

**Congress of the United States**  
**Washington, DC 20515**

December 21, 2017

Honorable Mick Mulvaney  
Director  
Office of Management and Budget  
Executive Office of the President  
725 17<sup>th</sup> Street NW  
Washington, DC 20503

Dear Director Mulvaney,

As you go about the challenging task of preparing the President's Fiscal Year 2019 budget request, we would like to bring to your attention the unique aspects of the funding issues for the Savannah Harbor Expansion Project (SHEP), which has reached a critical stage in its ongoing construction.

SHEP is unique among the navigation projects of the U.S. Army Corps of Engineers (USACE). Upon completion, it will deliver the highest benefit-to-cost ratio of any pending deep-draft project in the nation (7.3 to 1) and produce annual economic benefits to the nation of \$282 million. With studies and regulatory reviews that began in 1996 to deepen the channel from 42 feet to 47 feet, it is the most carefully evaluated and validated major deep-draft navigation project in the United States.

SHEP is now approximately 35 percent complete. The State of Georgia has accelerated nearly \$300 million to date in order to keep the project on schedule and on budget. In addition, the State of Georgia has already invested nearly \$1 billion in infrastructure over the past decade to support the Port of Savannah, and an additional \$2 billion is planned for the next ten years.


However, all of this work and all of this money cannot deliver any new value to the taxpayers and our national economic growth until the channel construction is completed. Funding of approximately \$100 million each year is now needed in order for the federal government to meet its partnership agreement with the State of Georgia and ensure project completion in fiscal year 2022. Continued funding of the project at the FY 2018 level of \$50 million annually is estimated to delay the project for five years and cost an additional \$56 million due to inflation while generating an irretrievable, cumulative loss of \$1.4 billion in annual economic benefits.

We recognize that in challenging fiscal times, careful decisions must be made in prioritizing where taxpayer dollars are invested. In the case of SHEP, we respectfully submit that we have a project that is fully underway, that will deliver proven benefits and has maximum matching support from the local sponsor.

Accordingly, we urge you, as you prepare the FY 2019 budget, to allocate from available funds the full \$100 million contracting capability for SHEP so that this project can be completed and begin delivering its benefits to the nation.

We have enclosed additional information about SHEP and the role of SHEP in our national economy, and we thank you for your consideration of our request.

Sincerely,



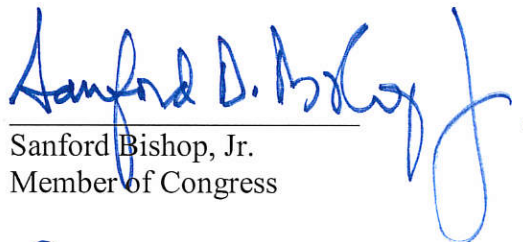
Johnny Isakson  
United States Senator



David Perdue  
United States Senator



Earl L. "Buddy" Carter  
Member of Congress



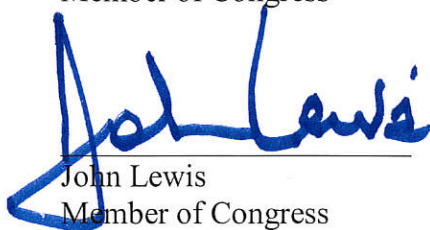
Sanford Bishop, Jr.  
Member of Congress



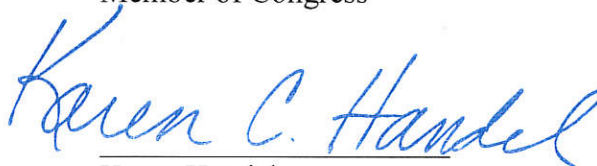
A. Drew Ferguson IV, DMD  
Member of Congress



Henry C. "Hank" Johnson, Jr.  
Member of Congress



John Lewis  
Member of Congress



Karen Handel  
Member of Congress



Rob Woodall  
Member of Congress



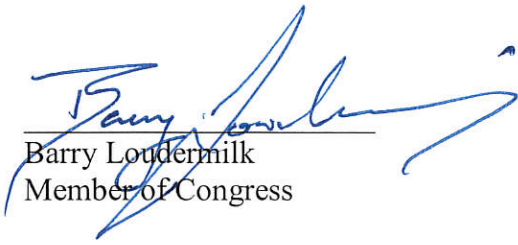
Austin Scott  
Member of Congress



Doug Collins  
Member of Congress




Jody Hice  
Member of Congress



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Barry Loudermilk  
Member of Congress



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Rick W. Allen  
Member of Congress



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David Scott  
Member of Congress



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Tom Graves  
Member of Congress



# The Savannah Harbor Expansion Project (SHEP)



- Savannah is the busiest container port in the Southeastern U.S. and the fastest growing over the past 15 years.
- Over 60% of all vessels now calling on Savannah are Neo-Panamax ships which cannot load to design dimensions and must leave U.S. exports on the docks in order to safely transit the shipping channel
- Savannah is the nation's most highly justified deepening project with a 7.3 to 1 return on investment.
- Net total benefits of SHEP exceed \$282,000,000 annually to the nation following completion of the project.
- With studies beginning in 1996, SHEP is the most scrutinized project of its kind. It was required to gain specific approvals by the departments of the Army, Interior, Commerce and EPA as well as Georgia and South Carolina.
- Upon authorization in 2014, Georgia had fully appropriated its cost share of \$266,000,000 and that money has been nearly exhausted for the Corps to keep SHEP on schedule.
- SHEP is now approximately 35% complete and, with prescribed federal funding, can be finished by 2022.
- SHEP has been underway for over twenty years. The Empire State Building, Golden Gate Bridge and Hoover Dam took a total of 10 years combined to construct.
- At current federal funding rates, SHEP will take nearly as long the original interstate highway system to build.
- Without annual funding at "full capability", SHEP will see significantly increased costs and time to completion. Combined with benefits foregone until completion, under-funding will cost the nation \$100s of millions.

**REQUEST - \$100,000,000 annually for Savannah Harbor Expansion Project completion**





## Georgia is Doing its Part, and Then Some...

- *Georgia has initiated a 10 year, \$10 billion freight mobility plan.*
- *GPA has invested nearly \$1B over the past decade on port infrastructure with \$2B planned for next ten years.*



## The Port of Savannah: Prepared Now for the Future



- *Largest Terminal in the Western Hemisphere*
- *More Cranes, More Gates, More Users, Higher Efficiency than ANY Other Terminal*
- *Greater Multi-modal Capacity Than Any Other Facility*

## A Major Gateway to American Prosperity, Savannah...

- *has the highest export ratio of any container port in the country.*
- *has more weekly services than any port on the East or Gulf Coasts.*
- *serves the entire Southeastern and Midwestern United States.*
- *has grown larger and faster than any other port.*
- *is the shallowest major port in the world and must be deepened.*