

**STATEMENT OF
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**BEFORE THE
COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE
SUBCOMMITTEE ON COAST GUARD AND MARITIME TRANSPORTATION
AND
COMMITTEE ON HOMELAND SECURITY
SUBCOMMITTEE ON TRANSPORTATION & MARITIME SECURITY
U.S. HOUSE OF REPRESENTATIVES**

**HEARING ON
“PORT SAFETY, SECURITY, AND INFRASTRUCTURE INVESTMENT”**

April 5, 2024

Good morning, Chairman Webster, Chairman Gimenez, Ranking Member Carbajal, Ranking Member Thanedar and Members of the Subcommittees. Thank you for your tremendous support for the Maritime Administration (MARAD) and thank you for the opportunity to testify today regarding the Port Infrastructure Development Program (PIDP), a discretionary grant program, and its role in bolstering the safety and security of our nation's ports.

Before I go further, allow me to express on behalf of the Department of Transportation our condolences to the families of those who lost their lives last week when the Francis Scott Key Bridge collapsed. I also want to express thanks to the United States Coast Guard for spearheading the Federal response at the Port of Baltimore, and to all of our Federal Partners –

especially my DOT colleagues at MARAD and FHWA – as well as Maryland state and local officials for their ongoing response to the Baltimore bridge collapse.

Times like this highlight how important our maritime transportation system (MTS) is to our economic and national security. Our MTS, and for that matter, our entire national surface transportation system, is the best in the world. We have the greatest inherent flexibility and redundancy to support the transportation segments of our supply chain.

The collapse of Key Bridge, the COVID surge, the attacks in the Red Sea, and Hurricanes Maria, Sandy, and Irene, to name a few, serve as notable reminders of how vital ports are to our Nation’s economic vitality. Equally, our responses to these tragedies have demonstrated our great resolve and ability to respond as a Nation.

Several agencies play key roles in overseeing port security in the United States. These agencies work collaboratively to ensure the safety and security of U.S. ports and the maritime transportation system.

MARAD promotes the development and maintenance of a resilient maritime transportation system, including ports, by providing grants for infrastructure projects, technical assistance, and support for port security initiatives. MARAD’s cooperative efforts include chairing the National Port Readiness Network (NPRN) to ensure readiness of Commercial Strategic Seaports to support the deployment of military forces and national contingencies. Together with eight other Federal agencies and military commands, this network supports the maintenance of Port Readiness Committees. MARAD further facilitates the collaborative development of Port Readiness Plans, voluntary planning documents focused on port facility readiness at Commercial Strategic Seaports.

The primary statutory objective of the PIDP is to enhance the safety, efficiency, or reliability of the movement of goods into, out of, around, or within a port. Each project funded through the PIDP must address or advance at least one of these critical objectives. PIDP grants support efforts by ports and industry stakeholders to improve port and related freight infrastructure to meet the nation’s freight transportation needs and ensure our port infrastructure can meet anticipated growth in freight volumes. The PIDP provides funding to ports in both urban and rural areas for planning and capital projects. It also includes a statutory set-aside for small ports to continue to improve and expand their capacity to move freight reliably and efficiently and support local and regional economies.

In fiscal year (FY) 2023, MARAD received 153 eligible applications for the PIDP from projects across 37 states and 4 U.S. territories, with a combined funding request exceeding \$2.8 billion

with only \$662 million available funding for FY 2023. Similarly, in FY 2023, the United States Marine Highway Program, received 16 eligible applications from projects in 12 states and 2 territories, requesting a total of approximately \$46.4 million in funding with only \$12.123 million available funding for FY 2023. These numbers highlight the continued need for strengthening of the nation's supply chains.

In FY 2023, MARAD awarded grants to fund 41 port improvement projects across the nation, including several notable PIDP projects that focused on safety improvements across various ports:

- Cold Bay, AK: Construction of a new dock with significant operational and safety benefits compared to the old dock.
- Kawaihae, HI: Access and lighting enhancements to improve safety.
- Astoria, OR: Major infrastructure upgrades, including fire protection measures.
- Freeport, TX: Site improvements facilitating safer cargo movement and dedicated truck lanes.
- San Diego, CA: Lighting enhancements to enhance safety.
- Red Wing, MN: Mooring improvements aimed at enhancing safety during barge operations.

Another noteworthy FY 2023 PIDP project incorporating security enhancements is underway at the North Carolina State Port Authority in Wilmington, NC. This comprehensive project involves reconfiguring port access, relocating security checkpoints, installing a gate operating system, enhancing railroad crossings, constructing a truck queuing area, implementing new cybersecurity tools, and constructing guard and badging facilities.

Addressing cybersecurity and technology concerns, the FY 2024 PIDP Notice of Funding Opportunity (NOFO) included two critical provisions:

- LOGINK Prohibition: In compliance with Section 825 of the FY 2024 National Defense Authorization Act (NDAA), the FY 2024 PIDP NOFO prohibits the utilization or provision of certain Chinese transportation logistics platforms. This measure aims to safeguard against potential security risks associated with these platforms.
- Each applicant selected for federal funding must demonstrate consideration and mitigation of physical and cyber security risks relevant to their project. Projects failing to adequately address these risks will be required to do so before receiving funds. MARAD and the Office of the Secretary's Chief Information Officer will conduct risk assessments on all grant projects, with additional cyber risk mitigation activities mandated for moderate or higher risk projects.

Section 3529 of the FY23 NDAA directed MARAD, in consultation with the Secretary of Homeland Security, the Secretary of Defense, and the Director of the Cybersecurity and Infrastructure Security Agency, to conduct a study to assess whether there are cybersecurity or National security threats posed by foreign manufactured cranes at United States ports. Our report will be delivered to Congress soon.

In conclusion, PIDP plays a vital role in enhancing the safety, efficiency, reliability, and resilience of our nation's ports. The projects highlighted underscore our commitment to enhancing and modernizing the Maritime Transportation System which is vital to our national and economic security missions.

I appreciate the opportunity to appear before this Subcommittee and thank you for the support that you have shown the Maritime Administration. I welcome any questions you may have.