DEPARTMENT OF THE ARMY
U.S. ARMY CORPS OF ENGINEERS
441 G STREET NW
WASHINGTON, D.C. 20314-1000

AUG 1 3 2008

CECW-NAD

MEMORANDUM FOR COMMANDER, North Atlantic Division (CENAD-PSD-P)

SUBJECT: Implementation Guidance for Section 1001(45) of the Water Resources Development Act of 2007 (WRDA 2007) - Craney Island Eastward Expansion, Norfolk Harbor and Channels, Hampton Roads, Virginia

1. Section 1001(45) of WDA 2007 authorizes construction of the project for navigation, Craney Island Eastward Expansion, Norfolk Harbor and Channels, Hampton Roads, Virginia, in accordance with the report of the Chief of Engineers dated 24 October 2006 at a total first cost of $712,103,000. This section also directs that, notwithstanding the requirements of sections 101 and 103 of WRDA 1986, as amended (33 U.S.C. 2211 and 2213), the Federal share of the cost of the project shall be 50 percent. A copy of Section 100(45) is provided for information.

2. The Craney Island Eastward Expansion project was budgeted for Preconstruction Engineering and Design (PED) for $3 million in FY 08 and $2.765 million was appropriated. The Virginia Port Authority (non-Federal Sponsor) has entered into a Design Agreement with the Corps. PED work under the Design Agreement is being supplemented by design activities being accomplished by the Virginia Port Authority. There is a capability to initiate construction in FY09. This implementation guidance does not constitute a commitment to budget for construction of the project but is being issued in recognition that Congress has appropriated PED funding and may appropriate construction funding in the future. A Project Partnership Agreement will not be executed until construction funds are appropriated.

3. The application of existing cost-sharing policy as specified in Section 101 of WRDA 1986, as amended, and presented in the Chief of Engineers report resulted in a Federal cost share of $28,515,000 representing 4 percent of total project costs and a non-Federal share of $683,588,000 representing 96 percent of project costs. As directed in Section 1001(45) of WRDA 2007, the requirements of Section 101 of WRDA 1986, as amended, will not be applied to this project and costs sharing will be set at 50 percent Federal and 50 percent non-federal, currently estimated at $341,794,000.

4. The 50 percent cost share will be applied to the total project costs without any repayment requirement and will be applied to construction of both the eastward expansion and the access channel. The 50 percent non-Federal share will be paid on an annual basis during the period of construction. The non-Federal sponsor will be required to provide any required lands, easements, rights-of-way and disposal areas (not including the eastward expansion) with credit against the non-Federal sponsor 50 percent share. When completed the eastward expansion

portions of the Craney Island facility will be turned over to the non-Federal sponsor for port development and the non-Federal sponsor will be responsible for operation, maintenance, repair, replacement and rehabilitation of the created land facilities. The access channel will be maintained as part of the existing federal project and cost shared in accordance with Section 101 of WRDA 1986, as amended.

FOR THE COMMANDER:

Encl

Mohan Singh, P.E.
Chief, North Atlantic Division
Regional Integration Team
Directorate of Military Programs

(45) CRANEY ISLAND EASTWARD EXPANSION, NORFOLK HARBOR AND CHANNELS, HAMPTON ROADS, VIRGINIA.—

(A) IN GENERAL.—The project for navigation, Craney Island Eastward Expansion, Norfolk Harbor and Channels, Hampton Roads, Virginia: Report of Chief of Engineers dated October 24, 2006, at a total cost of $712,103,000.

(B) NON-FEDERAL SHARE.—Notwithstanding sections 101 and 103 of the Water Resources Development Act of 1986 (33 U.S.C. 2211 and 2213), the Federal share of the cost of the project shall be 50 percent.