

COMMENTARY

By Joan M. Bondareff
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US Fails Its Ports

THE UNITED STATES is a maritime and trading nation, but sometimes we act as if we're an inland nation that has no need for seaports, port infrastructure or a transportation system equal to the best in the world rather than a second-rate system.

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The Washington Post. Ports are admittedly a combination of public and private infrastructure, but surely we can do better than this.

Funding for ports comes from a variety of sources, a variety of congressional committees and a variety of agencies. Could this be part of the problem? The Obama administration in January proposed a reorganization of six trade and small business agencies into one new department to promote business and exports. Maybe it's time to establish a port component within the new department, assuming Congress gives the president the necessary reorganization authority. The new port agency would centralize all funding for ports, including infrastructure, dredging channels, port security and trading with foreign partners.

Congress is struggling to pass a surface transportation reauthorization bill, which could include not only a maritime title, but also a title on freight policy. At the end of the first session of the 112th Congress, the Senate Committee on Environment and Public Works reported, in a bipartisan manner, a two-year, \$109 billion surface transportation reauthorization bill. The Senate bill includes a new title establishing a National Freight Program, which makes freight rail and maritime projects eligible for up to 10 percent of a state's apportioned highway funds.

Now that the House has its own five-year, \$260 billion reauthorization bill, we expect it to turn its attention to the reauthorization of the Water Resources Development Act. If East and Gulf Coast ports are to accommodate the depth of the new post-Panamax vessels, they will have to be dredged to at least 50 feet. Here again, Congress, with its self-imposed earmark ban, can't decide whether allocating funding for dredging

at a particular port or ports is an earmark or not. Until this issue is resolved, it's hard to imagine passage of a WRDA bill.

Two other opportunities for port funding are the ever-popular TIGER grants and port security grants. Congress appropriated \$500 million for TIGER IV for fiscal 2012. Unfortunately, this is half the funds that used to be appropriated for TIGER grants. Ports can compete for TIGER grants — and have been somewhat successful in doing so — but they're up against all other surface transportation projects, including high-speed rail that has been favored with a \$100 million set-aside.

TIGER has proved to be a popular and successful program that should enable ports to develop significant intermodal infrastructure projects. These projects also have the benefit of increasing jobs, which should be a goal of both political parties. But where is the commitment to funding TIGER at a level commensurate with its success?

Finally, post-September 11, ports are required to develop and implement port security programs. Grants to assist ports to implement these plans are authorized, and have been funded in the past, at \$400 million a year. However, the funds were reduced to \$235 million in fiscal 2011 and could be further reduced in fiscal 2012.

In funding the Department of Homeland Security for fiscal 2012, Congress decided to merge all state and local homeland security grants into a single \$1.35 billion block grant, which will include funding for port security. This leaves it to the discretion of DHS Secretary Janet Napolitano and other officials to decide how to allocate these funds. We expect an announcement on the grants shortly. Napolitano also warned recently that homeland security grants would be reduced again in the fiscal 2013 budget.

As a maritime community, we need to make our voices heard to support these programs and even consider the option of a new port agency. Our balance of trade, and lifeline to the rest of the world, depend on it. **joc**

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