

**Testimony by
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Chairman of the American Association of Port Authorities (AAPA)
Before the
U.S. Senate Committee on Environment & Public Works
Hearing on
Examining the Benefits of Investing in USACE Water Infrastructure Projects
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406 Dirksen Senate Office Building
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Chairman Carper, Ranking Member Capito and Members of the Committee, I want to thank you for the opportunity to provide remarks to the Environment and Public Works Committee on “Examining the Benefits of Investing in USACE Water Infrastructure Projects.” I’m Mario Cordero, Executive Director of the Port of Long Beach. The Port of Long Beach is the second largest containerized cargo port in the United States and is a major economic contributor to our local, state and national economy. Maritime traffic moves in excess of 80 million tons annually through the port, which drives \$200 billion in annual economic activity and supports 2.6 million U.S. jobs and more than 576,000 jobs in Southern California.

I’m also speaking on behalf of the American Association of Port Authorities, AAPA, as its Chairman. My remarks today will focus on port experiences partnering with the Corps, planning for resiliency, sea level rise and priorities for future legislation.

AAPA members appreciate that Congress understands the importance of our seaports role in the U.S. economy. Seaports and their maritime partners sustain 31 million jobs and generate economic activity representing 26% of 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 by 2025 in port-related facilities. These investments can only be fully realized when the Federal navigation assets, managed by the Corps of Engineers, are kept modern and in a state of good repair.

I thank the Environment and Public Works Committee members for their landmark WRDA 2020 legislation which resolved the long-standing issue of full use of the Harbor Maintenance Trust Fund with equitable distribution for all ports – small ports, national defense ports, and the donor and energy transfer ports. AAPA members are pleased that the House fiscal year 2022 Energy and Water Development appropriations bill has established the precedent of supporting this funding level. We look forward to the WRDA 2020 funds distribution approach when full implementation is effective in September 2022.

Federal navigation channels are the foundation of global freight movement. We have all witnessed the important role of ports and the supply chain throughout the Covid-19 pandemic, where ports and our labor partners were able to stay open and safely move freight like personal protective equipment. These channels and port facilities must keep pace with the increasing size of the global fleet of ships. If we don't, we risk losing the

water transportation cost savings that makes products like agricultural exports competitive in the global marketplace.

At the Port of Long Beach, our Deep Draft Navigation Improvements Feasibility Study, performed in collaboration with the United States Army Corps of Engineers, was conducted to identify opportunities to remove constraints, improve efficiencies, and reduce transportation costs. Based on a FY 2021 discount rate of 2.5 percent and a 50-year period of analysis (2027-2076), the equivalent annual benefits and costs are estimated at \$20,960,000 and \$5,868,000, respectively. The project is estimated to provide annual net benefits of \$15,092,000 and a benefit-to-cost ratio of 3.6.

In addition to navigation improvements, we are embarking on a \$5 million project to repair wharves, and have identified approximately \$140 million in maritime infrastructure repair and replacement projects including wharves, rock dikes, and bulkheads needed to prevent potential impacts to critical Port business operations essential to the Nation's economic future. The Harbor Maintenance Trust funds authorized through WRDA 2020 legislation will be used to fund these projects.

The Port of Long Beach has been proactive in strategically preparing for and adapting to climate change, including impacts associated with sea level rise and other coastal hazards through our Climate Adaption and Coastal Resiliency Plan. This plan, the first of its kind for a North American seaport, includes adaptive measures to address sea level rise and other

risks to ensure the continuity of Port operations and protection to local communities surrounding the Port.

AAPA members report that WRDA legislation has led to profound improvements in Corps processes. For example, the 3-year feasibility study process, partnering improvements with non-Federal sponsors being actively involved with the Corps; and aligning dredge projects with fill projects for the beneficial reuse dredged material.

AAPA's three key issues for the next WRDA are as follows:

1. Authorize for both (1) new studies for navigation channel improvements; and (2) proceed to as well as construct navigation project improvements recommended in Chief of Engineer's reports.
2. Visibility of the Corps plans to restore and properly maintain Federal navigation projects with the increased funding from full use of Harbor Maintenance Trust fund revenues as established in WRDA 2020.
3. Continue to identify process improvements for improved product delivery. AAPA will submit a list of specific streamlining improvements soon.

Finally, I want to thank Committee leaders, members and staff for their efforts to ensure that port related infrastructure like Federal navigation channels, jetties and breakwaters are a part of any infrastructure investment legislation being developed. AAPA estimates that \$3 billion

would provide completion funding of the Federal share of current Federal navigation channel improvement projects. AAPA estimates \$1.5 billion would rehabilitate the roughly 140 critically deficient navigation structures improving their ability to serve their function of enabling safe navigation, while addressing resilience issues associated with climate change and sea level rise.

AAPA believes a significant federal investment would grow the U.S. economy, increase family-wage supporting jobs, enhance America's international competitiveness and address environmental issues generate additional tax revenues.

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

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