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Georgia Ports Authority Testimony to the United States House of Representatives Committee on Natural Resources Legislative Hearing on H.R. 6841, H.R. 7925, H.R. 8704 & H.R. 8705 on June 27, 2024

Thank you, Chairman Westerman, Committee Ranking Member Grijalva, Subcommittee Chairman Bentz, Subcommittee Ranking Member Huffman for inviting me to testify at this hearing. To all of the committee members present, I also extend my gratitude for your time and interest in this important subject. I speak to you today in support of H.R. 8704 from my Congressman Buddy Carter, who represents the entire coast of Georgia, including the ports of Brunswick and Savannah.

As the Chief Administrative Officer of the Georgia Ports Authority, I am charged with overseeing Contracts, Properties & Planning; Purchasing; Grants Administration; Risk Management & Sustainability; Navigation Programs; Governmental Affairs and all legal matters for the Authority. I have 22 years of experience in the maritime industry and hold a Master of Science degree in Transportation Management from the University of Denver.

The Georgia Ports Authority, a state-owned entity, is dedicated to providing customers with the most efficient, productive port facilities in the nation, and to creating jobs and business opportunities to our nation's benefit. Our ports serve as magnets for international trade and investment, supporting critical sectors of our economy such as agriculture, manufacturing and retail. We are committed to maintaining a competitive edge through development of leading-edge technology, marketing and operations to move cargo faster. The Authority works hard to identify what must be done today to sustain growth, performance and security for tomorrow.

Georgia's deepwater ports in Savannah and Brunswick, together with inland terminals in Chatsworth and Bainbridge are gateways to the world for American commerce. They are the critical conduits through which raw materials and finished products flow to and from destinations around the globe.

As one of the state's largest public employers, the GPA directly employs almost 1,800 trained logistics professionals. The GPA, however, generates far more employment throughout the state. GPA operations, together with private sector, port-related operations, account for more than 609,000 jobs statewide, \$171 billion dollars in revenue, and generates over \$10 billion in federal revenues annually in Georgia alone.

The Port of Savannah, home to the largest single-terminal container facility of its kind in North America, is comprised of two modern, deepwater terminals: Garden City Terminal and Ocean Terminal. Together, these facilities exemplify the GPA's exacting standards of efficiency and productivity.

The Port of Brunswick is comprised of three GPA-owned deepwater terminals. The port's well-earned reputation for productivity and efficiency is heightened by its position as one of the fastest growing auto and heavy machinery ports in North America. Today, more than 12 major auto manufacturers, supported by three auto processors, utilize the Colonel's Island Terminal. The terminal is home to the United States' largest and fastest growing Ro-Ro operation.

The Georgia Ports Authority has joined other East Coast Port Authorities, Maritime Terminal Operators, Harbor Pilots and other maritime-focused interests in opposing NOAA's proposed "Amendments to the North Atlantic Right Whale Vessel Strike Reduction Rule" since it was released. NOAA did not take into account or properly weigh several critical factors when developing the proposed changes to the existing rule. The proposed rule raises considerable life and safety concerns and would cause further delays to an already strained supply chain. If implemented, this rule change will create significant congestion at our nation's ports – resulting in substantial detrimental effects on the nation's economy.

The GPA understands the need for reasonable regulations to protect the North Atlantic Right Whale and is committed to that effort. In fact, we have implemented several voluntary measures throughout the years to help protect the critically endangered species. Recently, CMA-CGM, in partnership with the GPA, launched an acoustic monitoring buoy off the coast of Savannah to increase North Atlantic right whale detection efforts.

Furthermore, we agree that it is important to monitor the effectiveness of vessel speed regulations to reduce vessel strikes. However, it is also critical to find balance between American economic priorities and conservation goals. The GPA believes that present regulations offer sufficient protection while a more thoroughly vetted solution, including modern technological monitoring is developed.

The GPA is concerned that NOAA's recently proposed changes to the existing vessel speed rule will negatively affect the safe transit of ocean-going vessels during the designated seasonal management window. State-licensed pilots are expected to act in the public interest, and to maintain a professional judgment that comports with the needs of maritime safety. In addition, state and federal licensing and regulatory authorities require compulsory pilots to take all reasonable actions to prevent ships under their navigational control from engaging in unsafe operations.

Local pilots must consider hydrological, meteorological and many other factors for safe navigation. These considerations greatly affect maneuverability and steering controls – particularly at slower speeds for larger vessels when transiting our nation's harbors.

The NOAA-proposed speed restriction requires slower speeds for pilot boats, which will lead to reduced service capacity and ship delays along virtually the entire Eastern seaboard. Without speed as an effective tool to overcome other navigational influences, ocean-going cargo vessels will be unable to safely traverse our nation's harbors under currently normal operating conditions – resulting in temporary port closures and significant congestion outside the affected harbors. When ship delays increase, shippers will reroute to other ports resulting in further congestion elsewhere.

It is highly unlikely that ships will wait at sea for weeks or months for a berth and will seek alternative ports not impacted by this rule – ports in South Florida, the Gulf Coast or the West Coast. These alternative sites do not have the ability to absorb 40% to 50% of the affected ports' volumes and would quickly back up as well – resulting in pandemic era or worse supply chain disruptions.

Freight moves based upon connectivity and cost. This rerouted cargo would have an increased impact on the environment compared to current operations – as it would be moving a greater distance over land at a greater cost to the shipper. The resultant cost increases would be passed along to the consumer and cause significant inflationary impacts to the American economy.

The potential increases of greenhouse gas emissions from the landside transportation of rerouted cargo are merely a fraction of what the emission impacts of vessels anchored at sea, waiting for weeks for a berth. As inbound vessels arrive and congestion sets in, cargo delays will also continue to increase. In Savannah and Brunswick, maximum peak days could see over 200 vessels per day waiting at anchorage. Over 1.8 million metric tons of GHG emissions may be emitted in Georgia alone as a result of these vessels – potentially 3 times higher than the 2020 vessel emissions for the Ports of Los Angeles and Long Beach combined.

NOAA's economic impact assessment for the newly proposed rule does not consider any additional negative impacts to ocean-going vessels because they are already regulated under the existing rule. The changes in deviation reporting and enforcement proposed under this rule, however, greatly alter the enforcement and oversight of necessary deviations, thereby greatly expanding the impacts on ocean-going vessels.

The negative economic impact of this proposed rule equates to the loss of up to an estimated 1,283 diverted cargo ships destined for Georgia port facilities. Amongst other cargoes, these diverted ships would include up to 3.1 million TEUs, equating to an estimated loss of \$3.8 Billion in revenue for Georgia businesses, 26,820 Georgia jobs, \$1.3 billion in personal income and \$1.85 billion in GDP – far surpassing the total negative economic impacts assumed by the 2022 Draft Regulatory Impact Review and Initial Regulatory Flexibility Analysis of this proposed rule for the entire East Coast.

We have highly encouraged NOAA to consult with appropriate federal partners to assess the full scope of the impacts of their proposal. The United States Coast Guard is a key partner of the maritime sector in protecting the safe and efficient movement of cargo into and out of our nation's ports. The Environmental Protection Agency can thoroughly assess the significant negative air quality impacts that ships anchored off the Eastern seaboard would generate. Congress should also further consider their priorities regarding the massive economic disruptions created by NOAA's proposition.

Congressman Carter's legislation, if enacted, would pause NOAA's otherwise well-intentioned proposal until technology authorized by HR 8704 can implement safeguards for the North Atlantic Right Whale without the significantly negative commercial and life-safety issues created by it.

In support of our nation's agricultural, manufacturing and retail interests and the hundreds of millions of Americans who rely upon the efficient flow of commerce, the Georgia Ports Authority would highly encourage the members of this committee to support HR 8704.