



July 2020 PAL Legislative Report

PAL Legislative Affairs Chairman Matt Gresham, Port NOLA

Louisiana Legislature...Sine Die!

Finally, after an abbreviated Regular Session and a unique legislature-led 30-day Special Session, it all ended Tuesday.

The big news for most members came on June 26 when the Governor signed [HB 2](#), the State's construction budget, without breaking out his veto pen. Also good news is the restraint lawmakers used throughout the process. As Sen. Bret Allain, Chairman of the Senate Committee on Revenue and Fiscal Affairs, told reporters, "We said 'No' a lot." In doing so, all Priority 1 and Priority 2 funding falls within the State's bonding capacity, which means there's no "fake" money in the bill's top priorities. The bill caps off a multi-year effort to ensure the State's construction bill prioritizes infrastructure and projects that create jobs.

The legislature also sent [HB 57](#) by Speaker Clay Shexnayder and dubbed the Civil Justice Reform Act of 2020, to the Governor's desk. His top aides have indicated he will sign the bill. The bill aims to reduce auto insurance premiums in Louisiana by lowering the jury threshold from \$50,000 to \$10,000.

Lawmakers passed a \$35 billion budget on the session's final day. The budget largely avoided serious cuts and controversies due to an influx of federal COVID-19 aid. Throughout the process legislators agreed to spend \$900 million to plug holes in the budget; give \$300 million to small businesses; more than \$500 million to local governments and \$50 million in the form of direct payments to front-line workers. Lawmakers also paused raises for State workers saving about \$60 million, a move the Governor said he disagrees with. Remember back in February when we were talking about surplus spending? It seems like a lifetime ago now.

There is an expectation that the bodies will be back for another special session in October to deal with state budget issues, expected additional federal aid and economic development policy. During July, PAL membership should discuss priorities for potential inclusion in the Special Session call and begin meeting with leadership in the House and Senate and the Administration to further those issues. Priorities would include relief aid for ports through the State and Ports of Louisiana tax credit reform.

On the Hill...

Congress heads to July 4th Recess

Congress is in session this week, but will recess for the July 4 holiday. The Senate will be out the weeks of July 6 and 13. While no votes will take place, the House will be in session for Committee meetings and consideration of FY21 appropriations bills those weeks (July 6 and 13). Once the House and Senate return, it will be a sprint to finish legislative work before the August recess begins (currently scheduled to begin on August 1 for the House and August 8 for the Senate). Congress returns after the Labor Day holiday in September.

Infrastructure Bill Movement, Kind of...

Long awaited infrastructure legislation finally arrived, but has little chance of actually being enacted. House Democrats released their 2,300-page, \$1.5 trillion infrastructure bill called the “Moving Forward Act” on June 22. The cost is trillion with a “T” and House members say they purposely left out any mechanism to fund the bill and would look to the White House to find the money. The bill includes the INVEST in America Act, the surface transportation bill recently approved by the House Transportation & Infrastructure (T&I) Committee. In addition to the reauthorization of the highway program, the Moving Forward Act proposes to fund a comprehensive list of infrastructure projects, including the inland waterways, with \$10 billion slated for the Corps of Engineers to undertake water resources development projects. Of that amount, \$3 billion would go toward inland waterways new construction and major rehabilitation, but would be cost-shared 50%/50% through the Inland Waterways Trust Fund (IWTF), with an additional \$500 million for non-specific water related work, and \$5 billion for Operations and Maintenance (O&M) on the waterways. The cost-shared \$3 billion for lock and dam construction is not particularly helpful, as there is not enough revenue in the IWTF to support an allocation of that level. As of this writing, the Moving Forward Act is scheduled for a vote on the House floor today and is expected to pass along a party line vote, with very little, if any, Republican support. The Senate will likely not take this bill up in its current form, but rather seek a slimmer bill with an infrastructure title that includes the legislation to reauthorize the highway program and the Water Resources Development Act (WRDA).

Speaking of Water Resources

The House Transportation and Infrastructure Committee will likely release its version of the WRDA bill on July 9, with a tentative markup scheduled for July 15. This week, Congressional staff began negotiating the bill and plan to send to Chairs and Ranking Members of the full T&I Committee and the Water Resources and Environment Subcommittee to resolve any remaining open provisions.

Senate Environment and Public Works approved its WRDA bill – known as America’s Water Infrastructure Act of 2020. Sen. John Barrasso, Chair of the Senate EPW Committee has indicated he plans to pair the WRDA bill with the Transportation Reauthorization bill and schedule a vote on the Senate floor following the August recess.

In another development, AAPA’s effort to include language in WRDA on the distribution of Harbor Maintenance Trust Fund dollars between donor and energy ports agreed upon by AAPA membership has been opposed by the American Petroleum Institute. API leads a

Maritime Coalition and AAPA participates in this group's efforts. API discussed this on a conference call June 18. There were differing views presented – Jim Walker of AAPA presented AAPA's position and others expressed an interest in using the funds without these provisions. API sent a message yesterday asking coalition members to sign on to a letter to Senate EPW Committee leaders urging that no amendments on funds distribution be included in WRDA legislation. The main issue is that 97.8% of the Donor and Energy Transfer Port program funding would be used for water-based work, such as berth dredging and the other 2.2% would be used to keep cargo currently using U.S. ports from diverting to Canada. This language dealt with Pacific ports, which are typically donor ports to the HMTF.

New Round of COVID-19 Relief

The last COVID-19 relief bill passed on May 15 by the House - the \$3.4 trillion Health and Economic Recovery Omnibus Emergency Solutions, or HEROES, Act. The Senate is expected to focus on liability protection for businesses and other organizations and entities in the next bill with liability protections broadly supported by the maritime industry. Louisiana Senator Bill Cassidy has worked with Sen. Menendez, D-NJ, on a broad bipartisan SMART FUND bill that will likely be folded into the next COVID relief package. The bill would provide much needed funding to state and local governments. Port officials from throughout Louisiana and the nation have lobbied Sens. Cassidy and Sen. Menendez to include ports as eligible entities to apply for relief funds in the bill. So far, there has been little appetite to include ports in the bill. As such, AAPA has written letters that ports and waterways' associations have signed to show its support and need for funding eligibility. There is also an effort to see if the Maritime Administration's Port Infrastructure Development Grant Program could expand to address the loss of revenues to ports, as well.

Appropriations Bills Finally Moving Forward

So far, not a single FY21 appropriations bill has been marked up in the House or Senate, with the Federal fiscal year 2021 beginning October 1. Given the Congressional schedule, the obvious conclusions are Continuing Resolutions will fund the Federal government after September 30. The House plans to move forward with FY 21 appropriations bill markups after the July 4 recess. The Energy & Water appropriations bill that funds the Corps is expected to be marked up July 7, with consideration by the full House Appropriations Committee on July 10. It is not clear when the bill might head to the House floor. Majority Leader Hoyer said he expects all 12 appropriations bills to pass before the August break, but it was not clear if they would be stand-alone bills or rolled into a larger package. The Senate Appropriations Committee planned to begin markups for FY21 spending bills before the July 4 holiday and complete them sometime after the holiday, but the process has not yet begun.

Going Virtual

While the U.S. has seen an uptick in COVID-19 cases, many industry representatives longing for social interaction and normal business trips will have to wait a while longer.

This week, the Waterways Council Inc. announced it would hold its Annual Meeting and Fall Waterways Symposium virtually on November 10, 2020 instead of in Las Vegas.

The Gulf Intracoastal Canal Association will also hold its 115th Annual Seminar virtually on Thursday, August 6. GICA's annual membership meeting will take place in the morning, followed by seminar presentations.

<https://www.gicaonline.com/seminar/>

The Inland Waterways Users Board will hold its next meeting virtually as well, Wednesday, July 22, from 1-5 p.m. EST.

<https://www.federalregister.gov/documents/2020/06/25/2020-13543/inland-waterways-users-board-meeting-notice>

AAPA Port Security Seminar is scheduled for July 13-17 and will be held virtually:

http://aapa.files.cms-plus.com/2020Seminars/Security/20SECURITY_agenda_ENG.pdf