

**Testimony by
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Chairman-Elect of the American Association of Port Authorities (AAPA)
Before the
U.S. Senate Committee on Environment & Public Works
Hearing on
America's Water Infrastructure Needs and Challenges
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410 Dirksen Senate Office Building
10:00 AM**

Chairman Barrasso, Ranking Member Carper and Members of the Committee, I want to thank you for the opportunity to provide remarks to the Environment and Public Works Committee on "America's Water Infrastructure Needs and Challenges." I'm William Friedman, President and Chief Executive Officer at the Cleveland-Cuyahoga County Port Authority, or Port of Cleveland as we are commonly called. The Port of Cleveland anchors Northeast Ohio's maritime sector, which is a major economic contributor to our state and local economy. Maritime traffic in excess of 13 million tons annually through Cleveland Harbor drives \$3.5 billion in annual economic activity and supports 20,000 jobs in our community.

I'm also speaking on behalf of the American Association of Port Authorities, AAPA, as the Chairman-elect of its Legislative Policy Committee that sets policy for our U.S. Members. My remarks today will provide illustrative examples of water infrastructure issues faced by public ports and

recommendations for WRDA legislation to improve the Corps of Engineers navigation program.

AAPA members appreciate that Congress understands the importance of our seaports role in the U.S. economy. Constructing and maintaining the Nation's 21st century maritime infrastructure is essential to the Nation's economic future. Public ports and their private-sector partners are committed to this challenge, with plans to invest upwards of \$155 billion between 2016 and 2020 in port-related facilities. At the Port of Cleveland, more than \$43 million in anticipated capital investments have been identified during this time frame. In the Great Lakes region, our collective 5-year capital plans for infrastructure investments are in excess of \$332 million.

Water infrastructure associated with seaports requires maintenance, rehabilitation and sometimes replacement. At the Port of Cleveland, we are embarking on a \$20 million project to stabilize the Cuyahoga River Ship Channel at Irishtown Bend, which is in imminent danger of collapse. We seek cooperation with our federal partners on remedying this potential calamity to ensure unimpeded freight movement to support Ohio's largest steel mill and other industry. Additionally, we have invested significantly in our dredged sediment management and processing center. In partnership with the Corps of Engineers, we are executing innovative solutions to turn previously disregarded sediment into a beneficial commodity.

It is imperative that port related infrastructure be a part of any broad infrastructure investment legislation the Committee develops. AAPA has

identified \$66 billion in potential federal waterside and landside investments over the next decade that will help assure the benefits from an anticipated \$155 billion in port-related capital infrastructure investments. The water side amount consists of full use of HMT revenues over the 10-year period; use of the \$9 billion HMT surplus to restore federal navigation channels; and \$6.2 billion for the Federal share of cost-shared channel improvements authorized in WRRDA 2014 and WIIN 2016 and projects that are currently being studied that will get authorized in the coming years.

AAPA believes a significant federal investment would grow the U.S. economy, increase family-wage supporting jobs, enhance America's international competitiveness and generate additional tax revenues. I have provided two AAPA infographics with my written testimony, the first provides details on the \$66 billion needs and the second infographic highlights the types of port related projects that can benefit from infrastructure investment legislation.

Turning to WRDA, it is vitally important that this legislation be passed on a two-year cycle as it enables both major and smaller policy changes and improvements to be made and navigation projects to be authorized. I look forward to the next WRDA legislation to continue improvements. AAPA's three key issues for the next WRDA are as follows:

1. WRRDA 2014 was landmark legislation establishing a path to full use of the Harbor Maintenance Tax revenues for its intended purpose, which is navigation channel maintenance. WIIN 2016 adjusted the annual funding target approach so that progress is made towards full HMT use each year.

We are grateful the annual funding targets are currently being met by Congress through the appropriations process. However, we maintain that the ultimate solution is for full HMT revenues to be provided directly to the Corps of Engineers. We appreciate the bills that have been proposed to address this issue. My fellow AAPA members and I are working on an approach that accomplishes full HMT revenue use that includes an industry supported spending formula.

2. Authorize and proceed to construct navigation project improvements recommended in Chief of Engineer's reports. This includes a Project Authorization Change Report for the Soo Locks Major Rehabilitation.

3. Past WRDA's include streamlining of the Corps of Engineers study process for navigation channel improvements and that has worked well. We seek additional streamlining improvements in this upcoming WRDA. For example, feasibility studies need to allow for initial scope and schedule discussions as well as clearly define study start and completion milestones. Another example is the negative impact of the Corps policy change on utility relocations. We urge the Committee to work with AAPA and the Corps on a workable solution. AAPA will submit a more extensive listing of specific streamlining improvements soon.

I commend the Committee leadership for recognizing the nexus between water resources development and economic prosperity. I urge you to develop and pass infrastructure investment and WRDA legislation at the earliest possible time. I'm happy to address any questions you have for me.

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