



January 2022 PAL Legislative Report

PAL Legislative Affairs Chairman Matt Gresham, Port NOLA

Writing January 2022 is a tough thing to do. You know the New Year is coming, but it never feels real until you write it for the first time.

Wow 2022. Here we go! It feels a lot like Yogi Berra famously said... “It’s like déjà vu all over again.” The omicron variant is sweeping the nation and elected officials, parents and well ...everyone else is talking about it.

Despite the successes of passing the bipartisan infrastructure bill dubbed the Infrastructure Investment and Jobs Act – in November of 2021, most everything else in DC is in gridlock. Negotiations have stalled on the President’s Build Back Better plan and a planned filibuster on the Democrats’ voting rights bill fell apart at first light.

All eyes in Louisiana will be on redistricting congressional districts, state house and senate districts and nearly everything else during the redistricting session in February before we launch into the Regular Session of the state legislature March 14.

2022 Regular Session

Speaking of, here is the link to some key dates of note for the upcoming regular session.

https://legis.la.gov/legisdocs/22rs/22RS_House_Bulletin.pdf

https://legis.la.gov/legisdocs/22rs/22RS_Senate_Bulletin.pdf

The main opportunity for ports and economic development will be potential infrastructure spending, as lawmakers grapple with how to use the unspent \$1.4 billion from last year’s federal COVID-relief funds, in addition to an estimated \$699 million state surplus. A portion of the surplus must go to refresh the State’s “rainy day” fund, but other priorities will include paying down state retirement debt, replenishing the unemployment trust fund, transportation infrastructure projects and rural broadband.

Election 2023

Political posturing will also begin in earnest for the 2023 election season, which will feature an open governor's race with the state's top 2,3 and 4 office holders angling for the Governor's Mansion and those jobs (being Lt. Gov., Attorney General and Treasurer) potentially being open, as well.

State Support for Ports

The big news out of the Capitol recently was the allocation of funds that came from support from Gov. Edwards' priority list for the first \$1.6 billion State allocation of the federal pandemic funds. As per PAL and other regional and national association lobbying efforts, ports were deemed eligible for State ARP funding in March 2021. Gov. Edwards announced a \$50 million allocation during the 2021 Legislative Session for the Louisiana Port Relief Fund to help offset revenue losses and increased expenses associated with the pandemic. In addition to ports, priorities included paying back the State's Unemployment Trust Fund (\$400M), Unemployment Insurance Loan Payment (\$230M), Infrastructure projects (\$400M), Water and Sewer Systems (\$300M), Tourism and CVBs (\$125M), and the Dept. of Culture, and Recreation and Tourism (\$20M). The Division of Administration Administered the Port Relief Fund and opened its application portal in October and as of the end of the year – ports that applied and proved lost revenue and expenses due to the pandemic - were reimbursed. We appreciate the Governor and House and Senate leaderships' support for this allocation.

Cargo Tax Incentive Moves Forward

PAL supported SB 45 and SB 217 by Sen. Jimmy Harris last year, which extended the Ports of Louisiana Tax Credit program sunset through July 1, 2025 and created the Louisiana Import tax credit to mirror competing states' programs to help shift inbound containerized cargo to Louisiana and provide available empty containers to Louisiana's export-heavy manufacturing base. PAL has worked with LED in the offseason on the rulemaking process and LED held a Rules Hearing Wednesday, Jan. 5. In accordance with administrative procedure. According to LED officials, the incentive should be in place sometime in February 2022.

James Moves to Federal Post

State Rep. Ted James of Baton Rouge, who has served as chair of the Black Caucus and chairman of the House Criminal Justice Committee, officially announced his resignation Jan. 5 to become the new regional administrator for the south central district of the US Small Business Administration. This will open a special election for his House seat (District 101) in East Baton Rouge Parish.

Faucheux to Lead LMOGA

Tommy Faucheux, who has led Dow Chemical's government affairs for nearly 15 years, has been named president of the Louisiana Mid-Continent Oil and Gas Association effective in January 2022. Many of

us have worked with Tommy for many years and will likely work more closely with him in his new role with LMOGA.

On the Hill...

Infrastructure Implementation

As the White House rolls out the infrastructure law, the Administration's infrastructure czar (former New Orleans Mayor) Mitch Landrieu is asking to appoint individual state infrastructure liaisons. According to a letter penned by Landrieu, states should follow the blueprint of a plan hatched by the National Governors Association for state-level recovery coordinators following the 2009 stimulus bill. In addition, states and cities will soon receive policy guidance through the Office of Management and Budget on the infrastructure bill's discretionary funding and formula funding programs and a guidebook with key dates and suggested actions. This is definitely something to keep an eye on.

PIDP Awards Announced

The US Department of Transportation Maritime Administration announced \$241 million in grant awards for the FY2021 Port Infrastructure Development Program Dec. 22. The grants ranged in size from \$52.3 million for the Port of Long Beach to \$1.1 million for a planning grant in Alaska. Overall, the grants fund 25 projects in 19 states. The lone Louisiana project award was a \$2 million grant for the Port of Delcambre for a dock restoration project.

A full list of project awards can be found here:

https://www.maritime.dot.gov/sites/marad.dot.gov/files/2021-12/2021_%20PIDP%20Grant%20Awards%20-%20Combined%20Project%20Descriptions.pdf

For those ports who were not successful in the PIDP grants, MARAD offers debriefs on grant applications by request.

MARAD Announces AMH Awards

On Dec. 10 MARAD announced \$12.6 million in grants for nine marine highway projects in Delaware, Hawaii, Indiana, Kentucky, Louisiana, North Carolina, New York, New Jersey, Tennessee, Texas, and Virginia.

The Baton Rouge-New Orleans Shuttle Service was awarded \$847,500 to operator SEACOR AMH. The grant will fund the purchase of 100 container chassis and support modification to a towboat wheelhouse. It will also aid one bareboat lease of a new 2520 horsepower Z-Drive towboat with Tier 3 engines. Funding for this project will support the continued growth of the Memphis, Tenn. to Port Allen, La. container shuttle.

NOFOS Should be Out Soon

Notices of Funding Opportunities for increased pots of money for Port Infrastructure Development Program Grants, AMH, Port Security, INFRA and BUILD should roll out sooner this year as the White House looks to push infrastructure money to projects ahead of the 2022 mid-term elections. We will keep you posted.

Upcoming Meetings

Mississippi Valley Trade and Transportation Conference, Feb. 23-24, 2022 at The Westin New Orleans.

Waterways Conference Inc. will hold its February 2022 meeting virtually on Feb. 15 at 8:30 a.m. CST. Meetings with members of Congress to be held in coming months after the Board meeting.

AAPA Legislative Summit will take place March 29-31, 2022 at the Washington Marriott at Metro Center in Washington, DC.

Washington Mardi Gras (Mystick Krewe of Louisianians) week of Jan. 29, Washington DC Hilto – *Per D.C. Mayor's Order, VACCINATION REQUIRED TO ATTEND ALL MYSTICK KREWE EVENTS*