

United States Senate

WASHINGTON, DC 20510

November 14, 2018

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

Dear Director Mulvaney,

We are grateful for your continued support of the Savannah Harbor Expansion Project (SHEP).

As you know, this project to deepen the harbor channel from 42 feet to 47 feet is recognized as the top priority, ongoing deep draft navigation project in the United States based on its national economic impact and its remarkably high benefit-to-cost ratio. You and your staff have been incredibly helpful in reviewing the details of this project earlier this year and in keeping the Georgia delegation apprised of the related progress. In particular, we appreciate your direct involvement in ensuring that SHEP received \$35 million from the additional funding account appropriated by Congress for fiscal year 2018.

With SHEP nearing the final stages of construction, we write to ask you to build upon this progress by including \$132.28 million for the project in the President's fiscal year 2020 budget proposal. We also request, in conjunction with that submittal, that the U.S. Army Corps of Engineers support an allocation total of \$54.012 million to SHEP construction from the additional funding account appropriated by Congress and approved by the President for fiscal year 2019.

As you know, the authorization, environmental study, and regulatory review process for SHEP began almost 20 years ago with construction commencing nearly a decade ago. There is no extra cushion built into the funding levels we are requesting. Rather, these numbers reflect the amount required for the Corps to execute standard dredging contracts of a size that allow for full capability progress toward efficient project completion.

We recognize that the requirements for deep draft construction throughout the nation far exceed the available resources. However, as you make the difficult decisions on how to prioritize available funding, we ask you to consider these compelling points:

- Completion of SHEP will deliver \$282 million in annual transportation savings to the nation upon completion.
- The projected benefit-to-cost ratio of total project costs for SHEP is 7.3 to 1, and the benefit-to-cost ratio of the construction of the remaining segments of the project is a remarkable 10.7 to 1.

In response to the Administration's request for local support of infrastructure projects, the State of Georgia has contributed some \$301 million for its share of SHEP costs. The State also has announced its intent to spend an additional \$2.5 billion over the next decade for land-side development to enhance the efficiencies that will come with completion of SHEP. This will include some \$200 million for completion of the Mason Mega Rail project in 2020 that will double the port's rail lift capacity to one million containers per year. We also note that the private sector invested more than \$1 billion in FY 2018 alone for 29 port-related projects that have already created a reported 4,741 jobs.

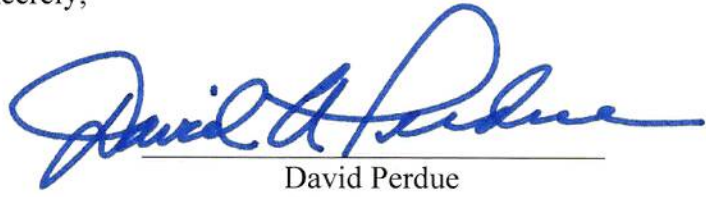
By every measure, SHEP is a project that will provide extraordinary value and benefits to our state, region, and nation for decades to come. With your continued support, this administration can be the one to finally bring this project across the finish line.

Thank you again for your consideration of our request to help move SHEP one more step to completion.

Sincerely,



Johnny Isakson
U.S. Senator



David Perdue
U.S. Senator

cc: Honorable R. D. James