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GOVERNMENT & PUBLIC AFFAIRS CONSULTANTS

Date: May 31, 2025

To: Miami-Dade Board of County Commissioners

From: Alcalde & Fay

Subject: Federal Government Relations Report

During the month of May, the House passed H.R. 1, the One *Big Beautiful Bill Act*, containing a mix of spending cuts and spending boosts, tax cuts and other measures intended to fast track President Trump's agenda. Also, the Trump Administration released the FY 2026 Budget (and the Army Corps 2025 workplan), while the Appropriations Committees continued to prepare for "mark ups" of the (twelve) 2026 spending bills.

Highlights during the month for PortMiami include:

- \$3,053,000 for Miami Harbor, included in the Army Corps' 2025 workplan.
- \$3,561,000 for Miami Harbor, included in the Army Corps Civil Works 2026 budget.
- DOT final approval of the **\$5 million** (INFRA) grant award for PortMiami's <u>NetZero Cargo Supply Chain Master Plan</u>,

PORTMIAMI PRIORITIES

PortMiami (2026) Community Project (CPF) Funding

As is standard practice governing Continuing Resolutions (CRs) the *Full-Year Continuing Resolution*, 2025, enacted on March 5, does not include community (CPF) projects, including the **\$5 million** for PortMiami's Reefer Yard Expansion project (as provided by the FY 2025 House-passed THUD appropriations bill).

A&F has been working with Port officials to prepare and resubmit the Reefer Yard project for 2026 CPF funding. We also assisted in preparing the Port's 2026 CPF submittals for funding support for: i) purchase of an STS crane by the *Port Infrastructure Development Grant Program* (PIDP); and ii) <u>Port Miami Roadway Improvements</u> by the *Surface Transportation Assistance Block Grant Program* (STBG).

Receipt of PortMiami's 2024 CPF Funding

A&F is working with the Port to secure receipt of the **\$4 million** in CPF funding provided by the 2024 *Consolidated Appropriations Act* (enacted March 4, 2024), including:

\$3 million for PortMiami's <u>Decarbonization and Master Development Plan</u>, pursuant to the *Port Infrastructure Development Grant Program*, Federal Maritime Administration (MARAD); and

\$1 million for PortMiami's <u>Stormwater Management Master Plan</u>, pursuant to the *State and Tribal* Assis*tance Grant (STAG) Program*, Environmental Protection Agency (EPA).

Donor and Energy Transfer Ports Program

PortMiami continues to advocate, in coordination with the nation's five other donor ports (Long Beach, L.A., Tacoma, Seattle and New York) for implementation of the WRDA 2020 Harbor Maintenance Trust Fund (HMTF) reforms which authorized: i)12% HMTF allocation to *Donor and Energy Transfer Ports*; and ii) increased funding for the *Donor and Energy Transfer Ports Program*: \$60 million (2025) and

\$62 million (2026). A&F worked with PortMiami to prepare the 2026 programmatic/language request forms for submittal to the delegation.

Notably, the 2025 Army Corps workplan, released on May 16th, includes \$3,053,000 for Miami Harbor, pursuant to the *Donor and Energy Transfer Ports* Program. In addition, the 2026 Army Corps budget, released on May 31st, includes \$3,561,000 for Miami Harbor, also pursuant to the *Donor and Energy Transfer Ports Program*. As previously reported, the 2024 Army Corps workplan includes \$24,773,00 for Miami Harbor.

Ship-to-Shore (STS) Cranes

PortMiami supports the provision of funding for STS cranes. Modern reliable cranes will strengthen the security and resilience of the global supply chain, while sustaining PortMiami's dramatic growth as a leading container port and the "Gateway to the Americas."

A&F is monitoring for opportunities for funding assistance for the purchase of STS cranes, to include all initiatives to incentivize domestic production.

Reimbursement of the Federal Share of a Federal Navigation Project

PortMiami supports a modification of U.S. Army Corps of Engineers policy governing reimbursement to a nonfederal sponsor which advances the entire federal share of a congressionally authorized navigation project. Current policy calls for a new start designation, notwithstanding that a project is completed and, like Miami's -50/52 foot dredge, has been producing benefits for the nation for close to a decade.

Removal of the new start requirement will enable PortMiami to seek reimbursements over time and to compete equitably with other major ports which are seeking federal dredging funds.

USTR Proposed Transportation Service Fees and Additional Tariffs on STS Cranes

On May 19th, the U.S. Trade Representative (USTR) held a hearing regarding its proposal for additional tariffs on certain ship-to-shore (STS) cranes and cargo handling equipment (CHE), in accordance with the April 18th Federal Register notice. The American Association of Port Authorities (AAPA) testified, indicating that the proposal could result in tariffs as high as 270% on ship-to-shore cranes.

The tariffs are proposed for cranes manufactured, assembled, or made using components of PRC origin or manufactured anywhere in the world by a company owned, controlled, or substantially influenced by a PRC national.

Port Miami also joined AAPA and multiple other trade groups to address concerns about the USTR's proposed maritime vessel fees, which included a \$1 million fee per U.S. port call on Chinese vessel operators and a \$1.5 million fee per U.S. port call for Chinese-built vessels. The final action, announced by the USTR on April 18th, significantly adjusts the fees, as described here, and includes provision for U.S. owned company vessels not to be subject to the fees.

Discretionary Grant Opportunities

PortMiami supports maximum funding for discretionary grant programs that support port development. Notably, despite government wide program cutbacks, the Trump Administration's 2026 budget is strong with respect to two such programs, requesting \$770 million for the *Infrastructure for Rebuilding America* (INFRA) Program and \$450 million for the *Port Infrastructure Development Grant* Program (PIDP).

Also notable, the Trump Administration retains the 2026 funding already provided for both programs by the *Infrastructure Investment and Jobs Act* (IIJA); specifically, \$550 million for the PIDP and the \$1.5 billion for INFRA.

A&F continues to monitor for DOT grant notifications of interest to PortMiami. On May 6th, DOT announced an updated *Notice of Funding Opportunity* (NOFO) for the 2025 *Port Infrastructure Development Grant Program (PIDP)*. extending the deadline to September 10th, 2025.

Grants previously awarded but not yet obligated.

As previously reported, the Department of Transportation issued <u>Competitive Grant Guidance</u>, directing its modal agencies to review all competitive grant selections announced since January 20, 2021 (FY 2022 through FY 2025) for the purpose of identifying any activities counter to Trump Administration priorities and previous Executive Orders.

We were pleased to report that on May 7th, the Trump Administration (DOT) announced the final approval (obligation) of the <u>\$5 million</u> grant award for PortMiami's <u>NetZero Cargo Supply Chain Master Plan</u>, originally announced in 2023.

The <u>\$25 million</u> grant award announced by DOT in October 2024, for PortMiami's <u>Electrification</u> project, is subject to review at this time. The Port is working with MARAD as the review is ongoing.

Other Legislation of Interest

Budget Reconciliation

On May 10th, the House passed *H.R. 1, the One Big Beautiful Bill Act*, making permanent the vast majority of the 2017 tax cuts and reforms and, among multiple other spending and revenue producing provisions, included an additional \$300 billion for defense and border security.

Noteworthy for U.S. ports is the extensive funding provided for border security; specifically, for boosting personnel for the Customs and Border Protection (CBP), including hiring and training of 3,000 new Border Patrol agents and 5000 new Office of Field Operations Customs Officers. Also of note, the legislation does not provide for the elimination of the tax - exempt status of state and local revenue bonds, which had been considered as a revenue source.

The bill now heads to the Senate where additional changes are expected in the coming weeks. Changes made in the Senate will then need to be approved by the House before the bill reaches the White House for signature into law.

The Ships for America Act

The legislation, sponsored by Representatives Garamendi (D-CA) and Trent Kelly (R-MS), Senators Mark Kelly (D-AZ) and Todd Young (R-IN), establishes a Maritime Security Trust Fund that would reinvest duties and fees paid by the maritime industry into maritime security programs and infrastructure supporting maritime commerce. The legislation also calls for coordinating U.S. maritime policy by establishing an interagency Maritime Board tasked with developing a whole-of-government National Maritime Strategy.

Maritime Supply Chain Security Act, H.R. 2390

As reported from the Transportation and Infrastructure Committee on April 1, the bill amends the *Port Infrastructure Development Grant Program* (PIDP) to clarify that PIDP funds can be used to replace Chinese cranes that were: i) installed or provided by the People's Republic of China or any department, ministry, center, agency, or instrumentality of the Government of the People's Republic of China; or ii) are maintained, controlled, or sponsored by the People's Republic of China or any department.

The Western Hemisphere Nearshoring Act of 2025

Reintroduced by Congressman Mark Green (R-TN) in the new 119th Congress, 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. Congressman Gimenez (R-FL) is a cosponsor of the legislation.

Recently Enacted Legislation

Water Resources Development Act/WRDA 2024

Enacted on January 4, 2025, WRDA 2024 reduces the nonfederal cost share for dredging channel depths in excess of 55 feet, from 50% to 25%, which is a significant development for the next dredge event in the Miami Harbor. Please note, WRDA 2022 directs the Secretary of the Army (Civil Works) "to expedite the completion of the Miami Harbor feasibility study." (Public Law 117-263, Sec. 8397).

National Defense Authorization Act (NDAA) 2025

Enacted on December 23, 2024, the legislation extends the eligibility of grants for shore power at cruise berths for one additional year, pursuant to the *Port Infrastructure Development Grant Program*.