

Memorandum

Date: September 3, 2024
To: Miami-Dade Board of County Commissioners
From: Alcalde & Fay
Subject: Federal Government Relations Report

The House and Senate are adjourned for the August recess period and will reconvene the week of September 9th. Another recess is scheduled for the month of October through to November 12th.

Prior to adjournment, Congress continued work on the (12) Fiscal Year 2025 appropriations bills. The House Appropriations Committee has reported all of its spending bills, five of which have passed the House, including Defense, Homeland Security, Interior-Environment, Military Construction and State-Foreign Operations. With the exception of Homeland Security, the Senate Appropriations Committee has approved all of its spending bills, with none of the bills yet to be considered by the full Senate.

One of the first orders of business when Congress reconvenes next week is passage of a Continuing Resolution (CR) in order to avoid a government shutdown before the end of the Fiscal Year (September 30th). The House majority prefers a CR that extends into early 2025 when a new Administration will be in place; the Senate majority prefers extending through to the end of the 2024 calendar year.

Also notable is the passage by the House and Senate of their respective Water Resources Development (WRDA) bills, H.R. 8812 and S. 4367. While WRDA largely encompasses authorizations for new Army Corps construction projects and feasibility studies, it also includes some direction/policy modifications of interest to PortMiami.

Please see the below update on this and other items of specific interest to PortMiami/Miami-Dade County.

I. APPROPRIATIONS

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

The House committee – reported THUD appropriations bill includes \$5 million for PortMiami’s *Reefer Yard Electrification and Expansion project*, funded as an Economic Development Initiative (EDI) within the Department of Housing and Urban Development (HUD) and sponsored by Congresswoman Salazar.

As previously reported, the Consolidated Appropriations Act, FY 2024 includes **\$4 million** in CPF funding for the following PortMiami planning activities:

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

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

Donor and Energy Transfer Ports (Donor Ports) Program

PortMiami has requested implementation of WRDA 2020 HMTF (Harbor Maintenance Trust Fund) reforms by the 2025 Energy and Water (E&W) appropriations bills or the 2025 Army Corps workplan. A&F assisted in completing the language and programmatic forms which were submitted to delegation Members in March.

We are pleased to report that the reported House and Senate E&W bills include the increase to \$58 million for Donor Port expanded uses, as authorized by WRDA 2020/Sec. 104. Specifically, the bills include **\$3,956,000** for Miami Harbor/Expanded uses, up from **\$2,839,000** in 2024. Each bill also provides \$55,000 for Miami Harbor operation needs, for a total Miami Harbor allocation of **\$4,011,000**.

The bills do not provide for the additional 8% allocation of HMTF funds to the nation's six donor ports as authorized by WRDA 2020/Sec.102. However, the Senate committee report includes directive language to the Corps, as requested by Port Miami, to allocate by the 2025 workplan. The bill also includes \$681,800,000 in additional funding for the Corps to use for these purposes (as designated for Deep Draft Harbors).

As previously reported, the 2024 Army Corps workplan, released in May, provides for the Sec. 102 allocation, making available **\$21,934,000** to PortMiami for the current fiscal year.

PortMiami has been advocating for implementation of these reforms, in conjunction with the nation's five other donor ports, since the enactment of WRDA 2020. PortMiami has met regularly with the other donor ports and in March, CEO Hydi Webb joined the other ports in a meeting with Army Corps officials in DC.

PortMiami also joined other ports in seeking congressional direction to the Corps in recent appropriations bills, including the following language by the 2024 Energy and Water bill:

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.

Committee Report Language/Inland Port Development

The Senate Appropriations committee repeats the language provided by the (two) previous THUD bills, therefore building a legislative history which recognizes the significance of the development of inland ports to the global supply chain. This language could be helpful with future federal grant submissions, as the Port continues to fully implement its NetZero program.

Many thanks to Senators Rubio and Scott for requesting the programmatic language on behalf of PortMiami. The language is repeated below (Committee Report #118-199, THUD appropriations, 2025)

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 marine terminals 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 that provide supply chain improvements and reduce supply chain disruptions.

FY 2025 THUD/Discretionary Grant Funding

As the House Appropriations committee was working within the reduced spending caps established by the *Fiscal Responsibility Act of 2023*, funding was reduced or eliminated for some DOT discretionary programs that already receive advance appropriations by the *Bipartisan Infrastructure Law* (BIL) such as RAISE, PIDP, and CRISI. However, the Senate funding levels are higher. Please see the comparison:

- **RAISE/BUILD/TIGER**: House bill: “0” funding for 2025; Senate bill: \$550 million for 2025, with \$1.5 billion in advance appropriations available by BIL. (\$345 million was provided in 2024, in addition to \$1.5 by BIL)
- **Port Infrastructure Development Program (PIDP)**: House bill: \$72 million for 2025; Senate bill: \$200 million; with \$450 million in advance appropriations available by BIL. (\$120 million was provided in 2024, in addition to \$450 million by BIL).
- **CRISI** : House bill: \$298.5 million for 2025; Senate bill: \$396 million, with \$1 billion in advance appropriations available by BIL.

II. OTHER ITEMS OF INTEREST

Reimbursement of the Federal Share of the Miami Harbor Deep Dredge

PortMiami is seeking a modification to USACE policy governing reimbursements; specifically, to eliminate the New Start designation requirement for completed projects, like Miami Harbor’s 50-52 foot dredge, which has proven its value to the nation for close to a decade.

A&F completed programmatic request forms and submitted to the offices of Senators Rubio and Scott, seeking the policy change by the 2025 Energy and Water Development appropriations bill. A&F also scheduled meetings for Mayor Levine Cava and Port officials Andy Hecker and Debra Owens to discuss this and other priority issues with senior staff in the offices of Senators Rubio and Scott on April 30th and May 1st, respectively.

As an alternative approach to securing the policy change, A&F worked with PortMiami to prepare language for inclusion within WRDA 2024 (the Water Resources Development Act of 2024). Representatives Wilson, Salazar, Gimenez and Diaz-Balart each submitted the request to the T&I Committee for consideration.

While the T&I committee majority supported the request, there were jurisdictional issues with the appropriations committee. Therefore, the language was not included in the WRDA legislation.

PortMiami also submitted a \$3 million *CPF New Start (reimbursement)* request as an initial downpayment for advancing the (\$90.5 million) federal cost share of the project. Notably, the House Appropriations committee decided against funding any New Starts in 2025, preferring to prioritize 2025 resource allocations towards completing ongoing projects.

Water Resources Development (WRDA 2024)

As reported above, the House and Senate have passed their respective versions of WRDA 2024. The following provisions are of interest to PortMiami.

Donor Port Funding -

The House bill (H.R. 8812, Sec. 205) directs the GAO to initiate a review of the treatment of donor ports, to include an assessment of other major container ports that are not currently eligible as donor ports and the description of the criteria that exclude such container ports from eligibility.

The bill also includes an annual reporting requirement on the operations and maintenance costs and needs at harbors and inland harbors and the distribution of funds from the Harbor Maintenance Trust Fund. The legislation indicates that the intent is “.....to provide the Committee with a continuous baseline and understanding of the infrastructure needs at our nation’s harbors, as well as the Corps’ implementation of Harbor Maintenance Trust Fund allocations directed by Section 102 of WRDA 2020.”

The Senate bill (S. 4367) provides comparable direction to the GAO to study the distribution of funding from the Harbor Maintenance Trust fund relating to the reforms made by the 2020 WRDA Act.

Change in Cost Share Governing Deep Draft Harbors -

The House WRDA amends the cost share formula governing construction for deep draft harbors which would reduce the nonfederal cost share for future deepening in the Miami Harbor. Current policy calls for nonfederal interests to provide for 25% of the cost of construction up to 50 feet and 50% for that portion of a project which has a depth in excess of 50 feet. The legislation changes this threshold from 50 to 55 feet.

PortMiami NetZero Resilient Supply Chain Program

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, requesting over \$24 billion.

Approximately \$1.7 billion in advance funding remains available to the Mega program. PortMiami submitted its third application by the May 6th due date.

A&F reached out to Secretary Buttigieg’s Chief of Staff (Mohsin Syed) to support the County’s request for a meeting with DOT Secretary Buttigieg for Mayor Levine Cava, to address NetZero and other County priorities. The meeting with the Secretary was scheduled for May 2nd. As reported above, A&F also scheduled meetings for the Mayor and Port officials with senior staff members in the offices of Senators Scott and Rubio.

On May 28th, 11 Members of the Florida delegation signed a congressional support letter to DOT Secretary Buttigieg, led by Congresswoman Salazar (R-FL). A&F assisted in securing Member signatures, to include Congressman Daniel Webster (R-FL), the Chair of the House Coast Guard and Maritime Transportation Subcommittee.

The Miami-Dade delegation is fully supportive of the NetZero proposal. A&F has recommended follow up meetings with the delegation at this time.

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.

Miami Harbor Channel Restrictions

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

Back Bay Feasibility Study

As WRDA has passed both the House and Senate, the next step is conference negotiations and with the Back Bay Chief of Engineers’ report issued last month, it is essential that it be included within the final conference document.

On the June 1 call with the Mayor and County staff members, A&F also recommended reaching out to the Army Corps to seek funding by the 2026 Army Corps budget which is being prepared at this time. A&F is prepared to schedule meetings on these time sensitive items with the delegation, committee staff or Corps officials.

Sec. 202 of H.R. 8812, the *Water Resources Development Act* of 2024, as reported by the House T&I Committee on June 26, directs the Corps to expedite the completion of the feasibility study for the “...*project for coastal storm risk management, Miami-Dade Back Bay, Florida.*”

Additional Legislation of Interest

--H.R. 1836, the Ocean Shipping Reform Implementation Act, sponsored by Rep. Dusty Johnson (R-SD), has passed the House. The legislation 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. 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.

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

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 is intended to provide priority consideration 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, sponsored Congressman Mark Green (R-TN) would incentivize 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.