

## MEMORANDUM

DATE: January 10, 2023  
TO: Miami-Dade Board of County Commissioners  
FROM: Alcalde & Fay  
SUBJECT: Federal Government Relations Update

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The 117<sup>th</sup> Congress adjourned on December 23, 2022, after completing work on the Fiscal Year (FY) 2023 *Omnibus* spending package (*Consolidated Appropriations Act, 2023*, H.R. 2617) and the 2023 *National Defense Authorization Act* (NDAA), sending both measures to the President for signature into law. The new 118<sup>th</sup> Congress will convene on January 3, 2023.

The 4000 plus page *Omnibus* incorporates all 12 (FY) 2023 spending bills into a single legislative package with a topline spending level of \$166 trillion in combined defense and non-defense discretionary spending. The bill includes multiple riders, including emergency assistance to Ukraine and authorization for the use of up to \$10 million, or 30% of allotments from *State and Local Fiscal Recovery Funds*, for a wide variety of transportation projects and other types of spending allowed under the *Community Development Block Grant* program. Please see the committee prepared bill summaries [here](#).

Below is a review of those provisions in the *Omnibus* and NDAA which are directly relevant to PortMiami.

**NATIONAL DEFENSE AUTHORIZATION ACT (NDAA), 2023**

- The NDAA extends the authority provided by the 2022 NDAA to enable DOT to award *Port Infrastructure Development* (PIDG) grants for shore power technology at cruise berths. The initial 2022 provision was sponsored by Congressman Gimenez on behalf of PortMiami.
- The NDAA comprises the final text of H.R. 7776, the *Water Resources Development Act of 2022* and repeats the language in the House committee report (# 117-347) which urges the Corps to prioritize and expedite completion of the Miami Harbor Feasibility Study. This language was initially included within the House report following the Port's (May 17<sup>th</sup>) meeting with House Transportation and Infrastructure Committee Chair Defazio (D-OR) at which time Port officials (Andy Hecker and Debra Owens) addressed the Miami Harbor navigation needs.

The feasibility study will identify the modifications needed to the federal project, to enable the new state-of-the-art (14,000) TEU container vessels to traverse directly to the U.S. and avoid cargo diversion to nearby non-U.S. transshipment ports (such as Panama, Freeport, Bahamas, and Jamaica). Earlier in the year, the U.S. Army Corps of Engineers (USACE) announced an allocation of \$2,245,000 to fully fund the remaining federal share of the feasibility study.

### **CONSOLIDATED OMNIBUS APROPRIATIONS ACT (OMNIBUS), 2023**

#### **Miami Harbor Maintenance -**

The *Omnibus* includes the budgeted amount of \$50,000 for Miami Harbor maintenance needs, as provided by the House and Senate FY 2023 *Energy and Water Development (E&W)* appropriations bills

#### **PortMiami as a Donor Port -**

The *Omnibus* increases the cap on the *Donor and Energy Transfer (D&ET)* program from \$50 million to \$56 million; hence, there will be a modest increase in PortMiami's FY 2023 allocation (which is currently \$2,371,000).

The Committees chose not to address other WRDA 2020 program changes, including the allocation of 12% of total HMT (Harbor Maintenance) revenues to the D&ET program. We are prepared to work on behalf of PortMiami and with other impacted ports and the *American Association of Port Authorities*, to advocate for inclusion within the 2024 E&W bill. Upon implementation, PortMiami would receive as much as \$18 million annually.

#### **Mega Grant Prioritization Language -**

The *Explanatory Statement* accompanying Division L of the *Omnibus* repeats the following language, as requested by PortMiami and originally included within the Senate THUD (Transportation, Housing and Urban Development) appropriations measure:

*When awarding advance appropriations funds for the mega grants program, the agreement 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. (Division L, Omnibus Appropriations, 2023).*

The Senate language includes the following statement about the importance of inland ports to the supply chain:

*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.*

Please note, the above language expresses legislative intent for the 2023 Mega grant cycle and we recommend asking Members to reference this language in their 2023 grant support letters on behalf of PortMiami's *NetZero - Cargo Mobility Optimization and Resiliency Project*.

**Port Infrastructure Development Grant Program (PIDG) funding -**

The *Omnibus* includes \$212 million for grants pursuant to the *Port Infrastructure Development Grant Program* (PIDG). Combined with the \$450 million provided by the *Infrastructure Investment and Jobs Act* (IIJA), there will be a total of \$662 million for PIDG grants in 2023. The Committee report accompanying the House-passed THUD appropriations bill encourages MARAD to prioritize PIDP applications that demonstrate efficacy in reducing port air emissions through investments in clean electricity and demonstrate consultation with nearby communities traditionally affected by port air emissions.

**Local and Regional Project Assistance (RAISE) funding-**

The *Omnibus* includes \$800 million for grants pursuant to the RAISE program. This is in addition to the \$1.5 billion available by the *Infrastructure Investment and Jobs Act*. PortMiami was awarded \$16 million in (2022) RAISE grant funds to support the Port's intermodal rail expansion and cargo gate improvements. 2023 grant applications are due to DOT by February 28.

**Customs and Border Patrol (CBP) Facility Upgrades at Seaports -**

PortMiami (and ports nationwide) are concerned about the escalating costs for CBP facility upgrades. The following direction is provided to the CBP by the *Explanatory Statement* accompanying the (FY) 2023 Senate Department of Homeland Security (DHS) appropriations bill:

*The Committee is also concerned about reports that CBP is imposing costly facility and security requirements on seaports without adequate consultation and justification. The Committee encourages CBP to defer all current and future seaport facility requests until it has provided details on baseline service levels to each port operator and provide the Committee with estimates for future facility and security requirement upgrades and associated federally-mandated technology. The Committee expects CBP to act in partnership with seaports and refrain from imposing requirements on seaports in a unilateral fashion.*

**ADDITIONAL ISSUES OF  
INTEREST**

**H.R. 7579, Western Hemisphere Nearshoring Act**

The *Western Hemisphere Nearshoring Act*, H.R. 7579, sponsored by Congressman Mark Green (R-TX), incentivizes producers to relocate to Latin America and the Caribbean, with the intent of reducing the U.S. supply chain dependence on China. The bill has joint referral to the Committees on Ways and Means and Foreign Affairs. Representatives Gimenez and Salazar have each joined as cosponsors. It is anticipated that this legislation will be reintroduced in the new Congress which convenes on January 3. We are prepared to seek additional cosponsors on this legislation.

### **New Grant Opportunities**

The *Inflation Reduction Act* (IRA), enacted August 23, 2022, includes \$3 billion for a new program to reduce emissions at ports and additional funding for ongoing grant programs of interest to PortMiami, the *Diesel Emissions Reduction* (DERA) and *Urban and Community Forestry* (UCF) programs. Please see descriptions, below.

### **--Grants to Reduce Air Pollution at Ports**

This new program, which provides grants for the purchase or installation of zero emissions port equipment or technology, could be a critical source of funding for components of PortMiami's "Net Zero" program. \$3 billion is available through FY 2027. The EPA has reached out to stakeholders for comments prior to preparing the implementation guidance for the program. The Port has participated in EPA's Listening Sessions and is preparing comments to EPA's *Ports Initiative* Team. We have also recommended joining AAPA with its outreach to EPA.

### **--Diesel Emissions Reduction (DERA) Grants**

The IRA provides an additional \$60 million for DERA grants, with a focus on improving the quality of life of underserved communities. This program is also administered by the EPA.

### **--Urban and Community Forestry (UCF) Program**

The IRA significantly boosts funding for the UCF program, including \$1.5 billion in multi-year grants, up from approximately \$30 to \$50 million annually, to provide grants for tree planting and other activities. Priority is provided to projects that benefit underserved populations. The UCF program is administered by State Forestry Agencies; in Florida, by the Department of Agriculture and Consumer Services/Florida Forest Service: contact [William.Liner@FDACS.gov](mailto:William.Liner@FDACS.gov).

### **Strategic Seaport Program (SSP)**

The Port has indicated an interest in the *Strategic Seaport Program* (SSP) which deploys military assets through designated commercial seaports to support national security and readiness needs. Currently there are 18 designated seaports in the SSP which is administered by the Department of Defense (DOD) and MARAD. We have reached out to the DOD to inquire about the designation process and are advised that the first step is for PortMiami to provide an Expression

of Interest to the Surface Deployment and Distribution Command (SDDC) which is the Army component of the U.S. Transportation Command (USTRANSCOM).

There are potential benefits to designation as a *Strategic Port*. For instance, WRDA 2020 calls for allocations of HMT (Harbor Maintenance Trust) funds to strategic seaports and, on occasion, the appropriations committees recommend that a port's strategic designation be taken into consideration when allocating USACE (Corps) workplan funds.