

**U.S. Representative Nanette Diaz Barragán (CA-44)**  
**Testimony**  
**House Appropriations Subcommittee on Energy and Water**  
**March 8, 2017**

Chairman Simpson, Ranking Member Kaptur and Members of the Energy and Water Subcommittee, I want to thank you for allowing me the opportunity to provide testimony today.

I am Nanette Diaz Barragán and I represent California's 44<sup>th</sup> congressional district which includes San Pedro, Wilmington, South Gate, Watts, Compton and North Long Beach.

Most notably, the Port of Los Angeles, North America's largest seaport by container volume and cargo value, is in my district.

I am proud to represent the thousands of workers that are directly and indirectly associated with the Port of Los Angeles, Southern California's economic engine.

The San Pedro Bay Ports Complex, which includes both the Ports of Los Angeles and Long Beach, accounts for one quarter of the nation's cargo and supports over 3 million jobs nationwide.

The goods that pass through the San Pedro Bay Ports complex touch nearly every corner of this great land of ours and every facet of American life.

In 2016, the Port of Los Angeles had its best year in its 110-year history and as our economy continues to grow so do the size of vessels and freight volumes.

When you couple these factors with growing international competition and the fact that the American Society of Civil Engineers gave our ports a "C" in their report card, it is apparent that more must be done to improve our infrastructure for ports and harbors.

My message today is simple: I urge this esteemed Subcommittee to fund the U.S. Army Corps of Engineers Navigation Program at \$2.9 billion dollars for Fiscal Year 2018 and 2017.

Specifically, I urge you to fund "Donor Ports" at \$50 million and to hit the Harbor Maintenance Trust Fund expenditure targets for both Fiscal Years 2018 (74%) and 2017 (71%) so that we can remain on the path to utilize 100 percent of Harbor Maintenance Trust Fund revenues by Fiscal Year 2025 and thereafter.

In June of 2014, the bipartisan Water Resources Reform and Development Act also known as "WRRDA" was enacted into law.

One of the most thoughtful provisions in this law was Section 2106 which expands the uses of the Harbor Maintenance Trust Fund for donor ports such as the Port of Los Angeles.

As you know, in the case of donor ports, Harbor Maintenance Funds do not return to the states and harbors where the taxes are collected.

For example, California receives only 15 percent back of what the shippers at our harbors pay into the Harbor Maintenance Trust Fund. The San Pedro Bay Port Complex is among the largest collectors of Harbor Maintenance Tax Funds, with an average of \$250 million each year, but receives less than 1 percent back.

Section 2106 of WRRDA addressed some of these tax fairness and donor equity issues.

Section 2106 also authorized appropriations of \$50 million for each of fiscal years 2015 through 2018.

Donor ports are authorized to use these discretionary appropriations for expanded uses including berths and the dredging of contaminated sediments, environmental remediation or payments to importers or shippers transporting cargo through that port.

Section 2101 of WRRDA set target expenditures from the Harbor Maintenance Trust Fund, increasing each year so that by Fiscal Year 2025 and each year thereafter, 100 percent of the taxes collected go towards the intended purpose of operation and maintenance activities.

Full utilization of the Harbor Maintenance Tax will only occur, however, if the level of appropriations for the Civil Works program of the U.S. Army Corps of Engineers in that fiscal year is increased.

In Fiscal Year 2016, Congress appropriated \$25 million to donor ports, of which slightly over \$3 million dollars were allocated to the Port of Los Angeles for critical berth maintenance dredging.

For Fiscal Year 2017, the Senate bill contained \$50 million for donor ports while the House bill only contained \$10 million.

I urge the Subcommittee to help our nation stay internationally competitive by funding donor ports at \$50 million dollars for both Fiscal Years 2018 and 2017 and to hit the Harbor Maintenance Trust Fund expenditure targets.

I thank the Chair, Ranking Member and the rest of the Subcommittee members for their time.