



**US Army Corps
of Engineers®**
New York District

NEWS RELEASE

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Army Corps and Port Authority Sign Joint Cooperative Agreement

NEW YORK (Jan. 13, 1999)—The U.S. Army Corps of Engineers, and the Port Authority of New York and New Jersey today signed a joint Project Cooperation Agreement (PCA) that gives the go ahead for a \$733 million navigation improvement project for deepening the Kill Van Kull (KVK) and Newark Bay Channels. This is the main artery that connects the lower harbor to the Ports of Howland Hook, Elizabeth and Newark and forms the boundary between Staten Island, N.Y. and Bayonne, N.J.

The project calls for deepening the KVK and Newark Bay channels to a depth of 45 feet from its current depth of 40 feet. The existing 40-foot channel will not permit access by many of today's modern-day megaships to what is considered to be the largest refined petroleum products port in the U.S. and the Nation's third largest container port. The groundbreaking for the channel deepening project is scheduled for April 1999 working towards completion in calendar year 2004.

The cost of the project is approximately \$733 million of which approximately \$550 million would be paid for by the Federal government and \$183 million by the Port Authority of New York & New Jersey. Under the provisions of the Water Resources Development Act of 1986, the federal government will finance 75 percent of the costs, and the Port Authority will finance the remaining 25 percent, in addition to repaying the federal government an amount equal to 10 percent of the construction costs over the first 30 years of the life of the project.

The Corps will soon open bids on the first of eight contracts. The first contract, estimated to cost between \$25 million to \$40 million, consists of deepening the channels in the Constable Hook area at the mouth of the KVK. Approximately 260,000 cubic yards of dredged material will be deposited at the Historic Area Remediation Site six miles off the coast of Sandy Hook, N.J. to cover previously placed dredged materials. Another 232,000 cubic yards of rock will be placed in the ocean to expand artificial reef sites.

Congressman Robert Menendez said, "A thriving Port of New York and New Jersey is a critical component of the overall economic vitality of the region. Since my arrival in Congress, I have won the commitment of millions of Federal dollars to dredge and modernize the Port. I am pleased that we are moving forward with the deepening project, which will ready the Port for a new century of economic prosperity."

Col. William H. Pearce, the New York District Engineer, who oversees civil works projects of the Corps said, "This deepening project advances the Administration's Plan for the revitalization of the Port of New York and New Jersey. Today, the federal government, in partnership with the states of New York and New Jersey, has taken a critical step forward in providing improved access to this Port for the newer class vessels while at the same time protecting the aquatic environment."

The project was authorized for construction in the Fiscal Year 1985 Supplemental Appropriations Act. The General Design Memorandum dated June 1986 recommended that the project be constructed in two Phases. Phase I construction to deepen the channel to 40 feet from 35 feet started in July 1987 and was completed in September 1996. During Phase I, the Corps awarded seven contracts with construction project costs totaling \$265.7 million (\$199.3 million federal, \$66.4 million non-federal).

The benefit to cost ratio for the deepening is 3.2 to 1. The average annual benefits are \$458 million, which will be derived from transportation cost savings.

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