

# Inter-American Committee on Ports – Organization of American States

## Lessons Learned from U.S. Port Policy

By

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# Outline

- Does the U.S. have a national port policy? If so, what is it?
- Legislative Accomplishments
  - Water Resources, Reform and Development Act of 2014 (Pub. L. 113-121)
  - Pending Legislation – MAP-21 Reauthorization Act (S. 2322)
- Strategic Ports and Role in U.S. Port Policy
- Funding Mechanisms and Success Stories
  - TIGER and EPA grants
  - Property conveyances

# Does the U.S. Have a National Port Policy? Should It?

- 341 ocean and inland ports in the U.S
- For the most part, all ports are treated alike
- No single U.S. G. agency is in charge of port policy

**U.S. Coast Guard – safety and security;**

**U.S. Customs & Border Protection – trade and security;**

**U.S. Maritime Administration – port promotion;**

**U.S. Army Corps of Engineers – port dredging;**

**Environmental Protection Agency – environmental rules & regulations;**

**FEMA/DHS – port security grants**

# Does the U.S. Have a National Port Policy? Should It?

*Without an agency in charge,  
how can we have  
a comprehensive port policy?*

# Ad Hoc Approach and Legislative Accomplishments

- Agencies have their FY14 budgets and are awarding grants and issuing contracts
- Congress has passed, finally, a major piece of legislation to fund 34 dredging, flood control, hurricane recovery and environmental projects that enable ports to accommodate so-called post-Panamax vessels (WRRDA)

# Approach & Accomplishments (Cont'd)

- Main accomplishments:
  - Increase funding on ports from The Harbor Maintenance Trust Fund (HMTF);
  - Allocates 10% of annual HMTF expenditures on “Underserved”, emerging ports;
  - Authorizes 34 projects that have completed technical review by The Army Corps of Engineers;
  - Streamlines The ACOE environmental review process (limits to three years and three levels of review);
  - Deauthorizes \$18B of old, inactive projects, and
  - Creates a new finance program called WIFIA

# Pending Legislative Actions - 113<sup>th</sup> Congress

- MAP-21 Reauthorization Act of 2014 (S. 2322)  
(Highway Funding)
  - Reported by The Senate Environment and Public Works Committee on May 16, 2014
  - Contains a title establishing a new National Freight Program
  - Working with Senate Commerce Committee to include ports in the freight program
  - No clear financing mechanism. Increase the gas tax? **Not this year.**

# Strategic Ports – What are they and what do they do?

- U.S. Department of Defense has designated 22 U.S. seaports as “Strategic”
- Strategic ports are close to U.S. military facilities and can be made available on 48 hours notice to transport military cargo and personnel during times of war and national emergency
- The U.S. Maritime Administration administers The Strategic Port Program and coordinates the movement of troops and material with commercial cargo movements
- Strategic ports have priority in DOD shipments but not necessarily for funding





# Funding Mechanisms & Success Stories

- Funding available to U.S. ports:
  - **Port security grants** (DHS) -- \$100M in FY2014;
  - **TIGER grants** (DOT) -- ports can compete for some of the \$600M in funding for intermodal projects of regional or national significance;
  - **DERA grants** (EPA) -- \$9M to replace marine diesel engines and related port equipment;
  - **ACOE dredging** – still has to be appropriated from the HMTF and matched with public/private funds; and
  - **Port Infrastructure Development Fund (MARAD)**
    - **no funds available**

## Funding Mechanisms & Success Stories (cont'd)

- A port applied for and received a \$10M TIGER grant to build a new harbor below Lock #27 on the MS River
- The same port applied for and received 752 acres and property from a closed Army base adjacent to the existing port and was able to convert the base into a major, new port facility with public and private tenants

## Funding Mechanisms & Success Stories (cont'd)

- A private tenant in a port received a port security grant from DHS/FEMA and was able to purchase new radio equipment
- An owner of a fleet of passenger vessels operating in several U.S. ports received DERA grants from EPA and was able to replace its old diesel engines with new ones reducing harmful emissions

# Funding Mechanisms & Success Stories (cont'd)

- **WRRDA** – when the tap is open, many U.S. ports will benefit from dredging, flood protection, and restoration

## Funding Mechanisms & Success Stories (cont'd)

- But the U.S. is still lagging in paying for critical infrastructure
  - See ASCE 2013 Report: “Failure to Act – The Economic Impact of Current Investment Trends in Airports, Inland Waterways, and Marine Ports Infrastructure”
  - Rated the U.S. a D+ in funding public infrastructure and a shortfall of \$3.6T by 2020

# Summary

- U.S. port policy is ad hoc, multi-headed, and disjointed but seems to work
- Ports do have support from many federal programs – if they can navigate the rules and regulations
- WRRDA passage is a major accomplishment and a step in the right direction
- If MAP-21 Reauthorization includes a funding mechanism for a new National Freight Program that recognizes the important role of ports in our freight policy, ports can benefit

# Summary

*“Follow our successes,  
not our failures.”*

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