Testimony of Mario Cordero

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House Committee on Transportation and Infrastructure, Water Resources and Environment Subcommittee hearing titled

"Proposals for a Water Resources Development Act of 2022: Stakeholder Priorities"

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Chairman DeFazio, Chairwoman Napolitano, Ranking Member Graves and Ranking Member Rouzer, it is an honor and a privilege to testify before this distinguished subcommittee today to discuss the Port of Long Beach's (Port) Deep Draft Navigation Project. My name is Mario Cordero and I am the Executive Director of the Port of Long Beach. Before I discuss this project I would first like to commend the subcommittee for holding this hearing. Passing the Water Resources Development Act, or WRDA as it is commonly referred to, on a biannual basis has provided the country's navigation community with the reliability and certainty that it needs to advance critical navigation projects like the one at the Port of Long Beach. The Port of Long Beach stands in strong support of the development of the Water Resources Development Act of 2022 and we would like to acknowledge the tremendous bicameral and bipartisan track record of this important infrastructure bill. Thank you for your leadership and commitment to this authorizing process.

I would also like to take a moment to acknowledge Congressman Lowenthal, a long-time member of this committee and ardent champion for the Port of Long Beach. Congressman

Lowenthal, I cannot recall a time that this committee had held a WRDA hearing and you haven't mentioned the Port of Long Beach. Thank you for keeping our WRDA needs front and center.

Chair Napolitano, it was around this time in 2020 that you led a congressional delegation visit to southern California that culminated in a visit to the Port of Long Beach. You and many of your colleagues present today had the opportunity to see first-hand the sheer magnitude of the operations at the Port of Long Beach. As the second busiest seaport in the country, the Port of Long Beach is the premier U.S. gateway for trans-Pacific trade and a trailblazer in innovative goods movement, safety, environmental stewardship and sustainability. The Port of Long Beach handles trade valued at more than $200 billion annually and supports 2.6 million jobs across the nation. The Port of Long Beach is one of the few U.S. ports that can welcome today's largest vessels, serving 175 shipping lines with connections to 217 seaports around the world. And, together with the Port of Los Angeles, the San Pedro Bay Ports Complex moves more than 40% of our Nation's waterborne goods. We are quite literally the epicenter of where the box meets the docks. Please consider this an open opportunity to visit the Port when public health conditions permit. In the meantime I appreciate the opportunity today to highlight the significance of the Port's deep draft navigation project and the value that the navigation mission of the US Army Corps of Engineers' (Corps) provides to the nation. I'll get more into our partnership with the Corps later on in my testimony, but I just want to take a moment up front to say that but for the shared goal and collaboration provided by the Corps Los Angeles District Office and the South Pacific Division, we would not have a signed Chief's Report ready for construction authorization in WRDA 2022.

This project has been years in the making and it is a central component of the Port's masterplan. Given the pandemic induced supply chain challenges that this country faces, which the Port is working in lock step with the Administration's White House Supply Chain Disruption Task Force to address, not a day goes by where supply chain issues are not a story on the nightly news. And while this deepening project will help to improve the efficiency of waterborne cargo, it was actually envisioned well before the COVID-19 pandemic exposed the vulnerabilities of the national supply chain. The Port of Long Beach has long been focused on making every aspect of our operations more resilient. From increasing our rail capacity to reducing dwell times for shippers and improving air quality, we have always been focused on the bigger picture. And deepening the Port is a key component of that bigger picture.

As the world's shipping fleet has produced larger ships, the existing channel depths and widths do not all meet the draft requirements of the fleet of vessels that call on the Port. Tide restrictions, light loading, lightering, and other operational inefficiencies result in increased transportation costs. The deepening project will improve conditions for current and future container and liquid bulk vessel operations in regards to safety, reliability, and waterborne transportation efficiencies. Features of the project include:

- Deepening the Approach Channel from -76 feet to -80 feet
- Bend easing within portions of the Main Channel to -76 feet
- Constructing an approach channel and turning basin to Pier J South to a depth of -55 feet
- Deepening portions of the West Basin from -50 feet to a depth of -55 feet
- Deepening Pier J South and perform berth dredging within the Pier J South Slip to -55 feet

- Performing structural improvements to Pier J breakwaters to allow deepening to -55 feet
- Constructing a new electric dredge substation

In turn, the deepening project will result in immediate and quantifiable national and local benefits including reducing air emissions and improving vessel maneuvering. The Chief's Report shows that this investment has a highly favorable benefit to cost ratio of 3.5 to 1.

Benefits that will be realized by the project include reduced lightering of liquid bulk vessels, and reduced light-loading of container vessels; reduced transportation costs; and the potential for beneficial reuse of dredge material.

Improving navigational efficiencies reduces emissions of air pollutants and greenhouse gasses. Reductions in harmful air emissions will benefit disadvantaged and diverse communities surrounding the Port of Long Beach and reduce the climate impacts of Port operations.

Furthermore, the project will dredge out surface sediments exposing the cleanest native sediments at depth, providing an enhanced habitat for marine organisms.

The largest liquid bulk ships that call at the Port, call at Berth T121 at Pier T Echo. They are VLCCs (very large crude carriers). The large vessel calling at Berth T121 was I believe the Taqah (1/31/2018). Berth T121 is the only VLCC berth on the west coast of the U.S. VLCCs are approximately 300,000 – 325,000 metric tons dead weight and have a capacity of over 2 million barrels of product. Fully loaded, these vessels draft 70 feet. Because of their size and

the manner in which they behave during maneuvering, if they are fully loaded and drafting 70 feet, the approach to Queens Gate needs to be at -80' Mean Lower Low Water (elevation of sea floor) to ensure the ships do not touch bottom during nearly all weather and tide conditions. Once inside Queens Gate and moving through our -76' MLLW Main Channel, these ships require the "bend easing" (smoothing out the sharp corners) of our Main Channel to transit from Queens Gate to Berth T121 under nearly all weather and tide conditions. The reason these ships don't need -80' MLLW inside Queens Gate is that the wind and wave conditions are mitigated by our federal breakwater.

Today, VLCCs calling Berth T121 are limited to a maximum draft of 69 feet under optimal conditions and use of a sophisticated system called PROTIDE that analyzes wave, weather, and vessel data to predict whether the vessel has sufficient under-keel clearance to reach the berth safely. Much of the time, these vessels are limited to drafts less than 69 feet due to less than optimal weather and tide conditions. The Taqah called the Port drafting the maximum allowable 69 feet. Each additional foot of draft can mean an additional 35,000-40,000 barrels of product.

When our project with the USACE is conducted, these ships will call at maximum capacity under most all weather and tide conditions without waiting offshore.

Like any major infrastructure investment, the path to getting to a signed Chief's Report was neither straight nor narrow. But in the end, the process produced a project that, when built, will serve generations to come. There is an area of the deepening project feasibility process that I

would like to call out as an example of collaboration and innovation. It could have been showstoppers for the process. However, through our long standing relationship with the Corps we were able to work through the issue as it presented itself and find common ground through constant communication and a trusted partnership.

The issue we faced during the feasibility study was a misalignment between the timeline presented under the Corps SMART Planning process and the Port's own masterplan process. About two-years into the feasibility study process it became apparent that the Corps study was accelerating at a faster pace than the Port's master plan. We fully acknowledge that asking the Corps to go slower is an unusual request for this committee to hear, but that is exactly what needed to happen. Through a concerted effort, we secured the support of our congressional delegation to ask the Corps to deviate from the three-year parameters of SMART Planning. We remain grateful for the coordination of the Corps' chain of command starting at the district level all of the way up to the Office of the Assistant Secretary of the Army for Civil Works for taking into account the unique situation in Long Beach and adjusting the federal feasibility study timeline accordingly.

Overall, I am also very pleased to see changes that the Corps is making to ensure that combating climate change and advancing equity are incorporated into the feasibility study process. A more comprehensive look at project benefits is long overdue and I applaud efforts undertaken by this committee in previous WRDA bills to give the Corps the tools and resources to modernize their policies and procedures.

In my role as Chairman of the Board of Directors of the American Association of Port Authorities, I recognize the importance of the Corps in maintaining and improving the country's navigation assets. The Port of Long Beach, much like the ports around this great nation, rely on the expertise and experience of the Corps to ensure that our ports remain open and our economy remains strong.

I thank the Committee for prioritizing the needs of the Harbor Maintenance Trust Fund in WRDA 2020. Having a schedule to distribute the estimated $9.3 billion in unspent HMT tax collections will go a long way towards restoring the 'trust' in Trust Funds. I look forward to working with the Committee, through your oversite role, to ensure that the intent of Congress is reflected in the Corps' development of a master plan to distribute HMT funds to federally authorized navigation projects.

In closing, we are thrilled to have reached the Chief's Report milestone to be eligible for a construction authorization. The Port of Long Beach respectfully requests the Committee's support for including this project in WRDA 2022. Thank you for the opportunity to testify today. I look forward to your questions.