

Memorandum

Date: March 1, 2024
To: Miami-Dade Board of County Commissioners
From: Alcalde & Fay
Subject: Federal Government Relations Report

Negotiations continued through the month of February on finalizing the twelve (FY) 2024 appropriations bills. Much work remained, including resolving numerous policy “riders” which are normally not included in appropriations bills.

Progress has been made on an initial package of six bills – Agriculture, Interior-EPA, THUD, Energy and Water, Commerce-Justice and Military Construction - with final passage anticipated in early March. Another short-term funding extension will be needed for the remaining six bills – Financial Services, Defense, Homeland Security, State-Foreign Operations, Labor-HHS and Legislative Branch.

The following is a review and update on items of specific interest to PortMiami.

I. PORTMIAMI 2024 APPROPRIATIONS REQUESTS

Pending final congressional approval in the initial package of 2024 spending bills is \$4 million for two Community Projects for Port Miami, including two programmatic/language requests, as described below.

(i) Community Project Funding (CPF) Requests

\$3 million for the Decarbonization and Electrification Master Plan is included within the THUD bill and **\$1 million** for the Stormwater Master Plan, within the Interior-EPA bill. Representatives Salazar and Gimenez sponsored this CPF funding on behalf of PortMiami.

(ii) Programmatic/Language Requests

DONOR PORTS -

PortMiami joins other donor ports and the American Association of Port Authorities (AAPA) to request implementation of the WRDA 2020 modifications to the *Donor and Energy Transfer Ports Program* (the Program); specifically, **Section 104** which authorizes an increase in Program funding (to \$58 million) and **Section 102** which authorizes an allocation of 12% of HMTF (Harbor Maintenance Trust Funds) to the Program (8% to donor ports).

The House and Senate committee - approved (2024) Energy and Water Development bills each include the Section 104 increase to \$58 million (up from \$56 million). While the bills do not provide the additional allocation to donor ports, the Senate committee includes a strong statement of congressional intent and directive to the Corps to implement by the 2024 workplan, 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.

PortMiami participated in conference calls with the other donor ports throughout the appropriations cycle. We assisted in drafting a letter for Members of Congress (from each impacted state) to send to the Assistant Secretary of the Army for Civil Works. Notably, two donor ports, Seattle and Takoma, are represented by Senator Patty Murray (D-WA), the Chair of the Senate Appropriations Committee.

MEGA GRANT –

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

We were pleased to report that the Senate Appropriations committee included the following language (relating to inland ports) within the committee report accompanying S. 2437, *Transportation, Housing and Urban Development Appropriations (2024)*, as requested by PortMiami:

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).

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

During February, A&F worked with PortMiami to identify projects eligible for CPF funding in the 2025 appropriations bills. We are currently assisting the Port in completing the CPF (2025) request forms which are due to the delegation offices during the month of March.

PortMiami will request a CPF New Start reimbursement in the amount of \$3 million as a down payment on the federal share of the Phase III dredging project which was completed in 2015 (see below). We feel that the request is justified based upon the \$3 million New Start (CPF) reimbursement allocated for the Port Manatee South Channel project by the FY 2024 Energy and Water Development appropriations bill.

The other CPF projects selected include the Reefer Yard Electrification and Expansion and on-port improvements to the Truck Gate and Roadways.

Reimbursement of the Federal Share of the 50-52 foot Deep Dredge/WRDA 2024

While the USACE has the authority to reimburse the \$90.5 million federal share of the Miami Harbor deep dredge, there are significant challenges to securing reimbursement for completed federal projects.

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 already proven its value to the nation.

A&F 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. The House Transportation and Infrastructure (T&I) committee will markup WRDA 2024 later in the year.

II. OTHER ITEMS OF INTEREST

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*.

PortMiami NetZero Resilient Supply Chain Program: Cargo Mobility Optimization, Electrification and Inland Port Project

As previously reported, the NetZero Project was not been 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.

A&F plans for extensive congressional meetings for Port officials to seek broad scale bipartisan support for the Port's next application. Meetings will include follow up with Florida members state-wide and senior Members on the relevant legislative committees. We are monitoring for the release of the 2025 NOFO by the DOT. \$1.7 billion in advance funding remains available to the Mega program.

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 deficiency in the design of the completed Phase III project.

Miami Harbor O&M Funding

The House and Senate committee-reported (2024) Energy and Water appropriations bills include \$100,000 for Miami Harbor operation and maintenance needs. The USACE 2025 budget, which is tentatively scheduled for release on March 12th, will include the (2025) capability for Miami Harbor maintenance dredging.

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

The following 2024 NOFO’s (Notice of Funding Opportunities) are of interest to PortMiami.

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.

PIDP (Port Infrastructure Development Grant Program)

\$450,000 is available by the BIL, with the 2024 application due by April 30th. The NOFO will be amended should additional funds be made available by the 2024 THUD appropriations bill. Currently, the Senate THUD bill includes \$213,000, the House bill, “0.”

RAISE (Rebuilding American Infrastructure with Sustainability and Equity)

\$1.5 billion is available by the BIL. The 2024 application closed on February 28th.

MEGA

We are monitoring for the release of the NOFO on the Mega program which is funded by the BIL, \$1 billion annually from 2022 through 2026, with \$1.7 billion remaining. According to DOT, the 2025/2026 NOFO is anticipated in mid 2024.