



Alliance of the Ports of Canada, the Caribbean, Latin America and the United States

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Prepared for the

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Committee on Environment and Public Works

Hearing: "Water Resources Development Act: Legislative and Policy Proposals to Benefit the Economy, Create Jobs, Protect Public Safety and Maintain America's Water Resources Infrastructure"

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Room 406 Dirksen Senate Office Building

Chairman Boxer, Ranking Member Senator Inhofe and Members, I thank you for the opportunity to provide written testimony to the Committee on Environment and Public Works on the need for a Water Resources Development Act (WRDA).

The American Association of Port Authorities serves the leading public port authorities throughout the western hemisphere. This testimony is submitted on behalf of AAPA's U.S. public port members.

Since the WRDA bills are of critical importance to the health of the port industry, we appreciate the Committee's leadership in addressing the need for a Water Resources Development Act.

In addition to authorizing the water infrastructure projects necessary for the nation to progress, the bill includes many policy provisions and directives to the Corps of Engineers which directly impact project sponsors and those other parties with direct financial interest. I will direct my comments today to the need for additional policy direction to the Army Corps of Engineers,

recommended amendments to prior WRDA and to the need to authorize new projects to keep the Nation competitive in the world economy and promote jobs and economic activity here at home.

Project Development Process:

Two areas addressed in WRDA 2007 by Sections 2034 — Independent Peer Review and 2045 — Project Streamlining should be given additional consideration by the Committee. Both sections deal with review of project reports at different times in the project development process and with varying scope. The issue that is not addressed is one of timing. As financial partners with the federal government in the project, public port authorities fully support a coordinated and concurrent review process whether conducted by the Corps or an independent entity.

Both parties need to have their financial and other best interests protected and assure that recommendations will result in sustainable environmental, economic and social benefits. We do not believe that the Corps' current review process is consistent with the intent of Sections 2034 and 2045 to assure both thorough and streamlined review of project reports. We believe that the review, as quality control, needs to start at the beginning of a study, involve the sponsor, district and higher headquarters and/or an independent entity and be continuous throughout the phases of study. There should be no surprises at the end of a cost-shared four- to six-year, multi-million dollar study effort.

We currently have many channel deepening studies underway throughout the country that are required to handle increasingly larger vessels and for the nation to remain competitive in global markets. Some have been stalled for many years and are not advancing because of technical or policy conflicts among reviewers, the study teams and the project sponsor. We are hopeful that when fully implemented, the revised project development and review sections of WRDA 2007 will result in improvements in the overall project delivery process. We ask the Committee to monitor that progress with us.

A related area of concern is that of centers of expertise. We are aware that this committee in WRDA 2007 and in previous bills has supported the concept and implementation of those centers. However, we have yet to see a viable and fully operational center of expertise for deep-draft navigation. We believe this is a critical missing link in fully implementing Section 2045

and streamlining the project delivery process and improving the quality of the planning and review processes. Attrition and downsizing have had a noticeable effect on the ability of Corps districts to perform all of the technical and economic studies necessary to formulate a project. Work is often spread among districts with mixed results.

We believe a deep-draft center of expertise with a dedicated full-time cadre of subject matter experts can pay many dividends in providing the most technically competent, efficient and cost effective project delivery system in a central location. The Corps Inland Navigation Center of Expertise has been fully operational since 1981 and provides world-class products to Corps districts and the navigation industry. So, we know what success looks like and would like to see that replicated for deep-draft navigation to the benefit of all four coasts. We are working with the Corps on the Center of Expertise concept through our Quality Partnership Initiative and ask for the committee's continued support as well.

Harbor Maintenance Tax:

This committee has long recognized the importance of our nation's port system as an integral part of the transportation network and freight system. It has been very supportive of an adequate dredging program for all the nation's commercial ports, large and small. Sections 2005 and 2029 of WRDA 2007 speak to the need for adequate dredged material management, beneficial use of recovered sediments and use of multiple factors in judging the benefits to the nation for investing in maintenance dredging. However, we believe it is time to revisit the now 24-year-old Harbor Maintenance Tax and Trust Fund authorized in the 1986 WRDA that is the sole source for reimbursement of federal maintenance dredging funding. Port and harbor users are paying for 100 percent of maintenance dredging and getting half in return. The tax revenue of about \$1.4 billion annually would be adequate to maintain federal channels if fully applied.

Congressional intent notwithstanding, there is no provision in the original authorization to dedicate that tax revenue for its intended purpose. We ask the Committee to consider legislative provisions to insure full use of the tax for maintenance dredging in the next WRDA.

Cost-Sharing for Deep Draft Deepening Projects:

An additional need is to address the cost-share formula for deep draft navigation projects. The current formula dates back to the 1986 WRDA—nearly 25 years ago. At that time a 45 foot channel was deemed an adequate standard as the cost-share break point in moving from a federal share of 65 percent to 50 percent. Forty foot channels were the norm to meet the needs of the world fleet as it existed prior to 1986. However, growth in size of today's modern world fleet, international waterway improvements like the Panama Canal expansion and a general expansion of foreign trade necessitates deepening to fifty feet or greater. The cost-share formula break point needs to be indexed to today's conditions at fifty three feet to include adequate under keel clearance.

And finally, we commend the Committee leadership for recognizing the nexus between water resources development and economic prosperity. Limiting spending by under investing in the Nation's seaport water infrastructure limits job creation results in higher consumer prices and penalizes exporters through higher transportation costs. We urge you to develop and pass a Water Resources Development Act early in the next Congress.

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