

December 2020 PAL Legislative Report

PAL Legislative Affairs Chairman Matt Gresham, Port NOLA

Ok folks...we are only a few weeks away from being done with 2020, which started out with an LSU Tiger National Championship in the Superdome and is ending with invitations to Zoom Christmas parties – however those turn out.

On the State and federal fronts we are seeing much jockeying ahead of the 2021 Regular Session, which will allow the legislature to take up fiscal matters in a yet-to-be determined pandemic fiscal environment, and a new Congress, which has yet to determine Senate control and is resurrecting a push for a new, long-awaited COVID-19 relief package.

We will begin with what we think we know on the home front.

Fiscal Matters on the Table...

The State's Revenue Estimating Committee will be busy ahead of the 2021 Regular Session's April 12 start date to determine just how much money the state has (or doesn't have) have for FY 21/22. There is also chatter about another potential special session prior to the Regular if Congress passes a COVID relief package to assist with state and local government finances. This is all to-be-determined, but lawmakers will not have to work around Washington Mardi Gras or local Carnival schedules this year – as events cancelled for the most part, due to pandemic restrictions.

Some ideas by groups of conservative lawmakers angle to repeal or reduce personal and corporate income taxes to make Louisiana more competitive. Other proposals look to centralize sales and use tax collections. The Louisiana Coalition to Fix Our Roads has also recruited broad support from major Louisiana economic development groups and chambers of commerce, along with LABI to push a new highway-funding plan sponsored by Rep. Jack McFarland. The proposal would include a staggered increase in the State fuel tax to pay for increased maintenance on existing infrastructure, repair bridges and set aside funding for new capacity projects, such as a new Mississippi River bridge in Baton Rouge and new I-10 bridge in Lake Charles.

Dec. 5 Runoff Election

Prior to getting down to Louisiana business, there is a Dec. 5 runoff to determine who will replace Congressman Ralph Abraham in the Fifth Congressional District (Luke Letlow or Rep. Lance Harris), East Baton Rouge Mayor-President (incumbent Sharon Weston Broom or former Rep. Steve Carter) and New Orleans District Attorney (Council President Jason Williams or Keva Landrum). There is also one statewide constitutional amendment on the ballot to allow the Governor to appoint out-of-state folks to an at-large seat on post-secondary education boards, such as LSU or the University of Louisiana System. Other matters include judicial runoffs in individual parishes and local tax referendums. While November saw record turnout, the upcoming election appears headed for a steep decline so “Geaux Vote!”

LA's Second Congressional District

The worst kept secret in Louisiana or Washington DC was Rep. Cedric Richmond's appointment to President-Elect Biden's White House. Richmond will become a senior advisor and director of public engagement. Richmond won reelection last month in a landslide in a district that includes most of New Orleans, the River Parishes and portions of Baton Rouge. He was one of the earliest supporters of Biden and is credited with saving the campaign in South Carolina. He is currently co-chairing Biden's transition team.

An open Congressional seat does not come around often, especially a democratic seat in Louisiana. A few have already thrown their hat into the ring, including state Sens. Troy Carter and Karen Carter Peterson. Others testing the waters include Sens. Cleo Fields, Jimmy Harris, and Joe Bouie, PSC Commissioner Lambert Boissiere, activist Gary Chambers, New Orleans Council members Helena Moreno, Jared Brossett, and Jay Banks; Reps. Randal Gaines, Royce Duplessis and Kyle Green and former St. John President Natalie Robottom.

The Governor has yet to call the special election, but it will likely be in late February or early March.

Louisiana Notables Making Moves

Northwest Louisiana Congressman Mike Johnson recently rose to vice chair of the House Republican Conference and is now the second ranking Louisiana Republican in the House next to Minority Whip Steve Scalise. Biden also appointed Linda Thomas-Greenfield, a native of Baker, La. and an LSU graduate as the US ambassador to the United Nations.

Davis Named Top Cop

Gov. Edwards recently named Col. Lamar Davis as the new Superintendent of the Louisiana State Police. A native of Baton Rouge and a Southern graduate, Davis is the fourth African American to hold the position and says he will focus on accountability and fairness.

On the Hill...

Cassidy Addresses COVID Relief

Sen. Bill Cassidy held a conference call Tuesday addressing progress in COVID relief talks. He outlined the \$908 billion targeted Senate proposal and said there is some agreement on shielding businesses from virus liability, small business assistance and unemployment aid. Additional funds for state and local governments continue to be a priority for Cassidy. However, the issue has been a sticking point with Republican leadership. The proposal includes \$160 billion in state and local aid, \$180 billion in additional unemployment insurance and \$288 billion for small businesses. It also has \$82 billion for schools as well as \$45 billion for transportation.

President-Elect Biden told reporters Tuesday "any package passed in a lame duck Congress is likely to be at best just a start." Senate Majority Leader McConnell said President Donald Trump would sign the bill,

which would not include any funding specifically directed to any transportation industries. Top Democratic leaders, House Speaker Nancy Pelosi and Senate Minority Leader Chuck Schumer, say they have sent their own new proposal over to Republican leaders. However, as of Dec. 2 details of that plan had not been released.

Senate Control

We will not know which party will control the Senate until after the Jan. 5 runoff for Georgia's two senate seats. Republican incumbents Sens. David Perdue and Kelly Loeffler are facing Democrat challengers Jon Ossoff and Rev. Raphael Warnock. Absentee ballots were mailed in November and early voting begins Dec. 14. Democrats' best-case scenario right now is a 50-50 split Senate with Vice President-elect Kamala Harris serving as a tie-breaking vote for a simple majority. However, Democrats still have a number of conservative members in their caucus like Sens. Joe Manchin of West Virginia and Kyrsten Sinema of Arizona, who will likely temper their ambition and prioritize bipartisan cooperation with Republicans. Democrats will also likely have to deal with a Senate filibuster, needing 60 votes to pass major bills.

Emergency Relief - MTSERA

AAPA and industry government affairs leaders are pushing for House Transportation Chair DeFazio's Marine Transportation System Emergency Relief Act, which would authorize MARAD to provide emergency grants for costs related to the pandemic, including cleaning, staffing, workforce retention, paid leave, PPEs, debt service and other costs. MTSERA has been included in the draft of the National Defense Authorization Act that is currently under discussion between the House and Senate. Having MTSERA in place will enable discussions on relief funding in the next Congress. MARAD would be responsible for deciding eligible operating costs once MTSERA is law.

Transition Notes

In one of the most notable appointments for Port and transportation interests, former Transportation Secretary Ray LaHood, a registered Republican but a Biden supporter and ally, has been pushing for Chicago Mayor Rahm Emanuel for Secretary of Transportation in the next administration. However, opposition to his possible nomination from the left continues to grow. The international president of the Transport Workers Union of America came out fiercely against Emanuel this week.

WRDA Update

Discussions are nearing completion between Committee staff from House Transportation and Infrastructure and Senate Environment and Public Works. A Harbor Maintenance Tax provision is included, although no language has been shared on the specifics. There are plans for passing WRDA in December, either as a standalone bill or attached to appropriations legislation. Rumors are increasing that WRDA will be tied to an Omnibus appropriations bill and taken up before the current Continuing Resolution expires on Dec 11.

Energy and Water Development Bill

The FY21 Energy and Water bill includes \$2.591 billion for coastal navigation in the Senate version, more than a 16 percent increase compared to FY20. The bill appropriates \$1.678 billion for Harbor Maintenance Trust Fund projects - an increase of \$48 million above the FY 2020 enacted level and \$678 million above the President's budget request. This surpasses the target set by authorizers for FY 2021 and represents 92 percent of estimated revenues compared to the FY 2021 target of 83 percent established in WRDA 2014 – the “Hit the Mark” effort. The bill also makes full use of the Inland Waterways Trust Fund for the seventh year in a row.

Grant/Agency Funding

AAPA is pushing for an additional \$1 billion for the Port Infrastructure Development Program to be included in the THUD appropriation bill, which would be in addition to the \$300 million included in the House bill and \$200 million included in the Senate version already included for the program. AAPA is arguing that significant investment in port infrastructure would be instrumental in modernizing port infrastructure nationwide and create construction jobs and full-time maritime jobs in the wake of the COVID impacts ports are experiencing. An important note going forward for grant programs is the Biden administration has stated they plan to make climate policy a key consideration across the whole government, so climate resilience and environmental impact may play a significant role in infrastructure grants going forward. AAPA is writing letters to THUD subcommittees supporting the higher levels of funding and supporting language in the House provisions that would allow for port grants, including BUILD grants, to not count toward state caps on grant allowances.

Upcoming Meetings

Dec. 16 – Joint Task Force on International Trade – Baton Rouge

- Created by Rep. Mark Wright during the 2020 Regular Session, the task force includes members from House and Senate Commerce Committees and charges the task force to study legislative measures to help Louisiana to capitalize on trade opportunities. Report is to be given to the legislature prior to the 2021 Regular Session. The official announcement has slated the inaugural meeting for December 16th at the State Capitol.