

**Seaports Deliver** 



## 2020 HMT Legislation

- Mar 27: CARES Act passes, addressing AAPA Pillar 1, Full HMT use
  - Budget cap adjustment for up to prior year HMT revenues
  - Takes effect Jan 1, 2021 or upon WRDA enactment whichever comes first
  - AAPA pushing to get other 3 pillars in WRDA
- May 6: Senate AWIA reported out of Committee without the HMT provision
- July 29: House passed their WRDA bill, HR 7575
- Aug: House and Senate WRDA negotiations began
- Sep Dec: 'HMT is in HMT is out' roller coaster

#### **WRDA 2020**

- Final House and Senate agreement Dec 20
- Included in Consolidated Appropriations Act –
   Division AA (pages 3727- 4094 of 5693)
- Congress passed Dec 21
- President signed Dec 27
- <u>Landmark Legislation</u> for HMT legislative transformation, addressing AAPA's 4 pillars:
  - 1. Full use of annual HMT revenues
  - 2. Funding assurances for Donor Ports
  - 3. Funding assurances for Great Lakes ports
  - 4. Funding assurances for Emerging Harbors

#### Section 101. Budgetary Treatment of HMTF

- Provides access to the \$9.3 billion in unspent HMT tax collections.
- These funds are in addition to the annual HMT revenues
- They are also exempt from the budget cap just like the annual HMT revenues
- Effective immediately, i.e. FY 2022 appropriation

| FY   | \$, million | FY    | \$, million |
|------|-------------|-------|-------------|
| 2021 | \$500       | 2026  | \$1,000     |
| 2022 | \$600       | 2027  | \$1,200     |
| 2023 | \$700       | 2028  | \$1,300     |
| 2024 | \$800       | 2029  | \$1,400     |
| 2025 | \$900       | 2030+ | \$1,500     |

#### Section 102. Authorization of Approps for Nav

- Establishes HMT funds distribution
- Emerging Harbor projects, 15%
- Great Lakes projects, 13%
- Donor and Energy Transfer ports, 12%
- Commercial Strategic Seaports (NPRN), 17%
- Mutually inclusive
- Effective October 1, 2022
- Also authorizes an Emerging Harbor Expanded Use program, up to \$5 million per year, cost shared 75% Federal and 25% non-Federal

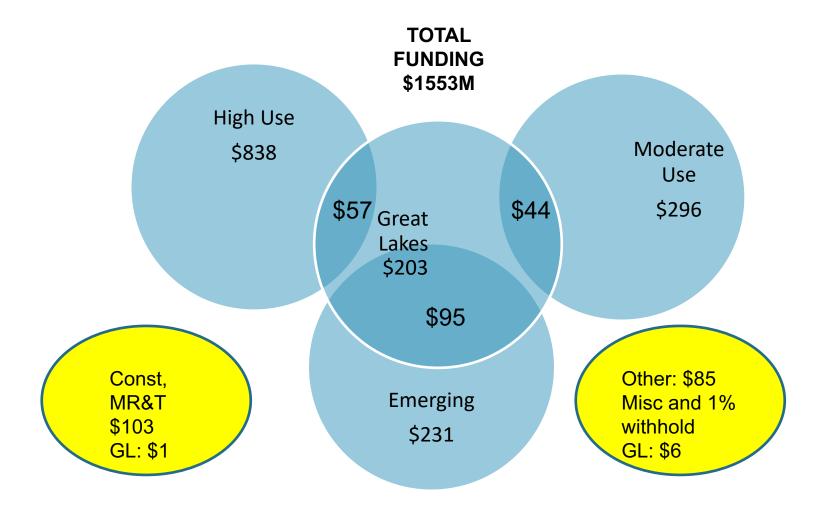
# National Port Readiness Network DoD and MarAd Program

- Anchorage, AK
- Beaumont, TX
- Charleston, SC
- Corpus Christi, TX
- Guam
- Gulfport, MS
- Hampton Roads,VA
- Jacksonville, FL
- Long Beach, CA

- Morehead, NC
- Oakland, CA
- Philadelphia, PA
- Port Arthur, TX
- San Diego, CA
- Savannah, GA
- Tacoma, WA
- Wilmington, NC

Additional Info: National Port Readiness Network

## HMT Funds Distribution, FY 2019 source: USACE Work Plan



### **HMT Funding, \$ millions**

| Fiscal Year | Est. HMT<br>Revenue | Maintenance<br>Portion | WRDA '20<br>unspent<br>\$9.3 B HMT | Total  | Approp |  |
|-------------|---------------------|------------------------|------------------------------------|--------|--------|--|
| 2020        | \$1782              | \$1586                 |                                    | \$1586 | \$1630 |  |
| 2021        | \$1826              | \$1679                 |                                    | \$1679 | \$1680 |  |
| 2022        | \$1909              | \$1909                 | \$600                              | \$2509 |        |  |
| 2023        | \$2006              | \$1765                 | \$700                              | \$2465 |        |  |
| 2024        | \$2086              | \$1835                 | \$800                              | \$2635 |        |  |
| 2025        | \$2169              | \$1909                 | \$900                              | \$2809 |        |  |
| 2026        | \$2256              | \$1985                 | \$1000                             | \$2985 |        |  |
| 2027        | \$2346              | \$2065                 | \$1200                             | \$3265 |        |  |

Maintenance Portion: Greater of WRRDA 2014 % or 3% above prior FY appropriation. Assumes WRDA 2020 D&ET 12% is effective w/FY23 appropriation

#### Section 103. Annual HMTF Report to Congress

- Establishes an annual reporting requirement from the Corps to Congress on HMTF expenditures
- To be provided along with the Administration's annual budget request

Section 105. Construction of water resource development projects by non-Federal interests

 Clarifies the Federal assumption of maintenance process, including acceptance of construction of the locally preferred plan

## Section 125. Beneficial use of dredged material, dredged material management plans

- Modifies the 'Federal Standard' determination to consider the benefits of the dredged material placement as well as any additional placement cost.
- Requires an annual report to Congress with a 5-year dredged material management plan:
  - Estimated dredged material quantities and
  - Public input to the placement method
- Expands the Beneficial Use Pilot Program from 20 to 35 projects

## Section 144. Acceptance of funds for harbor dredging

 Authorizes the Corps to accept funds for technical assistance and administration of contracts for dredging non-Federal navigation channels, berthing areas and marinas adjacent or accessible to a Federal navigation channel.

#### Section 145. Replacement capacity

- Addresses issues with use of dredged material placement facilities (DMPF) by non-Federal interests, including cost sharing.
- For example, building additional capacity at a DMPF to accept non-Federal material.
- POC Grady Bryant

## Section 161. Studies of water resources development projects by non-Federal interests

- This section clarifies the Corps review of studies prepared by non-Federal interests, known as Section 203 studies.
- POC: David Miller

#### TITLE II – Studies and Reports

Sec 201. Authorization of proposed feasibility studies.

Coastal navigation projects include:

- Lower Columbia River turning basin (turning basin)
   Oregon and Washington
  - Houston-Galveston Texas

#### <u>TITLE IV – Water Resources Infrastructure</u>

Navigation (authorized to proceed to construction)

- 1. Port of Nome, Alaska
- 2. St. George Harbor Improvement, Alaska
- 3. Unalaska (Dutch Harbor) Channels, Alaska
- 4. New Haven Harbor Navigation Improvement Project, Connecticut
- 5. New York and New Jersey Harbor Anchorages, NY and NJ
- 6. Gulf Intracoastal Waterway, Brazos River Floodgates and Colorado River Locks, Texas
- 7. Houston Ship Channel Expansion Channel, Texas
- 8. Matagorda Ship Channel Improvement, Port Lavaca, Texas
- 9. Atlantic Intracoastal Waterway, North Landing Bridge Replacement, Virginia

## AAPA's Anticipated 2021 Congressional Legislation

| LEGISLATION                               |                | Jan. | Feb. | Mar. | Apr. | May | June | July | Aug. | Sept. | Oct. | Nov. | Dec. |
|---|----------------|------|------|------|------|-----|------|------|------|-------|------|------|------|
| Infrastructure Investment/Covid           | Funds          |      | X    | X    |      |     |      |      |      |       |      |      |      |
| FY 2022 Appropriations                    | Funds          |      |      |      | X    |     | X    |      |      |       |      |      |      |
| Surface Transportation Reauthorization    | Funds & Issues |      |      |      |      | X   |      |      |      | x     |      |      |      |
| Trade Promotion Authority Reauthorization | Issues         |      |      |      | X    |     |      | X    |      |       |      |      |      |
| WRDA 2022                                 | Issues         |      |      |      |      |     |      |      |      |       |      | X    |      |
| <b>Data Privacy and Security</b>          | Issues         |      |      |      |      |     |      |      |      | X     |      |      |      |
| DHS Reauthorization – 2022?               | Issues         |      |      |      |      |     |      |      |      |       |      |      |      |





### 2021 AAPA H&N Engagement

- Corps will develop Implementation Guidance for WRDA 2020 provisions
- FY 2022 Appropriations advocacy Ports and all navigation supporters must push for:
  - Full HMT revenues, \$1.9 billion estimated
  - \$600 million of the unspent HMT tax collections
- H&N Committee needs to develop a means to identify channel conditions and funding needs to achieve a 'state of good repair' or similar terms
- This info needed to advocate for the \$9.3 billion

#### WRDA 2022...

- Eliminate double HMT payment for ship-port-barge movements.
- Donor and Energy Transfer (D&ET) port program Corps waive year of 3-year average for national or natural disaster impacting port operations.