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T&I Committee Member Day hearing on the Water Resources and Development Act (WRDA)

Thursday, February 28, 2020 – 10:00am

REMARKS – 5 minutes, 746 words

Mr. Chairman, I appreciate the opportunity to share how the 2020 Water Resources and Development Act reauthorization will benefit the people and economy of the country in the context of my district.

Washington's 7th district is growing rapidly, booming with innovation, people and industry. In a trade dependent state like ours, our economy depends on keeping our region's cargo gateways competitive, building a strong maritime workforce and protecting vital ecosystems that ensure our precious ocean species can thrive all at the same time.

For that reason, I come to you with two elements that I strongly urge the committee to include in its WRDA reauthorization bill.

First, it is time to comprehensively reform the Harbor Maintenance Tax. The HMT is the single largest source of federal funding for coastal ports and waterways. Unfortunately, these funds are not going to their intended purpose. The HMT collects more revenue from shippers than Congress has appropriated to the Corps to maintain our harbors, with \$9.3 billion in revenue sitting idle in the U.S. Treasury. I applaud this Committee's efforts to ensure annual HMT revenues are fully spent,

through the Full Utilization of the Harbor Maintenance Trust Fund Act, which passed the House last year.

Fully using the tax is a no brainer. However, right now, donor ports like Seattle are contributing far more to the Harbor Maintenance Trust Fund than they receive back for maintenance. If we only ensure full use without equitably investing in Donor and Energy Ports, while protecting emerging ports and the Great Lakes, we will not fully address the unfair system that is endangering the long-term health of our nation's cargo gateway infrastructure.

As an example of the current inequity, the six donor ports identified in the 2014 WRDA bill generated 53% of HMT collections in 2017 but received only 3% in return. That means that the ports of Seattle and Tacoma receive only pennies for every HMT dollar generated. As a result, Puget Sound ports are losing out on cargo revenue to nearby ports in Canada, as documented by the Federal Maritime Commission.

Congress should pass comprehensive HMT reform legislation that resolves the wide range of concerns the nation's ports have about the HMT. This should include dedicating funding for donor ports to ensure they receive a fair return and minimum floors to protect emerging ports and the Great Lakes region.

Second, I hope to work with the Committee to improve the WRDA Section 214 program and further expedite reviews for mitigation bank applicants seeking to sell credits to other entities.

The Section 214 program helps expedite the Corps' review process as local public entities mitigate for impacts their projects have on aquatic resources.

However, this expedited program is only available to project sponsors in situations where a bank is used exclusively by the sponsor to meet its own mitigation requirements. If the sponsor *sells* any of the credits it generates to another entity, the expedited process cannot be used. Selling mitigation credits helps fund habitat projects, and enabling public entities to expedite the approval process for mitigation banks will lead to the creation of more habitat more quickly. These outcomes clearly serve a public purpose, and we should allow public-sector sponsors to access the expedited process in these situations.

For example, last summer the Port of Seattle submitted an application to the Army Corps to establish a mitigation bank that would create 85 acres of new habitat that will support the recovery of Puget Sound's ESA-listed Chinook salmon and Southern Resident Killer Whales. The Port was told it would be two years before the Corps began its review of the application and probably six years until the review is complete. This is too long to wait. Because it plans to sell about 25 percent of the credits

the bank will generate to other entities in order to generate revenue for additional habitat development, the Port cannot expedite its application under Section 214. I hope to work with the Committee to fix this issue and expand the expedited Section 214 review process for projects that serve the public good.

In closing, I commend this committee for continuing Congress' track record of regularly updating WRDA legislation that is essential to preserve our economy, protect our communities and maintain our quality of life. I look forward to working with you to ensure an equitable and fair use of the Harbor Maintenance Trust Fund and to protect our vital ecosystems through reforms to WRDA's Section 214 program.