



# THE CRANEY ISLAND CONNECTION

CRANEY ISLAND EASTWARD EXPANSION NEWS AND INFORMATION

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## The Port of Virginia: Powering the Nation Through International Trade

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THE CRANEY ISLAND CONNECTION IS PUBLISHED MONTHLY UNDER THE AUSPICES OF THE VIRGINIA PORT AUTHORITY AND THE U.S. ARMY CORPS OF ENGINEERS, TO PROVIDE READERS WITH REPORTS RELATED TO THE DEVELOPMENT OF THE EASTWARD EXPANSION OF CRANEY ISLAND. ARTICLES PRINTED HEREIN ARE FOR INFORMATIONAL PURPOSES ONLY. WE INVITE READERS TO COMMENT ON ARTICLES AND SUGGEST FUTURE TOPICS FOR CONSIDERATION.

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The Port of Virginia is an international gateway providing global access to markets across the United States. Its mid-Atlantic location and excellent road, rail, and water connections make it a vital component of the international trade system. The Port is working to expand its facilities in order to capture cargo growth and the regional and national economic benefits that come with it. The Craney Island Eastward Expansion combined with improvements to the waterborne and intermodal freight movement networks will support efficient goods movement. As a result, The Port of Virginia is poised to become the premier East Coast gateway for international trade, bringing economic benefits to the region and nation and improving the quality of life for all Americans.

### Serving the Nation

In Hampton Roads, maritime commerce is a highly visible industry. With existing operations in Norfolk, Newport News, Portsmouth, and Craney Island in development, The Port of Virginia is the Commonwealth's gateway for international trade. However, The Port's international trade activities extend beyond Virginia. Key retailers and distributors are increasingly utilizing The Port of Virginia to access markets in the Eastern and Midwestern United States, and beyond. Over 14,000 businesses across the country ship international goods through The Port; it is one of ten ports that move more than 90% of the nation's containerized cargo. In fact, 55% of cargo coming into The Port of Virginia is bound for states other than Virginia. As a result, The Port of Virginia's continued growth will represent significant national benefits.

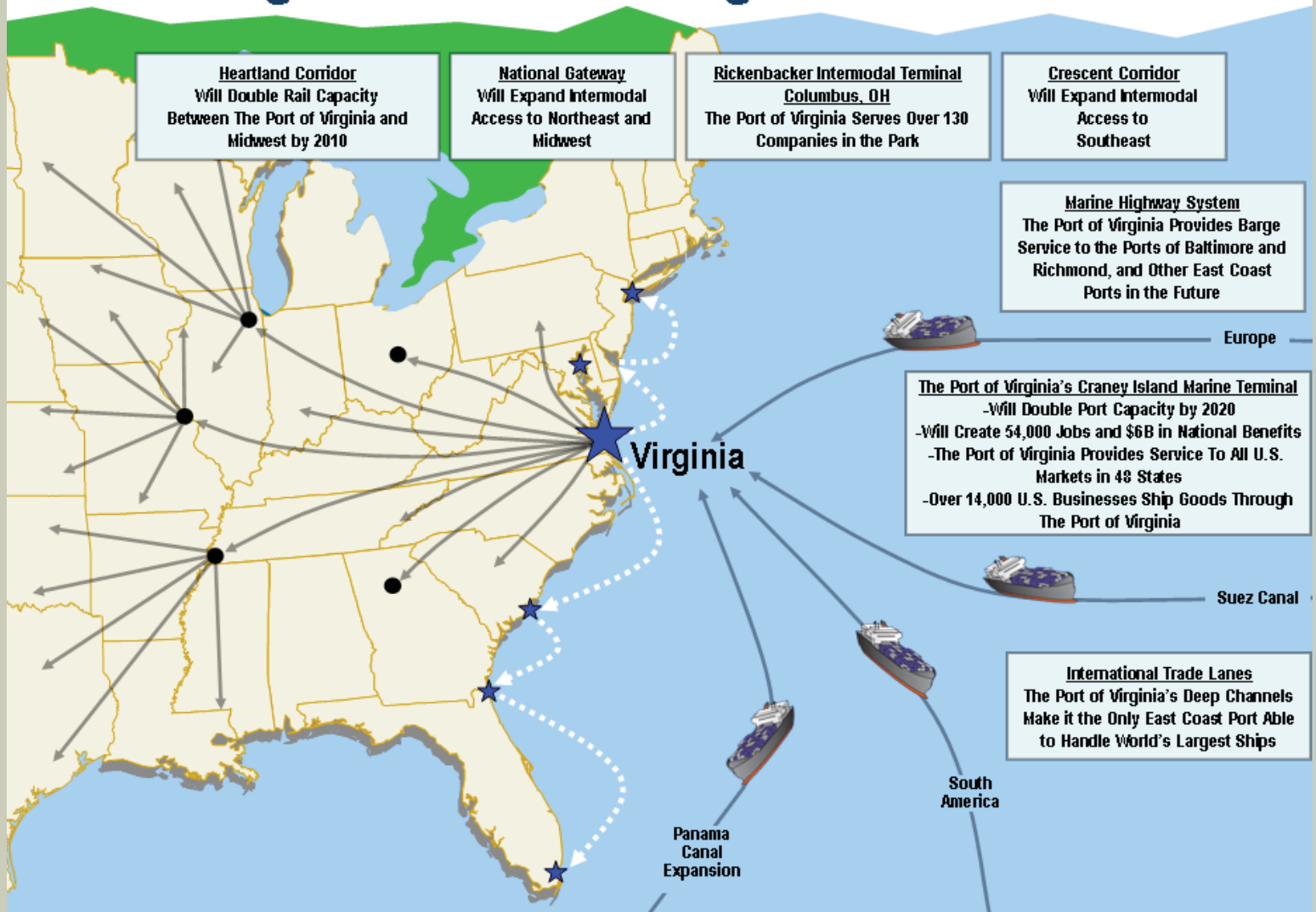
### Craney Island Marine Terminal

The Craney Island Eastward Expansion is the centerpiece of The Port's vision for powering the region and the nation through international trade. Over the last several years, the United States has seen consistent growth in containerized cargo movement and, despite recent economic challenges; maritime commerce is expected to regain momentum before many other sectors of the economy.

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# The Port of Virginia

## Powering the Nation Through International Trade



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In fact, demand for cargo capacity at The Port of Virginia is expected to see a steady average growth rate of at least 6% annually over the long-term. With the first phase set to open in 2020, the Craney Island Marine Terminal's state-of-the-art operations will double The Port of Virginia's capacity, allowing it to capture future East Coast cargo growth. Furthermore, the project will generate significant economic benefits to the region that will span numerous sectors, creating 54,000 jobs with \$1.7 billion in wages.

### Waterborne Transport

The Port of Virginia boasts the largest natural deepwater harbor on the U.S. East Coast. Fifty-foot-deep, unobstructed channels—that are authorized to be dredged to 55 feet—provide easy access and maneuvering room for the largest of today's container ships.

Therefore, as more importers look eastward for port capacity, The Port of Virginia is the most attractive choice.

- A strategic mid-Atlantic location offers access to key markets in the Eastern and Midwestern United States.

- Naturally deep shipping channels make it the only port on the East Coast that can handle the largest ships transiting the Suez Canal and an expanded Panama Canal.
- While many other East Coast ports are at or near capacity, the Craney Island Eastward Expansion will provide the capacity required to handle increased cargo demand well into the future.

### Suez Canal and the Panama Canal Expansion

Over the last several years, increasing port congestion on the West Coast has led many shipping lines and importers to divert containerships to East Coast ports-of-entry. Increasingly, these diversions are becoming preferred trade routes for cargo transported from Asia through the Suez and Panama Canals. Utilizing these all-water trade routes is efficient, as the landside leg of the transportation system is minimized, to reach destinations in the Eastern and Midwestern United States. The Port of Virginia services several ship lines that move cargo from Asia, utilizing the Suez and Panama Canals.

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The Panama Canal Expansion will attract an even bigger share of international container freight to the eastern United States. Much of this cargo will travel aboard increasingly larger container ships. Currently, Panamax vessels are the largest vessels that can transit the Panama Canal; they have a draft of almost 40 feet. The Panama Canal Expansion is scheduled to be complete in 2014, and will accommodate larger Post-Panamax vessels—like the Emma Maersk. Such ships have drafts as deep as 50 feet, and many East Coast ports, including those in Savannah, Charleston, and Miami, are too shallow to accept them. In contrast, The Port of Virginia is the only port on the U.S. East Coast that can handle the largest ships transiting the Suez Canal today and those that will use the Panama Canal after 2014.

**Marine Highway System**

Once the Panama Canal has been widened and expanded, an increasing number of larger ships will call at The Port of Virginia. This increased cargo will require multiple modes of transportation to get it to its ultimate destination. Therefore, in addition to trucks and rail, The Port of Virginia will increase barge service to other East Coast ports via America’s Marine Highway System.



*Commercial Barge*

Commercial waterborne transportation along the Marine Highway System involves moving freight between ports through the use of inland and coastal waterways. America’s Marine Highway System consists of more than 25,000 miles of coastal, inland, and intracoastal waterways that move about 1.4 billion tons of freight annually. The Marine Highway System supports enhanced freight flow, expanded freight capacity, reduced congestion, and improved air quality.

Today, The Port of Virginia provides barge service to the Ports of Baltimore and Richmond. Approximately 5 percent of cargo leaving The Port of Virginia moves by barge. Expanding barge service will help to reduce truck traffic in Hampton Roads, by reducing the number of trucks utilizing landside highways to access East Coast markets.

Barge service will also increase overall Port competitiveness. Because The Port of Virginia can accommodate larger vessels than other East Coast ports, shipping lines may send large ships to Virginia to be off-loaded. It is more economical for a shipping line to call on one port and send cargo by barge to regional markets than it is to make multiple port calls up and down the East Coast. This allows The Port of Virginia to serve as a conduit, providing barge service up and down the Eastern Seaboard.

**Intermodal Freight Movement**

Increasing cargo to The Port of Virginia will also require efficient road and rail transportation systems. Significant rail

corridor improvements are crucial to powering economic growth through international trade.

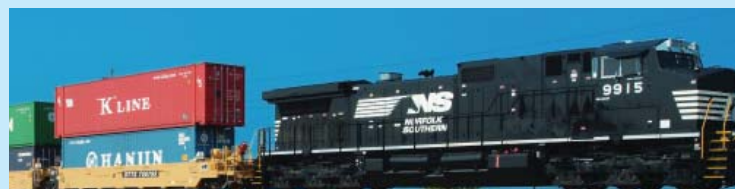
**The Heartland Corridor**

The Heartland Corridor was conceived in 2004 as a way to create a seamless, efficient intermodal rail route that would directly link The Port of Virginia with distribution markets in the Midwest. When complete, the Heartland Corridor will improve highway mobility and safety as well as provide shippers with cost-effective freight movement options. It will strengthen the economic vitality of the Mid-Atlantic region by creating the transportation infrastructure necessary to capture increased rail traffic resulting from The Port’s cargo growth. In light of these benefits, the Heartland Corridor was recognized by Congress in the 2005 SAFETEA-LU legislation, as a Corridor of National and Regional Significance. The Heartland Corridor will open in early 2010, doubling intermodal capacity between the Port and the Midwest.



*Heartland Corridor*

**Rickenbacker Intermodal Park**



*Rickenbacker Intermodal Operations*

Efficient intermodal freight movement requires intermodal terminal facilities strategically located near major freight cargo routes. The Heartland Corridor project also includes three new intermodal terminals, including the Rickenbacker Intermodal Park located in Columbus, Ohio. The Columbus Regional Airport Authority partnered with Norfolk Southern to construct the Rickenbacker facility, which opened on March 3, 2008. The Port of Virginia serves over 130 companies located at or near the Rickenbacker facility.

**The Crescent Corridor**

A rail corridor stretching from Louisiana to New Jersey is also being planned to support efficient intermodal freight movement. The project, called the I-81 Crescent Corridor, would speed cargo shipments to destinations in the Southeast, while reducing congestion on such highways as Interstate 81 in western Virginia.

**The National Gateway**

The National Gateway is a plan to create a more efficient rail routes linking The Port of Virginia and other Mid-Atlantic ports with Midwestern markets and improving the flow of rail traffic between these regions by increasing the use of double-stack trains.

### Conclusion

The Port of Virginia is well-positioned to strengthen regional, state-wide, and National economic growth through international trade. The Craney Island Marine Terminal will provide The Port of Virginia with the capacity required to support increasing cargo demands. 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. 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. The Craney Island Eastward Expansion will produce more than \$6 billion in National Economic Development benefits from transportation savings.

Much of the forecasted regional cargo growth is due to the Panama Canal Expansion. A larger Panama Canal will support more efficient cargo movement by larger ships. To reach Midwest shippers will increasingly move cargo through the Panama Canal to East Coast ports like The Port of Virginia. The Port's naturally deep shipping channels can accommodate even the largest ships that will use both the Suez Canal and expanded Panama Canal; it is the only Port on the U.S. East Coast than can do so. The Port of Virginia's barge service will further strengthen its role as an East Coast hub for international cargo.

### Project Update



*Horizontal Inclinometer*

Engineers are installing geotechnical instrumentation along the Craney Island berm to assist in measuring ground settlement and consolidation. Data collected will be used to better calibrate computer models that predict long-term settlements of the adjacent eastward expansion project. The photo shows a horizontal inclinometer being installed along the ground surface. An instrument is then periodically pulled through the pipe that measures foundation settlement and deformations.

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