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### FY 2021 Appropriations

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The federal fiscal year started on Oct. 1, 2020. However, Congress did not complete work on annual appropriations in time and passed a Continuing Resolution valid through Dec. 11, 2020. Negotiations were complicated by discussions about an additional pandemic aid package. As negotiations dragged on, Congress passed several additional CRs and finally reached an agreement on the omnibus appropriations and a COVID-19 relief package late on Dec. 20. Congress voted on Monday, Dec. 21 to pass appropriations, with a COVID-19 package and Water Resources Development Act of 2020 attached to the omnibus bill. The appropriations bill included \$1.4 trillion in spending and approximately \$900 billion for COVID-19 relief.

The omnibus package contains the Energy and Water Development Appropriations, which includes funding for the U.S. Army Corps of Engineers. The bill allocates \$7.795 billion for the Corps. Full use of the annual Harbor Maintenance Trust Fund revenues passed in the Coronavirus Aid, Relief, & Economic Security Act earlier this year, with the provision that it would begin on Jan. 1, 2021 or when a new Water Resources Development Act passed, whichever comes first. Full use of the annual revenue from the Inland Waterways Trust Fund -- \$113 million -- is also allocated.

The Corps Regulatory Program received \$210 million. PNWA is pleased to see \$10 million in additional funding allocated to the Regulatory Program, with the understanding that it be dedicated to timely processing of permits related to shellfish aquaculture and wetland development.

For PNWA members, one of the most important elements of the Energy & Water appropriations bill is the inclusion of additional funding pots, which help address projects which were inadequately funded in the budget proposal. For FY2021, here are the additional monies that Congress has passed for each account:

- Navigation maintenance - \$40,156,000
- Deep draft harbors and channels - \$580,000,000
- Donor and energy transfer ports - \$50,000,000
- Inland waterways - \$60,000,000
- Small, remote, subsistence navigation - \$65,000,000

- Other authorized project purposes - \$60,000,000

Investigations (studies) - \$153,000,000

- Puget Sound Nearshore Marine Habitat Restoration \$2,563,000

Construction – \$2,692,645,000

- Columbia River Jetties \$93,394,000 (decrease from full multi-year funding request of \$119,000,000)
- Columbia River Fish Mitigation \$15,377,000

Operations & Maintenance - \$3,849,655,000

- See the [PNWA Supported Corps Projects](#) list for specific project information.

Additional items of note:

- For the Willamette River, “the Corps is directed to prioritize environmental restoration for urban area floodplain and aquatic habitat through cost effective means, such as fish passage and culvert replacement. These efforts should benefit all Columbia River and Willamette River salmon and steelhead listed under the Endangered Species Act (ESA) and Pacific Lamprey, which is a culturally, and ecologically important species and treaty-reserved resource to the Pacific Northwest Tribal Nations.”
- For Federal Breakwaters and Jetties, “the Corps is encouraged to continue progress towards revising its policy and thresholds related to major maintenance and major rehabilitation of federal jetties and breakwaters. The Corps shall brief the Committees on Appropriations of both Houses of Congress on this topic not later than 90 days after enactment of this Act.”
- For Mount St. Helens Sediment Monitoring, “the agreement notes that Mount St. Helens Sediment Monitoring activities have not been funded in the Corps work plan for the sixth consecutive year. Yearly monitoring is vital to ensure that the sediment retention structure can properly protect the communities in Cowlitz County, Washington. There is awareness that the lack of federal funding has led to local communities funding sediment monitoring and encourages the Corps to include appropriate funding in future budget submissions for this effort.”
- “The Coos Bay North Jetty is losing 20 feet a year and has receded more than 750 feet since its construction and the channel condition is degraded, which is impeding the U.S. Coast Guard's ability to carry out search and rescue missions. The Corps is reminded that these much needed improvements are eligible to compete for additional funding provided in this account.”

The omnibus bill now heads to the President’s desk for signature. After the bill is enacted into law, a 60-day period will kick off for the Corps of Engineers to develop a work plan to spend the additional monies it has received. PNWA has been in close contact for several months with the Portland, Seattle and Walla Walla Districts as well as Northwestern Division, in anticipation of this next step. Please see PNWA’s [Supported Corps Projects document](#) for a glimpse of the Corps’ capability for each project our membership supports. PNWA will be strongly supporting the highest possible funding amount for each of our projects through the work plan process, communicating with Corps leadership and working with Members of Congress to ensure Northwest needs are understood.

Read the [Appropriations Bill Text](#) and [Explanatory Statement](#) here. PNWA’s [Supported Corps Projects document](#) has also been updated to reflect the appropriations funding for FY2021.

## COVID-19 Package

It was hoped that relief funding for ports could be passed through state and local governments. However, the COVID-19 package did not include any funding for state and local relief. The COVID-19 relief package extends the eviction moratorium and included another round of funding for the Paycheck Protection Program, additional unemployment benefits, stimulus checks to individuals and families, more funding for education, rental assistance, child care, and funding for health care systems to do COVID-19 testing and vaccine distribution. In addition, there is:

- \$7 billion for broadband
- \$16 billion for airline employee and contractor payroll support
- \$14 billion for transit
- \$10 billion for highways
- \$2 billion for airports
- \$1 billion for Amtrak
- \$13 billion to support the agriculture industry and farmers

## Maritime Transportation System Emergency Relief Act

We previously reported on the Maritime Transportation System Emergency Relief Act (MTSERA) introduced by Transportation and Infrastructure Committee Chairman Peter DeFazio (D, OR-4) and Senator Jeff Merkley (D, OR). The legislation will establish a mechanism within the Maritime Administration to distribute emergency appropriations funding to ports and the maritime industry similar to programs that already exist for aviation, rail, and transit. MTSERA was included in the National Defense Authorization Act that passed the House and Senate by large margins. The President has threatened to veto the bill and has until Dec. 23, 2020 to decide. If the President vetoes the bill, it is anticipated Congress will return to Washington, DC in early January to attempt to override the veto. After the vote, it is anticipated that they will adjourn the 116<sup>th</sup> Congress and swear in the 117<sup>th</sup> Congress. We remain hopeful that MTSERA will become law to assist ports and the maritime industry when future emergency funds are allocated.

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## PNWA projects in WRDA

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**Background:** The House passed the Water Resources Development Act of 2020 on July 29. The Senate Environment and Public Works Committee passed the America's Water Infrastructure Act of 2020 and the Drinking Water Infrastructure Act of 2020 out of committee unanimously on May 6. The Senate bill did not include any initial changes to the Harbor Maintenance Trust Fund. Although the bill had not passed the full Senate, it was expedited to proceed to conference committee negotiations. Senator Patty Murray (D, WA) and others introduced an amendment to the Senate version to propose changes to the HMTF. For the past few months, the House and Senate conference committee and staff have been in negotiations. During PNWA's recent virtual Hill visits in November and December, we learned that progress had been made on reconciling the differences between the House and Senate versions of the bill regarding the HMTF spending formulas.

**Update:** PNWA received word early Sunday morning the omnibus appropriations bill was going to pass and that WRDA was not going to be included in the package. In partnership with many port association colleagues, PNWA staff immediately contacted key Members of the Congressional delegation to encourage them to reach

out to House and Senate leadership to urge inclusion of WRDA. Many thanks to PNWA members who answered our call to action to reach out to Congressional leadership offices, too. Our collective efforts paid off and WRDA was included in the FY2021 omnibus appropriations package. PNWA sincerely appreciates the historic leadership of House Transportation and Infrastructure Chairman Peter DeFazio (D, OR-4) and the significant efforts of Senator Murray and Senator Jeff Merkley (D, OR) to ensure HMTF formulas address the needs of all Northwest ports. PNWA is also grateful to Senator Mike Crapo (R, ID) and Representatives Cathy McMorris Rodgers (R, WA-5), Jaime Herrera Beutler (R, WA-3), and Russ Fulcher (R, ID-1) for their advocacy for WRDA in the funding package.

The WRDA legislation authorizes U.S. Army Corps of Engineers projects and changes to Corps policies. PNWA applauds the commitment of Congress to maintaining a two-year schedule for this authorization bill. It is extremely important to ensuring timely and consistent authorization of navigation projects and updates and improvements to Corps policy.

**Harbor Maintenance Trust Fund:** The legislation provides for full spending of the annual Harbor Maintenance Tax receipts and spending down the surplus in the Harbor Maintenance Trust Fund, currently estimated at \$10 billion. The bill also implements changes to the spending formulas for HMTF, including:

- 15% for Emerging Harbors
- 12% for Donor and Energy Transfer Ports (8% for donor ports and 4% for energy transfer ports)
- 13% for the Great Lakes Navigation System
- 17% for a newly created category called [Commercial Strategic Seaports](#)

For emerging harbors, the Corps can use up to \$5 million for up to 10 projects for maintenance dredging in a marina or berthing area near a Federal navigation channel at emerging harbors that support the commercial fish industry or Coast Guard facilities.

**HMTF Surplus:** The bill also authorizes the spending down of approximately \$9.4 billion in surplus in the HMTF. Beginning in FY2021, \$500 million would be spent, increasing by \$100 million per year until FY2030 when it reaches \$1.5 billion, then remaining at that level until the surplus is spent.

**Inland Waterways Trust Fund:** For projects utilizing the Inland Waterways Trust Funding, the federal government contribution will be 65% and the non-federal sponsor contribution will be 35% through 2031.

PNWA had specific projects in the Northwest for which we advocated for several years. We are very pleased to note the following two requests were included in this WRDA:

- Section 342 - Deauthorization of a portion of the Cap Sante Waterway at the Port of Anacortes
- Section 201 - Authorization to improve and add turning basins on the Lower Columbia River

