

Memorandum

Date: May 13, 2024
To: Miami-Dade Board of County Commissioners
From: Alcalde & Fay
Subject: Federal Government Relations Report

During the month of April, the Appropriations Committees began hearings in advance of preparing the (FY) 2025 appropriations bills. While it is anticipated that the House will move forward with subcommittee markups this spring and early summer, House/Senate negotiations on the (twelve) government spending bills are not anticipated prior to the end of the year.

Other notable congressional activity during the month included approval of a \$95 billion supplemental security aid package to Israel, Ukraine and the Indo-Pacific and the announcement of a bipartisan agreement to reauthorize the Federal Aviation Administration for five years.

Please see below, an update on issues of specific interest to PortMiami, including A&F's activities on behalf of the Port.

I. APPROPRIATIONS

(i) PortMiami Community Project Funding (CPF) Requests (FY) 2025

During April A&F worked with PortMiami to complete the submission of the Port's 2025 CPF requests, including the completion of two CPF forms to Congresswoman Wilson.

PortMiami is requesting the following CPF funding for FY 2025:

--\$3 million for a *New Start reimbursement* as a down payment on the federal share of the Phase III dredging project, completed in 2015. We feel that the request is justified based upon the \$3 million New Start reimbursement allocated to the Port Manatee South Channel project by the FY 2024 Consolidated Appropriations Act.

--Funding for the *Reefer Yard Electrification and Expansion*; and

--Funding for the *On-port improvements to the Truck Gate and Port Roadways*.

As previously reported, on March 18th, Lois Moore accompanied Port Director and CEO Hydi Webb and Ms. Debra Owens to a meeting with Congressman Diaz-Balart's staff to brief on the CPF requests. A&F also joined calls with the Port to brief the other congressional offices.

Notably, the recently enacted Consolidated Appropriations Act, FY 2024 includes the following PortMiami 2024 CPF requests:

\$3 million for PortMiami's *Decarbonization and Electrification Master Plan* by the THUD (Transportation, Housing the Urban Development appropriations); and **\$1 million** for PortMiami's *Stormwater Master Plan* (Interior- EPA appropriations)

(ii) **PortMiami Programmatic and Language Requests (2025)**

Reimbursement of the Federal Share of the Miami Harbor Deep Dredge -

In addition to the request for a CPF New Start reimbursement (addressed above) PortMiami is requesting a modification of USACE policy governing reimbursements; specifically, to eliminate the new start designation requirement for completed projects, like PortMiami's deep dredge, which has proven its value to the nation for close to a decade.

A&F completed programmatic request forms and submitted to Senators Rubio and Scott, seeking the policy change by the 2025 Energy and Water Development appropriations bill. A&F also scheduled follow up meetings for Port officials Andy Hecker and Debra Owens with senior staff in the offices of Senators Rubio and Scott on April 30th and May 1st, respectively. Lois Moore joined the meeting to brief on the need for the policy change and to address suggested language.

A&F also scheduled a meeting for Port Director and CEO Hydi Webb and Debra Owens with Senate Appropriations committee staff (on March 18th) to brief on the history of the Miami deep dredge.

As previously reported, we also worked with PortMiami to prepare requests for a policy change by WRDA 2024 and submitted those requests to the offices of Representatives Wilson, Salazar, Gimenez and Diaz-Balart in January. The House Transportation and Infrastructure (T&I) committee will markup WRDA 2024 later in the year.

Donor and Energy Transfer (Donor Ports) Program -

A&F prepared programmatic and language request forms, requesting implementation of the 2020 WRDA reforms by the 2025 Energy and Water Development appropriations bill, including: (i) an increase to \$60 million for the Donor Ports Program; and ii) a 12% HMTF allocation to the Program. These forms were submitted to the offices of Senators Rubio and Scott.

As reported, the enacted (2024) Energy and Water Development legislation does not provide the additional 12% HMTF allocation to the Program; however, the legislation provides a strong statement of congressional intent and directive to the Corps to implement by the 2024 workplan. We are therefore monitoring for the release of the 2024 workplan which is anticipated by mid May. The congressional directive reads as follows:

Senate Committee report, Energy and Water Development Appropriations, 2024 (#118- 72).
Donor & Energy Transfer Ports-The Committee directs the Corps to allocate any work plan HMTF funding for Donor and Energy Transfer Ports consistent with section 102 and section 104 of WRDA 2020 (Public Law 116-260). The Corps is reminded that Donor and Energy Transfer Ports are eligible to receive additional funding recommended in the deep-draft harbor and channel funding line items for expanded uses.

On March 18th PortMiami Director and CEO Hydi Webb joined the other 5 Donor Port Directors in a meeting with Stacey Brown, Deputy Assistant Secretary of the Army (ASA, Civil Works) to request implementation by the 2024 workplan. We assisted in drafting a letter for Members of Congress (from each impacted state) to send to the ASA.

Notably, the 2025 USACE budget, released on March 8th, provides \$3,956,000 to PortMiami, pursuant to the Donor Port Program. This is the first time that funds have been budgeted for the Program since it was created in 2014. We will be monitoring for the inclusion of these Miami specific funds within the 2025 Energy and Water appropriations bill, in addition to the HMTF allocations addressed above.

II. OTHER ITEMS OF INTEREST

PortMiami NetZero Resilient Supply Chain Program

As previously reported, the NetZero Project was not selected by the Department of Transportation for a 2023/2024 Mega grant. The Department awarded 11 projects, totaling approximately \$2 billion. There were 117 applications submitted for Mega, requesting over \$24 billion.

In discussions with DOT staff, the Port is revising its next application to assure that it is cost effective. The Notice of Funding Opportunity (for 2025/2026) was released on March 28th, with a due date of May 6. Approximately \$1.7 billion in advance funding remains available to the Mega program.

A&F plans for extensive congressional meetings for Port officials to seek broad scale bipartisan congressional support state wide for the Port's application. A&F has recommended that those meetings take place no later than the month of June.

A&F reached out to Secretary Buttigieg's Chief of Staff to support the Intergovernmental Affairs request for the May 2nd meeting with DOT Secretary Buttigieg for Mayor Levine Cava and Port officials. As reported above, A&F also scheduled meetings on April 30th and May 1st for the Mayor and Port officials with staff in the offices of Senators Scott and Rubio.

Committee Report Language -

Integral to PortMiami's NetZero program is the development of an inland port facility which is strategically positioned to improve trade flows and provide additional international trade capacity for the U.S.

With much appreciation to Senators Rubio and Scott for including language within the 2023 and 2024 THUD committee reports which address the significance of the development of inland ports to the nation's supply chain. This language is notable as it establishes a legislative history of congressional support for grants that include the development of inland ports. The language reads as follows -

Mega Grants - The Committee recognizes that inland ports are an important element in the international supply chain, increasing intermodal capacity and efficiencies in the movement of global commerce from ships to major transportation networks for distribution. Benefits include reduced congestion at the marine terminal and on the Nation's highways, lower costs of moving cargo, environmental and safety benefits, economic development in underserved or rural areas as well as consolidation of import/export centers. Within the advance appropriations for this program, the Committee encourages the Secretary to consider Mega grant applications that

include the development of coastal and inland ports in order to facilitate an efficient supply chain. (Committee Report #118-70).

Miami Harbor Feasibility Study

The Water Resources Development Act of 2022 directs the Secretary of the Army (Civil Works) to expedite the completion of the Miami Harbor feasibility study, to the maximum extent practical. (Public Law 117-263, Sec. 8397 (2)(E), enacted Dec. 23, 2022.

We have recommended asking the delegation to follow up with the USACE, to ask that they be kept apprised of progress on the study. The current USACE timeline calls for a Chief of Engineers report by 2025 and project authorization by WRDA 2026.

Miami Harbor Channel Restrictions

The Corps is carrying out environmental reviews in advance of preparing a report to identify the improvements needed to eliminate restrictions in the federal shipping channel which were caused by a design deficiency in the completed Phase III project.

Miami Harbor O&M Funding

The 2025 USACE budget includes \$55,000 for continued maintenance needs in the Miami Harbor. The enacted 2024 Energy and Water appropriations bill includes \$100,000 for Miami Harbor Operation and Maintenance.

White House Cybersecurity Initiative at U.S. Ports

On February 29, the White House issued an Executive Order intended to bolster the DHS's authority to address maritime security threats to ensure that American ports are secure. We provided the following documents to PortMiami:

- The Coast Guard Notice of Proposed Rulemaking on Cybersecurity in the Marine Transportation System (MTS). Establishes minimum cybersecurity requirements that meet international and industry - recognized standards to best manage cyber threats; and
- The Coast Guard Maritime Security Directive (105-4). Requires Cyber Risk Management Actions for owners and operators of ship-to-shore cranes manufactured in the People's Republic of China.

The announcement indicates the Administration's intent to bring domestic onshore manufacturing capacity back to America for provision of safe and secure cranes to U.S. Ports, with funds provided by the *Infrastructure Investment and Jobs Act* and the *Inflation Reduction Act*.

Pending Legislation

--H.R. 1836, the **Ocean Shipping Reform Implementation Act**, sponsored by Rep. Dusty Johnson (R-SD) requires the Federal Maritime Commission to establish a data standard to facilitate the voluntary sharing of supply chain data among U.S. shipping industry stakeholders. The bill allows the DOT to require port authorities to adopt the standard to receive certain grants. Sponsors have indicated that the intent is to safeguard national companies that transport freight at U.S. maritime ports.

--H.R. 3395, U.S. Supply Chain Security Review Act,

The House has passed H.R. 3395, sponsored by Representatives Webster (R-FL) and Jake Auchincloss (D-MA) which directs the Federal Maritime Commission to commission a study assessing potential security risks of foreign ownership of marine terminals at the 15 largest container ports. According to AAPA, there is “minor” Chinese ownership at 5 U.S. ports and NO Russian ownership at U.S. ports.

--H.R. 3365, the Supply Chain Improvement Act

As previously reported, the House Transportation and Infrastructure Committee has approved a package of bills which are designed to strengthen the nation’s supply chain, including the *Supply Chain Improvement Act*, sponsored by Representative John Duarte (R-CA). This legislation ensures that priority consideration is given to projects that would improve or build resiliency in the supply chain pursuant to DOT’s INFRA and MEGA discretionary grant programs.

--H.R. 3169, the Port Crane Security and Inspection Act of 2023, sponsored by Representatives Gimenez (R-FL) and Garamendi (D-CA) requires CISA (the Cybersecurity and Infrastructure Security Agency) to inspect foreign cranes for potential security vulnerabilities before they are placed in operation at U.S. ports. The legislation also calls for a CISA report to Congress on potential vulnerabilities of the use of foreign cranes at U.S. ports

--H.R. 722, the Western Hemisphere Nearshoring Act, reintroduced by Congressman Mark Green (R-TN) this session of Congress, incentivizes producers to relocate factories from China to Latin America and the Caribbean, with the intent of reducing the U.S. supply chain dependence on China. The legislation provides a low interest loan program through the International Development Finance Corporation, with financing provided by existing tariffs on Chinese goods. Representative Gimenez (R-FL) has signed on as a cosponsor of the legislation.

III. 2024 GRANT OPPORTUNITIES

PortMiami is planning to respond to the following grant opportunities.

MEGA

As reported above, the USDOT issued the FY 2025/2026 Notice of funding opportunity for the Mega Grant program on March 28th. Applications are due by May 6th.

Clean Ports Program- The NOFO was released by EPA on February 28th. This new program, funded by the *Investment Reduction Act*, will fund zero-emissions equipment, infrastructure and climate planning at U.S. ports. Applications are due by May 28th.

PIDP (Port Infrastructure Development Grant Program)

\$450,000 is available in 2024, with the application due date extended to May 10th.

RAISE (Rebuilding American Infrastructure with Sustainability and Equity)

\$1.5 billion is available in 2024. The application closed on February 28th.