



2019 Position Paper

Port Infrastructure Development Grants

Summary:

In 2010, Congress authorized a Port Infrastructure Development Program to be administered by the U.S. Maritime Administration. While the program remained unfunded for many years, Congress provided first-year funds in the FY2019 Consolidated Appropriations Act. Specifically, the legislation provides a total of \$292.7 million and stipulates that grant funds are to be issued to public agencies and used for a variety of port improvements, including intermodal infrastructure, terminal equipment, wharf construction, cargo handling technology, etc.

Unfortunately, \$92.7 million of the funds made available in FY2019 are reserved for the 15 largest U.S. container ports (by volume). None of these ports are in the Great Lakes region and thus, almost 1/3 of the grant funds are off-limits to Great Lakes ports.

AGLPA Position:

AGLPA strongly supports continued funding for the Port Infrastructure Development Grant Program and urges Congress to include \$293 million in the FY2020 Transportation Appropriations Bill. We urge Congress to eliminate any restrictions that hinder Great Lakes ports from fairly competing for scarce dollars. If not, then we urge that 15% of port infrastructure development grant funds be earmarked to the Great Lakes region.

Additional Background:

While the United States has federal grant programs for aviation, highway, rail and public transportation infrastructure, there has not been a federal assistance program specifically targeted at port infrastructure. Ports are eligible to apply for U.S. Department of Transportation "BUILD" and "INFRA" grants, but often find themselves competing with other important airport, highway or mass transit priorities in their communities. For this reason, a dedicated port infrastructure grant program is attractive.

In 2010, Congress enacted legislation (P.L. 111-84) to create a Port Infrastructure Development Program within the U.S. Department of Transportation/Maritime Administration. Known as "StrongPorts," the program's goal is to assist local port stakeholders as they work to improve the movement of freight. This assistance may include planning, project oversight, technical assistance, expediting environmental reviews, coordinating with other federal agencies, and issuing grants.

In 2018, the Senate Commerce Committee approved legislation (S. 3273) sponsored by Senator Roger Wicker (R-MS) which would have updated and enhanced the 2010 program. The new authorization was meant to improve the program's focus, establish non-federal cost share requirements, clarify use of grant funds, and ensure a fair distribution of grant awards. Specifically, the Wicker legislation would prohibit any one state from receiving more than 25 percent of funds, ensure that 10 percent of funds go to small projects, and prohibit more than 25 percent from being used for dredging.

While the legislation was not enacted, its spirit lived on. In February, 2019, Congress appropriated \$293 million for MARAD's StrongPorts program in the FY2019 Consolidated Appropriations Act. This was the first time the program had been funded since its creation in 2010. The funding was accompanied by detailed language describing how the funds were to be used - shown below. Much of this language mirrors the goals of the Wicker legislation.

"To make grants to improve port facilities as authorized under section 50302 of title 46, United States Code, \$200,000,000 to remain available until expended: Provided, That projects eligible for funding provided under this heading shall be projects for coastal seaports: Provided further, That in addition, \$92,730,000, to remain available until expended, shall be for grants to the 15 coastal seaports that handled the greatest number of loaded foreign and domestic twenty-foot equivalent units of containerized cargo in 2016, as identified by the U.S. Army Corps of Engineers: Provided further, That the Maritime Administration shall distribute funds provided under this heading as discretionary grants to port authorities or commissions or their subdivisions and agents under existing authority, as well as to a State or political subdivision of a State or local government, a tribal government, a public agency or publicly chartered authority established by one or more States, a special purpose district with a transportation function, a multistate or multijurisdictional group of entities, or a lead entity described above jointly with a private entity or group of private entities: Provided further, That projects eligible for funding provided under this heading shall be either within the boundary of a port, or outside the boundary of a port, and directly related to port operations or to an intermodal connection to a port that will improve the safety, efficiency, or reliability of the movement of goods into, out of, around, or within a port, as well as the unloading and loading of cargo at a port: Provided further, That the Federal share of the costs for which an expenditure is made under this heading shall be up to 80 percent."