



National Association of Waterfront Employers

July 20, 2023

NAWE News

Latest with NAWE

NAWE Team Tours Ports America Chesapeake Terminals at Port of Baltimore – On Friday, July 14, NAWE President <u>Robert Murray</u>, NAWE Board Chairman and Ports America Director of Government Relations Thomas Saunders, Jason Gasparik of NAWE member Moffatt & Nichol, and members of the NAWE Legislative Team from Blank Rome (Dave Jansen and Stephen Peranich) and Becker Poliakoff (Omar Franco) toured the Dundalk and Seagirt Terminals operated by Ports America Chesapeake at the Helen Delich Bentley Port of Baltimore. Also participating in the tour were Joshua Barney of Schneider Electric and Elaine Nessle, Cecile Entleitner from the Coalition for America's Gateways & Trade Corridors. The NAWE group was provided a briefing by Mark Schmidt, VP and General Manager for Ports America's Port of Baltimore location, and the tour was led by Bennett Creighton, Director of Planning & Terminal Development for Ports America Chesapeake. After the tour, the NAWE group was joined for a working lunch in Baltimore by Federal Maritime Commissioner Carl Bentzel.

NAWE President Visits MassPort – NAWE Board Member, Joseph Morris, was the Keynote and opened the American Association of Port Authorities Smart Port Conference in Boston talking about the great things going on at MassPort. During the conference, Rob spoke on a panel joined by NAWE member and E3C co-chair, Spencer Pope, and Marie Collins (MITRE). Spencer discussed American Manufacturing and how to strategically deploy "Build America Buy America" compliant Container Handlers, Heavy Lifts, and Terminal Tractors into US Ports. Rob covered Federal policy impacting the industry and the great work NAWE is doing in Washington, DC and Marie spoke to security concerns surrounding STS cranes.

NAWE Hires New Director of Marketing and Communication – <u>Colleen Kennedy</u> joined the NAWE team this week serving as its Director of Marketing and Communication. She brings with her years of experience from Capitol Hill and the private sector. Colleen has successfully led social media growth campaigns during her time as a Communications Director on Capitol Hill as well as for the Association of Equipment Manufacturers (AEM). She is a native of the Mississippi Gulf Coast and is eager to get started, learn more about the industry, and advance the association's communication goals and objectives.

Welcome NAWE New Member – Mi-Jack Products has joined NAWE as an Associate Member. Mi-Jack provides Translift and Travelift RTG cranes along with parts, services and automation for port, intermodal, and industrial applications. See <u>Home | Rubber Tired Gantry Cranes | Mi-Jack</u> for more info.

NAWE Legislative Updates

With Few Legislative Days Remaining Before the End of the Fiscal Year, Congress Picks up Pace of

Appropriations – With the August recess looming, Congress is under mounting pressure to tackle the remaining Fiscal Year 2024 appropriations bills before the start of the new fiscal year on October 1. With few remaining legislative days before the deadline - only the balance of July and September are available after the Chambers adjourn for August break - Congress must enact either the FY 2024 appropriations bills or a Continuing Resolution ("CR") that would provide temporary funding for federal operations. Working within this tight timeframe, the House of Representatives advanced the Financial Services-General Government and State-Foreign Operations appropriations bills last week in full committee markups, while the Labor-HHS-Education, Interior-Environment, and Transportation-HUD (T-HUD) spending bills were all marked up at the subcommittee level. Last week, with two bills at the subcommittee level remaining, the full House Appropriations Committee marked up the Interior-Environment and T-HUD bills. With House Republicans seeking to reduce what they consider wasteful government spending, both bills propose deep cuts to federal government programs. The T-HUD bill, which passed on a party-line vote on July 18, would spend \$90.24 billion – \$2.91 billion above the current level – however \$25 billion of that would come from rescinding spending from the Biden Administration's Inflation Reduction Act (IRA) and the Infrastructure Investment and Jobs (IIJA). Of particular importance for NAWE, the Maritime Administration's (MARAD's) Port Infrastructure Development Program (PIDP) would be funded at only \$69.27 million under the measure – a \$142.48 million reduction from the FY 2023 funding level. Additionally, the bill omits funding for the Department of Transportation's multimodal infrastructure projects, including the RAISE and MEGA grant programs, and provides \$10 million for the U.S. Marine Highway Program - \$1 million below the President's request.

The Senate aims to finish marking up its government funding bills this week after advancing its version of the Commerce-Justice-Science, Financial Services-General Services, and Legislative Branch spending bills last week in the full Appropriations committee. On July 20, the upper Chamber planned to mark up its Energy-Water Development, State-Foreign Operations, and T-HUD bills. In contrast to the House, the Senate increased overall funding levels consistent with levels agreed to by the House, Senate and White House in the debt limit legislation enacted in June.

Specifically, the Senate's T-HUD measure provides a total of \$28.433 billion for the Department of Transportation in FY 2024. The Senate bill maintains the funding for the RAISE grant program at FY 2023 levels and provides \$150 million for PROTECT grants in FY 2024. Lastly, the Senate bill funds MARAD's Port Infrastructure Development Program (PIDP) grants at \$213 million for FY 2024.

The Senate version of the Energy-Water Development bill provides an overall funding level of \$58.095 billion for FY 2024. Within that amount, the Senate bill provides \$8.934 billion for the U.S. Army Corps of Engineers and \$2.77 billion for the Harbor Maintenance Trust Fund. Additionally, Senate Appropriations Committee Chair Patty Murray (D-WA) and ranking member Susan Collins (R-ME) announced on Monday an agreement to attach nearly \$14 billion in additional FY 2024 emergency funding to the remaining bills that will come before the panel before the August recess. With the House Republican leadership having approved spending allocations at \$120 billion less than the \$1.59 trillion cap the Senate is adhering to under the debt limit agreement, the additional Senate funding will widen this already large spending gap, raising the likely prospect of a standoff between the two Chambers in September. On July 27, the full Senate committee will mark up its final four appropriations bills – Defense, Homeland Security, Interior-Environment, and Labor-HHS-Education. The House may begin floor consideration for its appropriations bills next week, while the Senate is expected to take action on the floor in September. The NAWE team will continue to monitor progress on the House and Senate appropriations process and report on any developments in this area.

Senate Primed to Take Floor Action on FY 2024 National Defense Authorization Act (NDAA), House Passes Measure on Party Line Vote – Last week, the House of Representatives passed its version of the Fiscal Year 2024 National Defense Authorization Act (H.R. 2670). The large-scale policy bill, which for FY 2024 would authorize \$886.3 billion for defense programs at the Pentagon, Energy Department and other agencies, is considered must-pass legislation and has been approved by Congress with bipartisan support for 62 consecutive years. This year, the NDAA passed the House largely along a party-line vote of 219-210, after controversial amendments restricting abortion access for military personnel regardless of where they are stationed, barring transgender health services, and limiting diversity training for military personnel were adopted. The NDAA is of particular interest to NAWE, as it contains a maritime title that includes the authorization for several important MARAD programs. The NDAA is also the legislative vehicle where NAWE is seeking an expansion of MARAD's Capitol Construction Fund (CCF) Program. Reps. Mike Ezell (R-MS-04) and Troy Carter (D-LA-02) filed a bipartisan amendment that would expand the CCF program to incentivize the use of private capital for the purchase of near zero or zero emission cargo handling equipment by private U.S. marine terminal operators. Last week, the CCF amendment to the House NDAA was not made in order by the House Rules Committee. The House Freedom Caucus fought to limit the number of amendments by arguing that they were not germane to national defense. Under this strict guideline, of the more than 1,500 amendments filed, only 360 were made in order, thus removing from consideration the vast majority of amendments. Other amendments of interest to NAWE members that were not made in order were the House Transportation & Infrastructure Committee reported Coast Guard Authorization Act of 2023 (H.R. 2741) and the controversial Ocean Shipping Reform Implementation Act (H.R. 1836). NAWE still plans to work with the House and Senate to introduce the CCF measure as a stand-alone bill and intends to build support for the measure through the co-sponsorship process. NAWE is also engaged with the Senate for potential movement of the CCF in the Senate's version of the NDAA.

Last week, the Senate began advancing its version of the *Fiscal Year 2024 NDAA (S. 2226)*. Like the House legislation, the Senate bill would set discretionary spending for the Nation's defense programs at \$886.3 billion – an amount in line with the spending limit agreed to in the debt-limit deal. After clearing its first procedural vote on Tuesday to set the terms of the floor debate on amendments, the Senate has begun consideration of amendments to the measure, including an initial "manager's package" of 51 amendments. Approximately 600 amendments have been filed to the Senate's NDAA legislation. Although floor action on the Senate NDAA will likely be less contentious than in the House, some Senators are pushing for votes on controversial Department of Defense policies, including abortion access and diversity efforts. Additionally, in an effort to lift a hold on military promotions imposed by Sen. Tommy Tuberville (R-AL), Senate Majority Leader Chuck Schumer (D-NY) will allow Sen. Tuberville a vote to repeal the Pentagon's abortion policy for military personnel – the policy at the center of his blockade. Further updates on the status of the NDAA and the CCF program amendment will appear in future editions of NAWE News.

House Transportation & Infrastructure Committee Releases Report on H.R. 3395, *the U.S. Supply Chain Security Review Act of 2023* – On July 18, 2023, the House Transportation & Infrastructure Committee released its committee report on the *U.S. Supply Chain Security Review Act of 2023 (H.R. 3395)*. As previously reported in NAWE News, H.R. 3395 would direct the Chairman of the Federal Maritime Commission (FMC) to seek to enter into an agreement with a federally funded research and development center to evaluate foreign ownership of marine terminals at the 15 largest container ports in the United States. The measure was favorably reported by a unanimous voice vote in the House T&I Committee on May 23, 2023. After formal release of the committee report to accompany H.R. 3395, the bill was placed on the Union Calendar. This action is an important step in the legislative process that now allows the bill to be called up for a House floor vote in the near future. The bill text may be viewed here: https://www.congress.gov/bill/118th-congress/house-bill/3395/text?format=txt.

NAWE Regulatory Updates

White House Publishes National Cybersecurity Strategy Implementation Plan – On July 13, The White House published its <u>National Cybersecurity Strategy Implementation Plan (NCSIP</u>). The NCSIP is a roadmap for realizing the vision the Administration set forth in its recently released <u>National Cybersecurity Strategy (NCS)</u>, which calls for fundamental shifts in how the U.S. allocates roles, responsibilities and resources in cyberspace. The plan details more than 65 high-impact Federal initiatives, from combatting cybercrimes to building a skilled cyber workforce equipped to

excel in an increasingly digital economy. Initiatives from the NCSIP are organized by the five pillars and 27 strategic objectives set forth in the NCS. The plan's first pillar – "Defending Critical Infrastructure" – sets cybersecurity requirements across critical infrastructure sectors, scales-up public-private collaboration, updates the National Cyber Incident Response Plan (NCIRP), and requires the issuance of the final Cyber Incidence Reporting for Critical Infrastructure (CIRCI) rule, among other things. This is the Administration's first iteration of the plan, which is a living document to be updated annually.

FMC Industry Advisory – Requirements for Doing Business with NVOCCs and OFFs – The FMC posted an industry advisory on July 13 reminding common carriers, including Vessel-Operating Common Carriers (VOCCs), that they must meet their compliance obligations when doing business with Non-Vessel-Operating Common Carriers (NVOCCs) and Ocean Freight Forwarders (OFFs). Click <u>HERE</u> to read more.

NAWE Joins Industry Partners to Push Back on Underride Guards Rule – NAWE joined the Institute of International Container Lessors, the American Association of Port Authorities, TTX Company, the Association of American Railroads, and the Intermodal Association of North America in submitting comments to National Highway Traffic Safety Administration Deputy Administrator Sophie Shulman opposing the NHTSA's proposed rulemaking regarding Side Underride Guards. The current proposal would hinder port operations and virtually do nothing to address safety concerns. <u>Click here to read the full letter</u>.

Upcoming DOT Infrastructure Grant Program Application Deadlines

2023 Multimodal Project Discretionary Grant program (MPDG) Combined NOFO – This is a new program established by the Biden Administration for large multimodal infrastructure projects that solicits grant applications at one time for several DOT programs, including INFRA, Mega, and Rural. The Mega grant program was created through the Biden Administration's bipartisan infrastructure law and will invest \$5 billion through 2026. Eligible projects could include highway, bridge, freight, port, passenger rail, and public transportation projects of national or regional significance. Per the law, 50 percent of funds are available for projects above \$500 million in total cost, and 50 percent are available for projects between \$100 million and \$500 million in total cost. The deadline for applications is August 21, 2023 at 11:59 p.m. ET. Link: <u>here</u>

FHWA Opens NOFO for "PROTECT" Grants—Ports Among Eligible Recipients

The Federal Highway Administration (FHWA) opened applications for the first round of the bipartisan infrastructure law's Promoting Resilient Operations for Transformative, Efficient, and Cost-Saving Transportation (PROTECT) Discretionary Grant Program. The program will invest in projects to make the country's surface transportation system – including highways, public transportation, pedestrian facilities, ports, and intercity passenger rail – more resilient to the worsening impacts of climate change, while reducing long-term costs by minimizing demands for more expensive future maintenance and rebuilding. The program prioritizes innovative and collaborative approaches to risk reduction – including approaches that harness the power of nature to protect against flood, erosion, wave damage, and heat impacts. The Notice of Funding Opportunity for Fiscal Years 2022 and 2023 is available here and will remain open for applicants through August 18, 2023.

New Reduction of Truck Emissions at Port Facilities Grant Program - On April 27, 2023, FHWA opened FY 2022-2023 grant applications for the Reduction of Truck Emissions at Port Facilities program, which will make \$160 million available over two years to test, evaluate, and deploy projects that reduce port-related emissions from idling trucks, including through the advancement of port electrification and improvements in efficiency. The Notice of Funding Opportunity (NOFO) for Fiscal Years 2022 and 2023 is available at the program office website. See this fact sheet for more information: <u>Bipartisan Infrastructure Law - Apportionment Fact Sheet</u>. The program complements the Maritime Administration's (MARAD) <u>Port Infrastructure Development Program (PIDP</u>), which provides grants to safety, efficiency

and reliability of the movement of goods through ports and intermodal connections to ports. The original closing date for applications for this program was June 26, 2023, but has been extended to July 26, 2023. In May, NAWE President Rob Murray joined AAPA President Chris Connor and the leaders of Pacific Northwest Waterways Association, American Great Lakes Ports Association, North Atlantic Ports Association, Washington Trucking Associations, Nuvera Fuel Cells, and Friends of the Earth in writing FHWA Administrator Shailen Bhatt to express support for the RTEPF grant program and to request that the application window be lengthened. The original closing date for applications for this program was June 26, 2023.

DOT Posts FY 2023 Discretionary Grant Preparation Checklist for Applicants for Federal Transportation Funding The U.S. Department of Transportation posted a comprehensive checklist for applicants for federal transportation grant program funding provided in FY 2023. According to DOT, the checklist is to assist eligible applicants better understand existing statutory and regulatory requirements and agency policies that they need to be aware of when filling out and submitting applications for DOT competitive grant programs funded in FY 2023. <u>Click to access DOT Grant Preparation</u> <u>Checklist.</u>

NAWE Event Updates



Mark your calendar and make plans to attend the upcoming <u>NAWE 2023 Annual Meeting</u> on October 11-13. It will be held at the beautiful <u>Ritz-Carlton Hotel</u> in New Orleans where we have a room block at just \$299/night.

Plan to join your NAWE colleagues to discuss current industry trends and legislative/regulatory policies affecting marine terminal operators. Please note that all four committees (Legislative Committee, Insurance Committee, Security Committee, as well as Environment, Energy, and Equipment Committee) will be convening during the annual meeting and **virtual participation will not be available**. <u>Registration is now open</u> with special early bird rates through August 31. We look forward to seeing you in New Orleans this fall.

Articles of Interest

Maritime Executive

ILWU Canada Ordered Back to Work, But Strike May Resume in 72 Hours July 19, 2023

The Canada Industrial Relations Board (CIRB) this morning ordered striking International Longshore and Warehouse Union Canada members back to work immediately at the country's West Coast ports. The action came a little over 12 hours after the union announced it had voted down the proposed new four-year contract and resumed the strike as of 16:30 on July 18..

gCaptain

Jones Act Shipping Company Rose Cay Maritime Forges Green Methanol Partnership with US Producer July 20, 2023

Reuters US labor market still tight; housing market slump persists July 20, 2023

Initial claims for state unemployment benefits dropped by 9,000 to a seasonally adjusted 228,000 for the week ended July 15, the lowest level since mid-May. Economists polled by Reuters had forecast 242.000 claims for the latest week. Unadjusted claims fell by 326 to 257,976 last week. Claims surged by 5,059 in California and increased by 4,616 in Georgia. There were also notable rises in filings in South Carolina and Oregon, which were more than offset by significant declines in Michigan, Kentucky, Indiana, New York, New Jersey, Iowa and Illinois.

Seatrade Maritime

Port of San Diego receives North America's first electric harbour cranes July 19, 2023

Journal of Commerce

US warehouse vacancies rose in Q2, but market still healthy July 20, 2023

US industrial real estate vacancies are rising to prepandemic 2019 levels, but experts say the market is still "healthy" despite supply outpacing demand and vacancy rates reaching 4.1% in the second quarter for the first time since mid-2021. Net absorption for the US industrial real estate market totaled 44.9 million square feet in the second quarter, compared with 71.4 million square feet and a 3.5% vacancy rate in the first quarter, according to a report published this week by commercial real estate firm Cushman & Wakefield

US-based green methanol producer Carbon Sink and Rose Cay Maritime, a Jones Act shipping company, have signed a Memorandum of Understanding to help increase green methanol production, transportation, bunkering, and storage for the shipping sector. The Port of Diego ordered battery-electric cranes from Konecranes for approximately \$14 million and spent an additional \$8.9 million to make the necessary electrical infrastructure improvements to support the cranes, which included \$2.7 million in grants from the San Diego County Air Pollution Control District.

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