



National Association of Waterfront Employers

October 17, 2023

NAWE News

Latest with NAWE

NAWE Wraps Up Successful 2023 Annual Meeting in New Orleans – NAWE concluded its 2023 Annual Meeting last week, which took place in New Orleans. NAWE members gathered for a multi-day strategic summit to discuss industry aligning on multiple administrative regulatory proposals that would impact MTO's as well as identifying key legislators in Congress that would support member priorities that benefit all waterfront related stakeholders. NAWE's member-driven Legislative, E3C, Insurance, and Security Committees met to identify meaningful proposals that would improve communication amongst members, establish advocacy best practices for the industry, and collaborate on upcoming action items. The committees discussed ways to close out the year strong and prepare for the second session of the 118th Congress. NAWE members that attended the association's annual meeting left with a renewed sense of pride for NAWE's vision and clear motivation to remain actively engaged with members of Congress and federal regulators through targeted advocacy. This year's meeting, which surpassed the number of attendees from last year, brought together NAWE members from across the country with a wide range of public and private sector leaders in the maritime space. The theme of this year's meeting – stronger together – was also incorporated into a slate of diverse speakers, which featured Federal Maritime Commission (FMC) Commissioner Max Vekich, Deputy Administrator of the Maritime Administration (MARAD) Tamekia Flack, and Deputy Chief of Operations Division Joaquin Mújica of the U.S. Army Corps of Engineers. A strong slate of private sector leaders was also assembled, including Jeremy Harsin, Global Construction Market Director of Cummins, Paul Gagnon, Vice President of SSA Marine, and Matt Hillyer, Director of Engineering at Taylor Machine Works, who discussed new technologies in cargo handling equipment, as well as Tuomas Saastamoinen, SVP Sales & Marketing, Port Solutions, Konecranes, Aaron Newton, Vice President of Sales at Mi-Jack Products, and Jack Jensen Founder and CEO of Transportation Consultants, who all shared their unique perspectives within the industry. NAWE President Rob Murray also invited head basketball coach at the University of Southern Mississippi, Jay Ladner, to talk to NAWE members about the parallels of business and athletics. Murray and Ladner discussed the importance of recruiting individuals to a company with strong moral character and someone that is committed to the culture of the company or someone that buys into their established role on the team. All the speakers provided valued expertise during the program and stuck around after their speeches to visit with NAWE members on an individual basis.

During the conference, NAWE Board Members met to conduct board business, recap the impactful NAWE-led advocacy initiatives as part of the associations strategic plan, as well as discussed ways to maximize NAWE's resources and increase engagement from all members. NAWE members received federal legislative updates on issues of importance to the industry and professional tips to increase successful outcomes when meeting with elected officials from Stephen Peranich, Principle at Blame Rome Government Relations, LLC, and Anthony Bedell, Senior Corporate and Government Relations Director at Becker & Poliakoff. Both strategic advisors have years of experience working on Capitol Hill and within the Executive Branch of government. NAWE Annual concluded with a tour of the Port of New Orleans, which offered attendees insights into the port's terminal operations and new cargo handling equipment in use on site. Overall, this year's NAWE Annual was a great opportunity for our members and industry leaders to network, learn about current issues affecting the maritime industry, and collaborate on growing our industry's influence and advancing NAWE's priorities in the year ahead.

NAWE Submits Comments on the National Marine Fisheries Service (NMFS) Designation of Critical Habitat for the Rice's Whale – On October 6, NAWE submitted comments in opposition to a proposed rule put forward by the National Marine Fisheries

Service (NMFS) entitled "Endangered and Threatened Wildlife and Plants; Designation of Critical Habitat for the Rice's Whale." In its comments, NAWE's members argue the proposed rule, which would amend the Endangered Species Act to designate approximately 28,270.65 square miles of continental shelf and slope associated waters within the Gulf of Mexico as a critical habitat occupied by Rice's whales, coupled with a proposed rule establishing year-round speed restrictions for vessels, will place an undue burden on Gulf maritime commerce and create considerable safety concerns.

Specifically, NAWE commented that designating such an expansive area as a Critical Habitat will place a strain on vessel traffic and the flow of commerce in the Gulf, and cited the operational inefficiencies and impacts to maritime infrastructure projects that the rule's proposed changes to the permitting process for maintenance, repairs and new projects would cause. NAWE also argues that 10-knot speed restrictions, coupled with the prohibition on vessels operating at night within the designated area, would place a significant strain on the economy by causing additional delays in the movement of goods, leading to further impacts on an already strained supply chain. Finally, NAWE suggests that implementing a 10-knot speed restriction for vessels within the designated area raises significant safety concerns, particularly for smaller vessels. To read NAWE's full comments to the NMFS, click here.

NAWE Legislative Updates

Shutdown Narrowly Averted, but Long-term Funding in Peril with Ousting of McCarthy – On the eve of the October 1 deadline to avoid a government shutdown, Congress approved, and the President signed into law, a continuing resolution (CR) to fund the federal government until November 17 at fiscal year 2023 levels. The bill (H.R. 5860), introduced by Republican House leadership, passed the lower chamber with bipartisan support (335-91), with 90 Republicans and one Democrat voting no.

The legislation, which also provides \$16 billion for disaster relief accounts and reauthorizes the Federal Aviation Administration (FAA) and national flood insurance program through the end of the year, represented a shift in former House Speaker Kevin McCarthy's (R-CA-20) strategy to appease hardline conservatives in his caucus. The largely "clean" CR came on the heels of a failure by Republican House leadership to secure enough votes for a stop-gap spending measure that included a 30 percent spending cut for most federal agencies and controversial border security provisions. Amid concerns that the House would fail to pass a stop-gap measure, the Senate had prepared to send its own version of a CR to the House, which would include \$6 billion in supplemental funding for Ukraine, but abandoned the effort and voted 88-9 to approve the House measure.

Last Tuesday, in retribution for McCarthy's lurch toward bipartisanship to keep the government operating, hardline conservatives in the Republican caucus initiated a successful effort to oust him from the speakership. The effort, led by Rep. Matt Gaetz (R-FL-01), garnered the support of eight House Republicans and every House Democrat to remove McCarthy as speaker. The final vote was 216-210. While GOP hardliners had expressed frustration with the former speaker's bipartisan dealmaking, Democrats refused to rescue McCarthy over a slew of grievances, including his support for an impeachment inquiry into President Joe Biden. The ouster of McCarthy marks the first time a House speaker has been removed from the post in U.S. history.

McCarthy's removal as speaker has left the chamber in a state of paralysis until a new speaker is elected, heightening the prospect of a government shutdown next month and throwing into doubt other legislative priorities. While Rep. Patrick McHenry (R-NC-10) is now the speaker pro tempore, he has limited powers and is unable to conduct normal legislative business. Until a new speaker is elected, the House will be unable to advance fiscal year 2024 appropriations bills or another CR, which will hinder efforts to keep the government open. Other legislative priorities that may stall include funding for Ukraine, aid to Israel, the National Defense Authorization Act (NDAA), Coast Guard Authorization Act, and FAA reauthorization.

Last week, Rep. Jim Jordan (R-OH-04) and House Majority Leader Steve Scalise (R-LA-01) emerged early frontrunners for the speakership. Although Scalise was nominated by the Republican Conference for the post on Wednesday of last week, he struggled to secure enough votes to win on the House floor. Scalise then dropped out of the speaker's race, after failing to win over Republican holdouts in the deeply divided conference. As of today, all eyes are on Rep. Jim Jordan as he tries to secure the 218 votes needed to win the speakership. He sent this letter out to the conference yesterday in an attempt to gain more support. NAWE will continue to monitor progress on the House and Senate appropriations process, as well as the race for the speakership, and report on any developments in this area.

NAWE Regulatory Updates

Dept. of Energy Announces \$7 billion in funding to launch seven Regional Clean Hydrogen Hubs – On October 13, the Department of Energy announced \$7 billion will be made available across the nation to start seven Regional Clean Hydrogen Hubs (H2Hubs), intending to accelerate the commercial-scale deployment of low-cost, clean hydrogen—a valuable energy product that can be produced with zero or near-zero carbon emissions. The funding comes from the Bipartisan Infrastructure Law and will establish a national network of clean hydrogen producers, consumers, and connective infrastructure while supporting the production, storage, delivery, and end-use of clean hydrogen. The selected projects for negotiation include: Appalachian Hydrogen Hub, California Hydrogen Hub, Gulf Coast Hydrogen Hub, Heartland Hydrogen Hub, Mid-Atlantic Hydrogen Hub, Midwest Hydrogen Hub, and Pacific Northwest Hydrogen Hub. For more details on the H2Hubs, please click here.

Federal Maritime Commission (FMC) Discusses OSRA Implementation, Consumer Assistance Accomplishments – FMC Commissioners were briefed at the September 21, 2023, meeting of the Federal Maritime Commission that substantive progress is being made in completing three of the rulemakings mandated by the Ocean Shipping Reform Act of 2022 (OSRA). The Final Rule on Detention and Demurrage Billing Practices is close to being completed and it was presented to the Commission for a vote. Staff is also drafting a proposed Final Rule on Unreasonable Refusal to Deal with Respect to Vessel Space Accommodations. OSRA also required the Commission to issue a rule addressing Unfair or Unjustly Discriminatory Methods. The June 2023 Supplemental Notice of Proposed Rulemaking issued in the Unreasonable Refusal to Deal With Respect to Vessel Space Accommodations addressed, in part, issues related to the Unfair or Unjustly Discriminatory Methods rulemaking requirement. Commission staff has begun drafting a proposed rulemaking on all remaining topics related to the Unfair or Unjustly Discriminatory Methods rulemaking requirement. For more information, click here.

FMC Commissioner Seeks Comments on Maritime Transportation Data Initiative RFI – On August 23, Commissioner Carl Bentzel released a statement on the release of the Commission's RFI on the Maritime Transportation Data Initiative (MTDI). Commissioner Bentzel explains in his statement that, "the purpose of this RFI is to solicit further public review and comment on the proposed processes and definitions identified in the MTDI Report. Your input will help better standardize information sharing; clear standards for understanding container availability, earliest return dates, and other key metrics that arise when cargo is transferred between nodes; and information on fees and charges. All of these issues were raised in the 18 MTDI public meetings as well as my subsequent meetings with individual stakeholders and the National Shipper Advisory Committee." Click here to view <a href="Statement of Commissioner Carl W. Bentzel on the Release of the Maritime Transportation Data Initiative (MTDI) Request for Information (RFI).

Maffei 2023 Malcom McLean Award Winner – FMC Chairman Daniel Maffei was honored by the Association of Bi-State Motor Carriers as the 2023 Malcom McLean Award winner in recognition of his leadership and work over the past year supporting the intermodal transportation industry. The award was presented by Tom Heimgartner, Chairman of the Executive Board of the Association of Bi-State Motor Carriers, who commended Chairman Maffei for his consistent, strong leadership during unprecedented challenges to the supply chain. In addition to the Malcom McLean Award, Chairman Maffei was presented with a Joint Legislative Resolution issued by the New Jersey Senate and General Assembly commending his leadership on supply chain policy issues. To read the full announcement, click here.

Chairman Maffei Giving Keynote at WESCCON 2023 on October 27 – FMC Chairman Daniel Maffei will provide the breakfast keynote address at "WESCCON 2023," the annual meeting of the Pacific Coast Council of Customs Brokers and Freight Forwarders (PCC). Information on registration and cost to attend can be found on the PCC website.

FMC Releases August Activity Report – On September 26, the FMC released its August 2023 Activity Report. Among the statements and announcements included in the FMC report are: 1) an Industry Advisory regarding Names of Non-Compliant NVOCCs Posted to FMC Website; 2) the Commission's Published Update of its Official Case Law Reporter; 3) Announcement of Cindy Hennigan Named Deputy Managing Director; and 4) Statement of Commissioner Carl W. Bentzel on the Release of the Maritime Transportation Data Initiative. Click here to read more.

DOT Infrastructure Grant Program Updates

MARAD Awards Fiscal Year 2023 United States Marine Highway Grants – On September 21, the U.S. Department of Transportation's Maritime Administration (MARAD) awarded nearly \$12 million in grants to eight marine highway projects across the country under the United States Marine Highway Program (USMHP). To view the announcement and projects receiving funding, click <u>here</u>.

FY 2023 DOT Infrastructure Grant Applications and Award Deadlines – The application deadlines for the majority of FY 2023 DOT infrastructure grants of interest to NAWE members are now expired. According to the White House's "Upcoming Infrastructure Funding Opportunities" webpage, remaining NOFOs and program awards that may possibly be released before the end of the year (in "Winter 2023 or early 2024") are:

- 1) MARAD's Port Infrastructure Development Program (PIDP) Grants (Awards expected this fall)
- 2) DOT's Consolidated Rail Infrastructure & Safety Improvements (CRISI) TBD

EPA's Diesel Emissions Reduction Act (DERA) Grants – The U.S. Environmental Protection Agency (EPA) is now accepting proposals for fiscal 2022-2023 grants under the Diesel Emissions Reduction Act (DERA). There is \$115 million available to be awarded. Applications must be submitted no later than Friday, December 1, 2023. The DERA program partially funds projects that achieve significant reductions in diesel emissions. Repowering of marine vessels with lower-emission engines is a permissible purpose. An information session webinar is scheduled on Thursday, September 14. Here is a link to slides that will be discussed on the webinar: https://www.epa.gov/system/files/documents/2023-08/dera-fy22-23-national-grants-nofo-webinar-08-23-23.pdf. A private company cannot submit an application directly but must work through an eligible entity. An eligible entity includes (1) a port authority or a governmental agency with jurisdiction over transportation or air quality (such as a metropolitan planning organization), or (2) a nonprofit organization with a principal purpose of promoting transportation or air quality or one that provides pollution reduction or educational services to operators of diesel fleets. DERA is a competitive program and is not restricted simply to marine transportation. Funding is divided among the various EPA Regional Offices, so an applicant must compete against other proposals from the same region. There is a requirement for a non-federal cost-share, the size of which depends upon the type of project being proposed. Extensive information about the DERA program, the application process, the September 14 information session webinar, and the criteria for judging applications can be found at https://www.epa.gov/dera/national.

The NAWE Team continues to monitor and will report to the Legislative Committee any updates on the 2024 round of NOFOs for federal grant program opportunities of interest to NAWE members.

Articles of Interest

Journal of Commerce

<u>ILWU bankruptcy filing provides</u> <u>dramatic twist to long-running Portland</u> dispute

Oct. 2, 2023

A local labor dispute in Portland, Ore., that started more than a decade ago is jeopardizing the financial health of the International Longshore and Warehouse Union (ILWU) to the point the union has resorted to filing for bankruptcy protection to avoid paying a \$19 million court judgement.

American Journal of Transportation

Imports to U.S. East Coast ports
may be delayed by Panama Canal
slow down

Oct. 10, 2023

Some import shipments from Asia to the U.S. East Coast will be delayed by the Panama Canal low water traffic jam just as the Christmas season approaches, according to Paul Snell CEO British-American Shipping based in Huntington Beach, California. U.S. West Coast ports should benefit.

The Hill

Jordan flips key votes for Speaker: Live Coverage October 16, 2023

House Republicans are <u>aiming to</u> hold a full House vote Tuesday on electing the Speaker, but their nominee, House Judiciary Committee Chairman <u>Jim Jordan</u> (R-Ohio), is still working to lock down support. Jordan won the nomination with 124 votes within the GOP conference and then claimed 152 votes when members were asked if they would support him on the House floor — leaving him short of the 217 votes he needs to get the gavel.