



National Association of Waterfront Employers

February 9, 2024

NAWE News

Latest with NAWE

NAWE Wraps Up First NAWE on the Hill (NOTH) Event of 2024 – NAWE held its first NAWE on the Hill (NOTH) event of 2024 last week and it was a tremendous success. NOTH was an excellent opportunity for NAWE and our members to build relationships and advance our industry's legislative priorities with Members of Congress, their staffs, and leaders within the Executive Branch. NAWE welcomed over 100 congressional staff and several members of Congress to our Capitol Hill reception that kicked off the week. During our day of advocacy on Tuesday, NAWE members met with several members of Congress—including Reps. Aaron Bean (R-FL-04), Rob Menendez (D-NJ-08), Julia Brownley (D-CA-26), Marilyn Strickland (D-WA-10) and Jerry Carl (R-AL-01)—as well as member office and committee staff. NAWE members were also briefed on recent developments at the Federal Maritime Commission (FMC) by FMC Commissioner Rebecca Dye, who also urged NAWE members to maintain "open lines of communication" with the FMC. Through the active engagement and advocacy of NAWE members during NOTH, Representatives Garret Graves (R-LA-6) and Rob Menendez Jr. (D-NJ-8), as well as Resident Commissioner Jenniffer Gonzalez-Colon (R-PR-AL), have announced their support and cosponsorship of the NAWE-endorsed Capital Construction Fund extension legislation (H.R. 4993). NAWE is grateful for all our members who participated in NOTH and made the event a success. Through the active engagement of our members, NAWE will continue to influence the legislative process in Congress and build our industry's presence in the nation's capital.

For those unable to attend NOTH last week, NAWE will be holding a second NOTH in May 2024. Event details are as follows:

Event: NAWE On the Hill (NOTH)

When: May 13-14, 2024 (Click here to RSVP for May)

Where: Washington, DC

Room Rate: \$399 + tax/per night (Click here to reserve a room)

NAWE Signs Industry Letter to EPA Opposing Expansion of Clean Ports Program to Include Rail/Truck Intermodal Connectors – NAWE signed a letter to the U.S. Environmental Protection Agency (EPA) last week, opposing the agency's intention to make "dry ports"—including rail and truck intermodal connectors—eligible for funding under the Clean Ports Program. The letter, initiated by the American Association of Port Authorities (AAPA), takes issue with the EPA's indication that it will use Federal Highway Administration (FHWA) databases and definitions of "intermodal connectors" to define eligible applicants, even though the FHWA's National Highway System (NHS) definitions of intermodal connectors differentiate "ports" from "truck/rail" intermodal connectors. The letter emphasizes that expanding the Clean Ports Program to include 497 truck/rail intermodal connectors would increase the number of eligible applicants by 78 percent, which would undermine the EPA's objective of protecting near-port communities from international shipping emissions by diverting funding from maritime port authorities seeking to adopt zero emission technologies. In signing the letter, NAWE joins other organizations within the port industry in urging the EPA

to uphold congressional intent and reserve funding under the Clean Ports Program for maritime ports only. To read the letter, <u>click</u> here.

NAWE Launches New Industry Job Board – NAWE recently launched a <u>new job board on our website</u> dedicated to industry job postings. This new web page will be regularly maintained by NAWE staff and updated per member request. We are happy to promote any openings you would like to share on this page. All job posting submissions must include a PDF or word document explaining the open position and any other details candidates should know when applying. Check out the new page, share any jobs you would like posted, and please reach out if you have any questions.

NAWE Legislative Updates

Top Appropriators Strike Deal on Allocations in FY 2024 Funding Bills, Hurdles Remain Prior to March Funding Deadlines – Top congressional negotiators recently reached an agreement on how to allocate funding for the fiscal year 2024 appropriations bills, clearing a critical hurdle that will allow appropriators to finalize the measures. Lawmakers are now turning their attention to setting funding levels for specific federal programs and working out the differences between the House and Senate versions of the bills prior to the March 1 and March 8 deadlines, when federal funding is set to expire under the current continuing resolution (CR).

The agreement, which was reached on January 26 after weeks of negotiations between Senate Appropriations Committee Chair Patty Murray (D-WA) and House Appropriations Committee Chair Kay Granger (R-TX-12), establishes how much money will be allocated to each of the 12 fiscal year 2024 appropriations bills. Although Murray and Granger have not disclosed the funding for each of the spending bills, the measures will collectively adhere to the topline federal funding levels negotiated several weeks ago between Senate Majority Leader Chuck Schumer (D-NY) and House Speaker Mike Johnson (R-LA-04), which sets overall spending levels at \$1.659 trillion—\$773 billion for non-defense discretionary spending and \$886 billion for defense. The broad agreement keeps intact the FY 2024 spending levels set by the Fiscal Responsibility Act ("FRA") or the debt limit bill President Biden and former Speaker McCarthy agreed to last year.

With the allocations determined, lawmakers must now set line-by-line funding levels for programs and offices within each federal agency and reach agreements on several contentious policy riders. Democrats have vowed to oppose any policy riders they consider "poison pills," while Speaker Johnson said he would push for "meaningful policy wins" as part of the funding bills. Ongoing negotiations over supplemental funding for foreign aid and border security reforms adds further complications to crafting and passing final versions of the spending bills, as House appropriators may seek to add funding for the Department of Homeland Security at the expense of other agencies.

Under the CR that was signed into law by President Biden on January 19, funding for four of the 12 appropriations bills—
Transportation-HUD (T-HUD), Energy and Water, Agriculture, and Military Construction-VA—was extended through March 1, while funding for the remaining eight bills was extended through March 8. A failure to pass the full-year appropriations bills would require Congress to pass another stopgap measure in March, which would have negative consequences. Under a provision in the 2023 debt ceiling law, a CR that extends into May would force an automatic 1 percent cut to federal agency budgets that would significantly disrupt agency operations. Additionally, if Congress passes the appropriations bills by the March deadlines, the fiscal year will be almost half over, putting pressure on agencies to release funds on an expedited timeline.

To date, the House has passed seven of its appropriations bills (including Energy and Water—which provides funding for US Army Corps of Engineers dredging and navigation projects) and the Senate has passed three, including T-HUD. The NAWE team will continue to closely monitor and report further on any significant developments on FY 2024 appropriations and supplemental funding measures.

House Transportation & Infrastructure Committee Holds Hearing on Securing Shipping Against Threats in the Red Sea – Last week, the House Transportation & Infrastructure Committee's Coast Guard and Maritime Transportation (CGMT) Subcommittee held a hearing on securing shipping against threats posed by Iranian-backed Houthi rebels in the Red Sea. The

hearing, entitled "Menace on the Red Sea: Securing Shipping Against Threats in the Red Sea," featured witness testimony from stakeholders and experts across the maritime industry, including Bud Darr, Executive Vice President of Maritime Policy and Government Affairs of the Mediterranean Shipping Company (MSC); Dr. Ian Ralby, Chief Executive Office of I.R. Consilium; and Jonathan Gold, Vice President of Supply Chain and Customs Policy of the National Retail Federation (NRF). The hearing examined threats and emerging challenges to maritime commerce in and around the Red Sea shipping corridor derived from increasing attacks by Houthi rebels, including hijackings, attempted hijackings and missile and drone strikes, against military and civilian vessels transiting the area. Among the various challenges discussed by witnesses is the impact of increased shipping timelines from carriers taking alternative routes to avoid the Red Sea; hazards to seafarers, cargo and vessels; and the compounding impact to the supply chain of shipping companies unable to divert to the Red Sea and Suez Canal to avoid delays from the ongoing drought in the Panama Canal. According to Gold, NRF retail members are experiencing challenges from increased shipping timelines and resulting increases in shipping costs due to carriers shifting their routes to avoid the Red Sea. The alternative route around the Cape of Hope has added 10-14 days to supply chains due to longer vessel transit times. To view a recording of the hearing, click here.

During NAWE on the Hill, our members met with CGMT Subcommittee members on both sides of the aisle about the issues covered during the hearing. Congressional members and their staff appreciated the comments and on the ground perspective from terminal operators while discussing the impact this specific threat could have on the maritime supply chain.

House Select Committee on the Chinese Communist Party Holds Hearing on Threat Posed to U.S. Critical Infrastructure by Chinese Government Hackers – FBI Director Christopher Wray and U.S. Cybersecurity and Infrastructure Security Agency (CISA) Director Jen Easterly testified before the House Select Committee on the Chinese Communist Party last Wednesday on the threat posed by Chinese government-backed hackers to penetrate U.S. infrastructure systems. Director Wray provided details of the FBI's recent actions to disrupt and eliminate the Chinese hacker group Volt Typhoon's efforts to penetrate critical infrastructure in Hawaii and the U.S. territory of Guam after the discovery of intrusions via software used by the infrastructure systems. Other victims of the Volt Typhoon malware include a major West coast port and at least one oil and gas pipeline. CISA Director Easterly said U.S. authorities have observed a "deeply concerning evolution" of Chinese hacks that target U.S. critical infrastructure in recent years, and testified that "A major crisis halfway across the planet could well endanger the lives of Americans here at home through the disruption of our pipelines, the severing of our telecommunications, the pollution of our water facilities, the crippling of our transportation modes all to ensure that [China] can incite societal panic and chaos and to deter our ability to marshal military might and civilian will." Director Wray urged lawmakers to support investments in U.S. cyber defense, warning that China's hacking force outnumbers America's cyber personnel by at least 50 to 1. To view a recording of the hearing, click here.

NAWE Regulatory Updates

FMC Holds Hearing on Shipping Conditions in the Red Sea on February 7 – The Federal Maritime Commission (FMC) held an informal public hearing on February 7, 2024, to examine how conditions in the Red Sea and Gulf of Aden regions are impacting commercial shipping and global supply chains. The hearing provided a forum for stakeholders in the supply chain to communicate with the Commission on how operations have been disrupted by attacks on commercial shipping emanating from Yemen, steps taken in response to these events, and the resulting effects. In addition, the hearing allowed the Commission to gather information and identify any new issues related to these disruptions subject to Commission statutes, <u>such as implementing contingency fees and surcharges.</u> The hearing was held in D.C. and was also livestreamed on the <u>Commission's YouTube channel</u> for those unable to attend in person. For more information, <u>click here</u>.

Commissioner Sola Meets with Mayor Sandy Stimpson in Mobile, Alabama – FMC Commissioner Luis E. Sola visited Mobile, Alabama in late January where he met with Mayor Sandy Stimpson to discuss the port's growth in Mobile. According to the Alabama State Port Authority, the Port of Mobile generates over three hundred thousand employment opportunities and holds an economic evaluation of eighty-five billion dollars. Mayor Stimpson conveyed his commitment to the port's shore power project, an effort to identify sustainable solutions for the Port of Mobile's electricity requirements. Commissioner Sola expressed his appreciation for the city's commitment to the Port of Mobile. For more information, click here.

FMC Releases December 2023 Activity Report – The FMC recently released its December 2023 Activity Report. Among the statements and releases included in the report are: 1) The FMC's statement regarding impacts from threats to shipping in the Red Sea and Gulf of Aden regions; 2) the announcement of Commissioner Sola attending the Cruise Forward Summit to talk about zero emission efforts in the maritime industry; and 3) the November 2023 Activity Report. To view the FMC's Decisions, Orders and Enforcement; Competition and Agreements; and OTI Licensing Activity for December, click here.

DOT Infrastructure Grant Program Updates

DOT Announces \$4.9 billion in Funding for 37 Projects through the Mega and INFRA Programs – On January 24, the U.S. Department of Transportation (DOT) announced more than \$4.9 billion in funding for 37 projects through the National Infrastructure Project Assistance (Mega) grant program and Infrastructure for Rebuilding America (INFRA) grant program. The Mega program is focused on funding projects that are uniquely large, complex, and difficult to fund under traditional grant programs, while the INFRA Program also funds large-scale, transformational infrastructure projects that will improve the safety, efficiency, and reliability of the movement of freight and people. Both programs were included in the FY 2024 Multimodal Project Discretionary Grant (MPDG) NOFO. To view the full list of Mega awards, click here. To view the full list of INFRA awards, click here. The next MPDG application period is expected to open in mid-2024.

Biden Administration Posts Open and Upcoming Infrastructure Funding Opportunities – On November 2, the Biden Administration posted an updated list of open and upcoming infrastructure funding opportunities under the Bipartisan Infrastructure Law (BIL). The document highlights funding opportunities that communities can apply for today, as well as a calendar of key upcoming funding opportunities for the remainder of 2023 and 2024. To view the full list of programs, their descriptions, and deadlines, please click here.

FY 2024 Open Grant Opportunities – The U.S. Department of Transportation (DOT) and the U.S. Department of Energy (DOE) have announced that they are now accepting FY 2024 applications for the following programs:

- 1) DOT Maritime Administration's Port Infrastructure Development Program (PIDP) PIDP assists in funding eligible projects for the purpose of improving the safety, efficiency, or reliability of the movement of goods through ports and intermodal connections to ports. There is \$450 million available to be awarded. Applications must be submitted no later than April 30, 2024. For more information on the application process, click here.
- 2) DOT's Rebuilding American Infrastructure with Sustainability and Equity (RAISE) Program The RAISE program allows project sponsors at the state and local levels to obtain funding for multi-modal, multi-jurisdictional projects that are more difficult to support through traditional DOT programs. There is \$1.5 billion available to be awarded. Applications must be submitted no later than February 28, 2024. Selections will be announced no later than June 27, 2024. For more information on the application process, click here. To view recordings of the FY 2024 RAISE Webinar Series, click here.

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 in early 2024 are:

- 1) DOT's Consolidated Rail Infrastructure & Safety Improvements (CRISI) TBD
- 2) DOT's Railroad Crossing Elimination Program TBD
- 3) EPA's Clean Ports Program TBD

DOT Posts List of Grant Application Resources – The DOT posted an updated list of its popular "Grants Navigator Application Resources." Below are links to the DOT's resources:

- Understanding Non-Federal Match Requirements
- Discretionary Grant Preparation Application Checklist
- Checklist for a Strong Climate Change Mitigation, Adaptation and Resilience Grant Application

- Federal Tools to Determine Disadvantaged Community Status
- Use of DOT Funds for Public Involvement

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

NAWE Event Updates

NAWE on the Hill (NOTH) 2024 – We look forward to hosting the next 2024 NAWE on the Hill (NOTH) event for NAWE members in May. These fly-ins allow NAWE members the chance to directly interact with members of Congress and their staff. If you would like to join, please RSVP for the event linked below.

RSVP for May 13-14, 2024 NAWE on the Hill

Time Change for NAWE West Coast March Gathering - On March 3, 2024, NAWE will host a gathering for our members in Long Beach, California. The gathering will be at the Grand Hyatt Centric Topsail Rooftop Pool and Bar on Sunday, March 3, 2024, from 7:00-9:00pm. Please note this update from our original start time of 5:00pm. Space is limited, so please RSVP at this link in advance.

February Committee Meetings – During the month of February, the following NAWE Committees will meet virtually on the dates listed below.

- February 13, 2024 NAWE Legislative Committee Meeting at 4pm ET
- February 20, 2024 NAWE Insurance Committee Meeting at 2pm ET

Articles of Interest

American Journal of Transportation

The Red Sea saga continues as importers, shippers and others face nail-biting experience

February 2, 2024

As the Houthi attacks against merchant vessels in the Red Sea continue, with the latest Jan. 28 attack targeting a U.S. logistics support base in Jordan and a U.S. response expected to follow, importers, shippers, and other stakeholders face nail-biting moments, unable to fathom what turn things would take the sea trade across this vital route.

Maritime Executive

House Committee Seeks Answers to the Decline of U.S. Sealift Readiness February 7, 2024

The chairman of the House Select Committee on the Chinese Communist Party is sounding the alarm on a familiar problem: the acute deficit of government-owned sealift capacity. Drawing a comparison with China's vast shipping resources, Rep. Mike Gallagher (R-WI-8) called the much-reduced size and limited readiness of the U.S. sealift fleet a "screaming national security vulnerability."

Journal of Commerce

ILA gives chapters mid-May deadline to reach agreement on local issues

February 8, 2024

The International Longshoreman's Association (ILA) is looking to kickstart stalled negotiations for a new labor deal by giving its local unions a mid-May deadline to complete port-level bargaining talks, the preliminary step toward a contract that would cover all ports along the East and Gulf coasts.