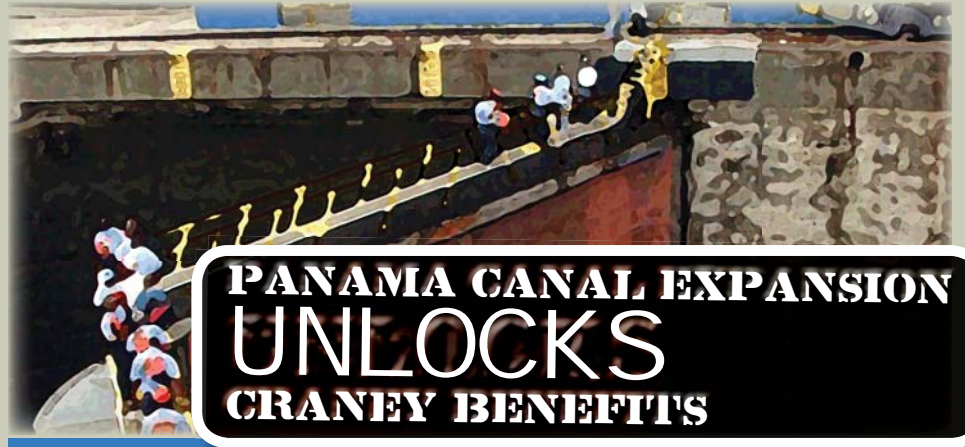


THE CRANEY ISLAND CONNECTION

CRANEY ISLAND EASTWARD EXPANSION NEWS AND INFORMATION

VOLUME 3 ISSUE 8

FEBRUARY 2010



**PANAMA CANAL EXPANSION
UNLOCKS
CRANEY BENEFITS**

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Located nearly 2,000 miles away from Virginia, the Panama Canal Expansion—also known as the Third Locks Project—may seem distant to your daily life. However, global container cargo shipping is being shaped with current efforts to widen the 48 mile long canal. When complete in 2014, the expansion will allow the waterway to accommodate the massive Post-Panamax container ships that predominately call on West Coast ports today. As a result, the project will increasingly divert import cargo to East Coast ports, meaning significantly more business for The Port of Virginia. The Craney Island Eastward Expansion and Marine Terminal provide the handling capacity that will allow The Port to capitalize on this increased cargo. This in turn generates significant benefits for Hampton Roads in the form of job creation and economic investment.

PANAMA CANAL OVERVIEW

One of the largest and most difficult engineering projects ever undertaken, the Panama Canal has had a tremendous impact on shipping between the Pacific and Atlantic Oceans. Before the Panama Canal, trade ships moving cargo between the two oceans had to journey around Cape Horn at the southern tip of South America—one of the most perilous navigation routes in the world.

The Panama Canal faced many challenges throughout its development. However, opening in 1914, the project came in ahead of schedule and under budget due, largely to the efforts of the U.S. Army Corps of Engineers (see side bar).

Ninety-five years since its opening, the canal continues to be a vital global trade link. However, the world of shipping and the sizes of ships themselves have evolved since the original canal design. The Panama

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US Army Corps of Engineers and The Panama Canal

In 1907, President Theodore Roosevelt appointed Maj. George W. Goethals of the U.S. Army Corps of Engineers as chief engineer of the Panama Canal. He served in the role from 1907-15.

Although the canal was not a Corps of Engineers project several talented Corps officers serving on detail under Goethals held key positions.

The Panama Canal was built ahead of schedule, below budget, and with no corruption. If any one person can be credited for this achievement, it is Goethals.



*Maj. George W. Goethals of the U.S. Army Corps of Engineers
Photo courtesy of U.S. Army Corps of Engineers*

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Canal consists of artificial lakes, several improved and artificial channels, and three sets of locks. This system is currently running out of capacity. Expanding the canal remedies some of the modern challenges facing the aging original infrastructure.

EXPANSION PROJECT

Today, about 14,000 vessels carrying 5 percent of the world's ocean cargo—280 million tons—pass through the waterway annually. Despite operating 24 hours a day, it is close to 90 percent of its theoretical maximum capacity. Additionally, the largest container vessel that can now transverse the canal—Panamax Ships—are limited in size by the dimensions of the lock chambers and the depth of the water in the canal.

As early as the 1930s, new locks were proposed for the Panama Canal to ease congestion and to allow larger ships to pass. Decades later, in 2006, the Third Locks Expansion Project was approved to help alleviate the bottlenecks within the current lock system as well as allow

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\$1M IN PRESIDENT'S BUDGET FOR CRANEY ISLAND

The development of Craney Island Marine Terminal has taken another step forward as \$1 million for the project has been included in the President's proposed 2010-2011 federal budget.

"This, we believe, clearly demonstrates the Obama Administration's commitment to this strategic project," said Jerry A. Bridges, executive director of the Virginia Port Authority. "Our thanks goes to the White House and to Virginia's delegation on Capitol Hill that pushed for inclusion in the budget. Reaching this point required tremendous effort and we truly appreciate it."

"When you look at this project as a whole, it will be very good for Virginia and the national economy. It will create jobs and taxable wages near- and long-term, and reduce the cost of getting goods to the store shelves." A study conducted in 2005 by the U.S. Army Corps of Engineers says the long-term benefit of building Craney Island Marine Terminal would be savings of \$6 billion that would not have to be invested by the federal government in large transportation infrastructure projects. The study says the project would

generate 54,000 jobs with wages of \$1.7 billion and local tax revenues of \$155 million.

"There is no doubt that this project is important to The Port of Virginia, with benefits well beyond the Commonwealth," said U.S. Sen. Jim Webb. "The President's budget demonstrates a commitment to continued federal investment in the development and expansion of Craney Island. At the same time, we continue to believe that the merits of the project argue strongly for federal funding at levels even higher than those proposed by the President."

"I am pleased that the President's budget recognizes the economic importance that the development of Craney Island has for Virginia and the nation," said U.S. Sen. Mark Warner. "This vital infrastructure investment will create thousands of jobs in the region and enhance our competitiveness in the global economy. While this proposed funding advances the expansion effort for Craney Island, I will continue working with my colleagues in the Congressional delegation to press for additional federal support for this initiative."

"Expanding Craney Island will have huge benefits for Hampton Roads and our national economy and this funding demonstrates that the Administration is committed to making this project a priority," said U.S. Rep. Glenn Nye.

the canal to accommodate post-Panamax ships. In September, 2007 work began on the project, which is expected to be complete in 2014.

At present the biggest cargo ships from Asia must unload their goods onto trucks or rail cars on the U.S. West Coast, or travel via the Suez Canal to the East Coast. However, after the expansion, the Panama Canal will be able to handle vessels of cargo capacity up to 13,000 twenty-foot equivalent units (TEU); currently, it can only handle vessels around the 5,000–5,500 TEU range. The third set of locks—1,400 ft long, 180 ft wide, with a draft of 60 ft, will supplement the two existing sets and will dramatically increase the amount of goods that can pass through the canal.

SHIFT TO EAST COAST PORTS

Increasing port congestion on the West Coast has led many shipping lines and importers to divert containerships to East Coast ports-of-entry. These diversions are becoming preferred trade routes for cargo transported from Asia through the Panama Canal. Utilizing the all-water trade route through the Panama Canal is efficient because the transportation to reach destinations in the Eastern and Midwestern United States is minimized. The Panama Canal Expansion will continue this trend, attracting an even bigger share of international container freight to the eastern United States.

Today, The Port of Virginia services several ship lines that move cargo from Asia, utilizing the Panama Canal. This will increase with the Panama Canal Expansion. The Port of Virginia is the only port on the U.S. East Coast that can handle the largest ships that will use the Panama Canal after 2014. It has the deep water and high-quality port infrastructure to meet the future vessel size and demand through the waterway, unlike many other ports on the eastern seaboard, which lack water depth or have other restricting characteristics.

HOW THE PORT OF VIRGINIA WILL CAPITALIZE

The Craney Island Eastward Expansion provides The Port of Virginia the cargo capacity required to accommodate the increasing demand from the Panama Canal Expansion. As The Port sees increased cargo, Hampton Roads will see increasing investment by large-scale retailers, distribution and logistics firms, many of whom are already opening regional facilities because of anticipated future growth. Accordingly, port-related businesses are investing in Hampton Roads and the Commonwealth in anticipation of both the Craney Island Eastward Expansion and the Panama Canal Expansion. As result, the Craney Island Eastward Expansion project will generate approximately 54,000 jobs throughout the region in a variety of sectors and \$5 billion annually in regional economic benefits.

An expanded Panama Canal will support more efficient cargo movement by larger ships. Midwest shippers will increasingly move cargo through the Panama Canal to The Port of Virginia. The Port's naturally deep shipping channels and the development of the Craney Island Marine Terminal allow it to accommodate even the largest ships that will use the expanded waterway; it is the only U.S. East Coast Port that can do so. In summary, the Panama Canal expansion will mean increased business for The Port of Virginia for the benefit of region and the Nation.

INTRODUCING THE CRANEY ISLAND STUDY COMMISSION

On January 28, VPA Community Relations Coordinator Jodie Love and project engineer Bill Wheaton presented a project overview to the Craney Island Study Commission. The Commission is composed of Portsmouth and Suffolk citizens and staff. It advises the City Council on project-related matters and facilitates ways for Portsmouth to spur economic development throughout the course of the project.

The Commission, which Chair Jennifer Lee calls "a dynamic group, and the best-kept secret of all the city commissions," was established in 1982. Its mission is to review and make an assessment of any proposals to change the operation or development of CIDMMA, and then advise the City Council on any impacts to Portsmouth's waterfront community.

The group is led by Lee and Vice-Chair John Tynch III. Lee, a citizen of Portsmouth for 22 years, is heavily involved in numerous community organizations and has been a Committee member for three years. A life-long resident of Portsmouth, Tynch says that he "would like for the commission to positively and effectively work with all involved stakeholders." Doing so will "ensure that our community is protected and best- positioned to benefit and support current and future uses of Craney Island."

Other Commission members include James Blair, Arthur Branan, Tyrone Brown, Paige Cherry, Paul Holt III, William Magann Jr., Ann Kirk-Mendes, Audrey Pryor-Mouizi and Daniel Spiker.

As the project proceeds from the design stage to construction, the Commission is dedicated to working with the project team and the City Council. According to Lee, the project is "a can't-miss opportunity" to bring economic growth to Portsmouth. She is excited to engage the Commission with the community—from civic leagues to schools—in an effort to capitalize on the project's positive aspects.

The Commission meets the fourth Thursday of the month at Portsmouth City Hall. Meetings are open to the public.

LEARN & SERVE AMERICA GRANT



The Virginia Port Authority, along with Western Branch Middle School science teacher Cathy Roberts, are sponsoring the **Learn and Serve America Grant**. This three-year long, \$25,000 annual grant from the Virginia Department of Education will enable classes to integrate community service with educational content. The grant combines the Virginia Standards of Learning (SOLs) for grades 6-12 with existing environmental initiatives and partnerships. This effort aims to increase environmental, particularly watershed, stewardship among students.

The VPA will support the **Learn and Serve America Grant** with classroom experiences and experiments that incorporate environmental and engineering concepts pertaining to port operations. These include current terminal operations as well as ones involving the Craney Island project. The proximity of the Craney project's location to the school will be particularly beneficial to the students, who will be able to see the project develop over time.

Learn and Serve America supports and encourages service-learning throughout the United States, and enables over one million students to make meaningful contributions to their community while building their academic and civic skills.



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