

Item No.: 4F-Supp
Date of Meeting: August 14, 2018



**THE NORTHWEST
SEAPORT ALLIANCE**
Gateway to Solutions

NWSA federal lobbying services PSA- execute option

Presenter: Sean Eagan
Title: Government Affairs Director

Action Requested

Request authorization for the Chief Executive Officer to execute the two-year option contained in personal services agreement number 070409 with Signal Group Consulting, LLC for federal lobbying services.



Background

- August 29, 2016 Request for proposals issued
- January 3, 2017 Managing Member approve of personal services agreement 070409



Background



Background

 **US Army Corps of Engineers**
BUILDING STRONG.
U.S. Army Corps of Engineers Releases Work Plan for Fiscal 2018 Civil Works Appropriations

Posted 6/11/2018
Release no. 18-036

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Washington (June 11, 2018) - The U.S. Army Corps of Engineers (USACE) delivered to Congress its Fiscal Year 2018 (FY 2018) work plan for the Army Civil Works program on Thursday, June 7.

On March 23, 2018, President Trump signed into law the Consolidated Appropriations Act, 2018, Public Law 115-141, of which Division D is the Energy and Water Development and Related Agencies Appropriations Act (the Act) for FY 2018. The Act provides \$6.827 billion in FY 2018 appropriations for the Army Civil Works program, of which \$6.402 billion is appropriated in five accounts: Investigations, Construction, Operation and Maintenance; Mississippi River and Tributaries; and Formerly Utilized Sites Remedial Action Program (FUSRAP).

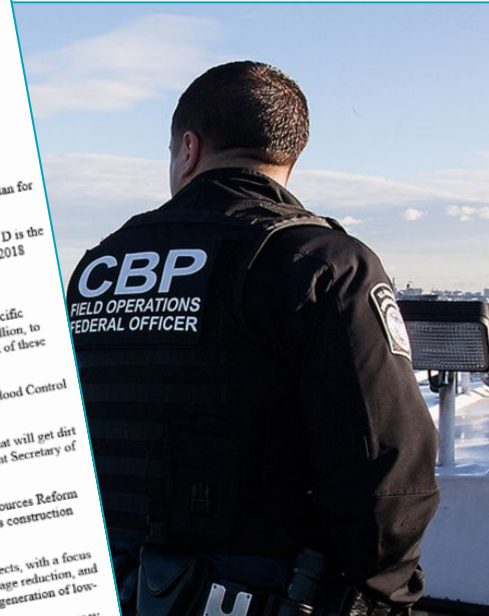
The Act's accompanying Statement of Managers report allocates approximately \$4.630 billion of the total for these five accounts to specific programs, projects and activities (PPA). USACE is responsible for allocating the remainder in these accounts, approximately \$1.772 billion, to specific PPAs, consistent with the categories, subcategories, and other direction provided in the Statement of Managers. The allocation of these additional funds is presented in the work plan.

The remaining \$425 million in the FY 2018 Civil Works appropriations provides funding for USACE in the Expenses, Regulatory, Flood Control and Coastal Emergencies (FCCE), and Office of the Assistant Secretary of the Army for Civil Works accounts.


"The Army's Civil Works FY 2018 work plan provides funding to start, continue, and complete studies and construction projects that will get dirt moving to better the lives of Americans, their infrastructure, economy and environment," said The Honorable R. D. James, Assistant Secretary of the Army for Civil Works.

For the first time, the work plan provides funds for two projects where the local sponsor could use Section 1043 of the Water Resources Reform and Development Act of 2014 to complete project construction. This section authorizes USACE to provide its share of a project's construction cost directly to a non-federal sponsor who is able to assume responsibility for construction of a USACE project.

The Army Civil Works budget funds the planning, design, construction, and operation and maintenance of water resources projects, with a focus on the highest performing work within the three main Civil Works mission areas: commercial navigation, flood and storm damage reduction, and aquatic ecosystem restoration. It also funds programs that contribute to the protection of the nation's waters and wetlands; the generation of low-cost renewable hydropower; the restoration of certain sites contaminated as a result of the nation's early atomic weapons development program; and emergency preparedness and training to respond to natural disasters.



Background

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Washington (June 11, 2018) - The U.S. Army Corps of Engineers today announced the Army Civil Works program for Thursday, June 7, 2018.

On March 23, 2018, President Trump signed into law the Infrastructure Investment and Jobs Act, which includes appropriations for the Army Civil Works program for Operation and Maintenance; Mississippi River River and Tributaries; and the Army Civil Works program for Operation and Maintenance.

The Act's accompanying Statement of Management and Financial Resources for the Army Civil Works program, projects and activities (PPA). USACE has identified specific PPAs, consistent with the categories, and the amount of additional funds is presented in the work plan.

The remaining \$425 million in the FY 2018 budget for the Army Civil Works program is for the Army Civil Works program and Coastal Emergencies (FCCE), and Other.

"The Army's Civil Works FY 2018 work plan is a significant step in moving to better the lives of Americans and the Army for Civil Works.

For the first time, the work plan provides for the Army Civil Works program and Development Act of 2014 to cost-share with a non-federal sponsor.

The Army Civil Works budget funds the planning, design, construction, and operation of the highest performing work within the three main Civil Works programs: navigation, aquatic ecosystem restoration. It also funds programs that contribute to the provision of hydroelectric power, the restoration of certain sites contaminated as a result of the nation's early atomic energy program, and preparedness and training to respond to natural disasters.



Background



Background



aquatic ecosystem
cost renewable
hydropower, the restoration of certain streams
preparedness and training to respond to natural



A Long-Term Funding Solution for Port Maintenance GOOD FOR PORTS, GOOD FOR THE NATION



AAPA Funding Solution – FAQs

1. What is the Harbor Maintenance Tax (HMT)?

The Water Resources Development Act (WRDA) of 1986 enacted the Harbor Maintenance Tax (HMT) and was intended to fund 100% of the Operations and Maintenance of deep draft federal navigation channels administered by the U.S. Army Corps of Engineers (Corps) and the St. Lawrence Seaway. It is an ad valorem tax on certain imported and domestic cargo, and cruise ship passengers that equals 0.125% of the value of the cargo. It was originally applied to exported cargo, however the Supreme Court ruled that collecting HMT on exports was unconstitutional. Collected funds are first placed in the General Treasury and then credited to the Harbor Maintenance Trust Fund.

2. What is the full HMT revenue?

HMT revenues is a term created by Congress in WRDA 2014 to establish appropriations targets for HMT spending to maintain our harbors. It includes prior year HMT collections plus interest on the Harbor Maintenance Trust Fund that currently has a \$9 billion balance. In Fiscal Year 2017, HMT revenues totaled \$1.472 billion.

3. What is the existing funding process?

HMT payments are collected by Customs, deposited into the General Treasury and credited to the Harbor Maintenance Trust Fund. The Corps then receives funds for channel operation and maintenance through the annual Congressional appropriations process. Congress could but is not presently appropriating full HMT collections each year.

4. What is the problem and why did AAPA create a solution?

Decades of partially appropriating the HMT collections left navigation channels across the country with depth and width restrictions, requiring ships to move freight inefficiently. This inefficiency has resulted in increased transportation costs that affect U.S. exports competitiveness in the global marketplace and increases the cost of imports to U.S. consumers. Permanent full use of annual HMT collections in the future years is estimated to enable channels to be restored to proper maintenance levels for safe and efficient freight movement.

5. What is an HMT “donor port” and why are they receiving special funds?

Over half of the HMT collections are generated at donor ports that have naturally deep channels and require little to no traditional maintenance. The AAPA solution provides tax fairness, enabling donor ports to receive a small portion of HMT funds for related



Financial Implications

- Source of Funds
 - The NWSA 2018 operating budget allocates \$180,000 for this project.
 - Funding is contained in the Government Affairs Department budget under the Outside Services account.
- Financial Impact

Item	Budget Estimate	Expenditure to Date	Anticipated Future Expenditures
State lobbying services	\$720,000	\$360,000	\$360,000
Total	\$720,000	\$360,000	\$360,000



Alternatives Considered and Their Implications

- **No Action Alternative:** Allow contract to lapse
- **Alternative #2:** Allow contract to lapse and rebid the contract.
- **Recommended Alternative:** Execute option.



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