

MEMORANDUM

DATE: November 10, 2022
TO: Miami-Dade Board of County Commissioners
FROM: Alcalde & Fay
SUBJECT: Federal Government Relations Update

Democrats largely outperformed expectations in the 2022 midterm elections and will retain control and possibly add a seat in the U.S. Senate, with the Republicans projected to secure the minimum 218 seats needed for majority control of the House of Representatives in the next (118th) Congress.

The House and Senate will convene for the post-election session on November 14 to begin the final weeks of the 117th Congress. With the December 16th *Continuing Resolution* (CR) deadline approaching, much of the focus during this session will be on finalizing the 2023 appropriations bills. It is anticipated that all twelve (FY 2023) appropriations bills will be combined into one *Omibus* spending package by the end of the year. Also pending final action this year is the *National Defense Authorization Act* and the *Water Resources Development Act* (WRDA 2022).

Below is an overview of legislation of interest to PortMiami, including new grant opportunities.

I. LEGISLATION PENDING FINAL ACTION IN 2022

- *Water Resources Development Act (WRDA 2022)*

Miami Harbor Feasibility Study

The House-passed WRDA (H.R. 7776) **urges the Corps to prioritize and expedite completion of the Miami Harbor feasibility study** (Committee Report #117-347). WRDA 2022 will be rolled into the final 2023 *Omibus* package or the NDAA legislation.

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 this 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.

- *Energy and Water Development Appropriations, 2023*

Miami Harbor Operations and Maintenance

The House and Senate FY 2023 *Energy and Water Development (E&W) Appropriations* bills include the budgeted amount of \$50,000 for Miami Harbor maintenance needs.

PortMiami as a Donor Port

The House and Senate E&W bills increase the cap on the *Donor and Energy Transfer* (D&ET) program from \$50 million to \$56 million; hence, on enactment, 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 collectively with other impacted ports, to advocate for inclusion within the 2024 E&W bills.

- ***Transportation, Housing and Urban Development (THUD) Appropriations, 2023***

Mega Grant Prioritization - The following language, as requested by PortMiami, is included within the *Explanatory Statement* accompanying the Senate THUD bill:

Committee Recommendation -

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.

Port Infrastructure Development Grant Program (PIDG) - The House-passed THUD bill provides \$300 million for PIDP grants in FY 2023 and 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.

- ***National Defense Authorization Act (NDAA)/Port Infrastructure Development Grant Program (PIDG)***

The FY 2023 House-passed *National Defense Authorization Act* (NDAA) extends the authority provided by the 2022 NDAA to enable PIDP grants for the installation of shore power technology at cruise berths. This one-year extension is pending approval by the NDAA House/Senate conference. The initial 2022 provision was sponsored by Congressman Gimenez (R-FL) on behalf of PortMiami.

II. OTHER ISSUES OF INTEREST

H.R. 7579, Western Hemisphere Nearshoring Act

We are monitoring for developments on the *Western Hemisphere Nearshoring Act*, H.R. 7579, sponsored by Congressman Mark Green (R-TX). The legislation incentivizes producers to relocate to Latin America and the Caribbean, with the intent of reducing the U.S. supply chain dependence on China as well as the root causes of migration to the U.S. 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.

Customs and Border Patrol (CBP) Facility Upgrades at Seaports

The American Association of Port Authorities (AAPA) has prepared legislation which enables customs processing fees to be used for facility upgrades and is seeking sponsors for the proposed legislation. The *Explanatory Statement* accompanying the FY 2023 Senate *Department of Homeland Security appropriations* bill provides the following direction to the CBP:

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.

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.

III. NEW GRANT OPPORTUNITIES

The recently enacted *Inflation Reduction Act* (IRA) includes \$3 billion for a new program to reduce emissions at ports and additional funding for ongoing grant programs of interest to PortMiami, including the *Diesel Emissions Reduction* (DERA) and *Urban and Community Forestry* (UCF) programs. We have recommended that the Port work with the relevant agencies as the implementation guidance is being prepared. 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 "NetZero" program. We recently notified the Port of the Environmental Protection Agency's (EPA) plans for public outreach Listening Sessions to receive stakeholder comments and recommendations.

Diesel Emissions Reduction (DERA) Program

The IRA provides an additional \$60 million for DERA grants, with a focus on improving the quality of life of underserved communities.

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) for tree planting and other activities, with priority 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.

The Healthy Streets Program

The House-passed FY 2023 THUD appropriations bill includes \$55 million for the *Healthy Streets Program*, a new program authorized by the *Infrastructure Investment and Jobs Act*, for grants to state and local units of government for the purpose of deploying cool pavements and porous pavements and to expand tree cover. The goals are to mitigate urban heat islands; improve air quality and reduce the extent of impervious surfaces, stormwater runoff and flood risks to infrastructure and road users. Approval is pending before the THUD conference.