

**Gary P. LaGrange
President and CEO
Port of New Orleans**

**Testimony before the
Subcommittee on Water Resources and Environment
House Committee on Transportation and Infrastructure**

Hearing on “Realize America’s Maritime Promise (RAMP) Act”

July 8, 2011

Mr. Chairman and Members of the Subcommittee:

As the President and Chief Executive Officer of the Port of New Orleans, I appreciate the opportunity you have provided me today to highlight the need for immediate passage of Congressman Charles Boustany’s Realize America’s Maritime Promise (RAMP) Act (H.R. 104). The Port of New Orleans strongly supports swift Congressional passage of the RAMP Act, legislation that would provide the required solution to address pressing waterway maintenance needs for commercial navigation in our Nation’s ports and inland harbors. Enactment of this legislation is even more urgent given the unprecedented challenges that the inland river system is facing after this year’s record high water event and the mammoth dredging and maintenance requirements that have ensued.

Mr. Chairman, the port community and its other maritime industry participants and stakeholders are extremely gratified by your leadership and that of Congressman Boustany in the effort to enact the RAMP Act. Congressman Boustany has worked tirelessly to obtain over 100 sponsors of this vital legislation in the House. The RAMP Act will ensure that the funds collected from maritime importers and deposited into the Harbor Maintenance Trust Fund are fully allocated for the purpose originally intended by Congress, namely, for dredging and other maintenance activities in our coastal ports, harbors and waterways. The Ramp Act reflects a very simple concept – funds collected from maritime commerce for a specific commercial navigational purpose must be used for that purpose.

The Mississippi River and its tributaries constitute the Nation’s largest river system and connect approximately 30 states in the heartland with international markets. For example, roughly 60 percent of all U.S. grain exports are shipped from the Mississippi River, and 25 percent of all large commercial bulk ships that arrive in the U.S. come through Lower Mississippi River ports. U.S. Customs & Border Protection estimates that the river system facilitates between \$85 billion-to-\$104 billion annually in foreign trade through its New Orleans District alone. Yet, in the aftermath of this year’s unprecedented high water along the entire river system, this vital instrument of U.S. international trade is threatened by severe shoaling and accumulated silt that has already reduced the width and depth of the Lower Mississippi River navigation channel. That channel has been routinely maintained at an authorized 45-foot depth

and 750-foot width by the U.S. Army Corps of Engineers to meet export/import trade and other domestic transportation needs. However, today, Lower Mississippi River pilots are imposing significant operating restrictions on commercial vessels transiting the mouth of the Mississippi River, restrictions that will significantly add costs and delays in the export of American products to international markets. Moreover, this situation will negatively impact manufacturers, producers, shippers and waterborne carriers throughout the U.S. that rely upon a dependable Mississippi River transportation system.

Through its direct facilitation of trade and commerce, the Port of New Orleans is one of the primary economic engines of the Gulf Coast, and serves as a key gateway for the Mississippi River System. About 380,000 jobs in the United States depend on the cargo that is handled by the Port of New Orleans. Some \$37 billion in national economic output is derived from the transportation and manufacturing of goods that flow through our Port. As a container and general cargo port, the Port of New Orleans serves the American Midwest through the 14,500-mile inland waterway system, and is a hub for six Class One railroads and the interstate highway system. In addition to excellent rail access, the Port is served by approximately 50 ocean carriers, 16 barge lines, and 75 trucking lines. Over the past 10 years, the Port has invested more than \$400 million in new state-of-the-art wharves, terminals, expanded marshalling yards, multi-purpose cranes, and transportation infrastructure. Needless to say, because of its geographic location and modern facilities, the Port of New Orleans is well-positioned to provide unique access for American exports to global markets.

Mr. Chairman, it is that very ability to facilitate international trade that is at serious risk, not only for the Port of New Orleans, but also for other ports throughout the United States. As a Nation, we are losing the battle to maintain our domestic maritime infrastructure, even as billions of dollars in the Harbor Maintenance Trust Fund, supposedly dedicated to the operation and maintenance of our ports and waterways, lie dormant.

Far more funding is deposited in the Harbor Maintenance Trust Fund each year than is spent on vital dredging and other operations and maintenance needs. In Fiscal Year 2010, the Harbor Maintenance Trust Fund had a year-end balance of over \$5.6 billion. Total receipts of the fund, in just that one year, were \$1.363 billion. However, only \$828 million, or approximately 60 percent of those receipts, were spent for authorized dredging and maintenance purposes, leaving over \$535 million from Fiscal Year 2010 alone to be unspent. The multi-billion dollar surplus is left to languish in a trust fund that continues to grow without being fully used to facilitate maritime commerce for the benefit of our Nation's economy. I assure you, Mr. Chairman, that proper use of the surplus funds in the Harbor Maintenance Trust Fund, together with the annual revenues deposited into that Fund, would solve many of our Nation's commercial navigation maintenance needs that are vital to our competitiveness in international trade and to this country's economic recovery. That is why we so desperately require the enactment of the RAMP Act.

Mr. Chairman, the navigation and related trade problems which I have mentioned are real. And no more so than right outside my front door in New Orleans. I must work with maritime carriers, shippers, commodity and manufacturing representatives, and many others in

an annual fight to obtain supplemental Federal funding to maintain the authorized, but routinely under-funded, deep-draft navigation channel on the Lower Mississippi River. As a result of the unprecedented high water this year, the problem is now as bad as we have ever seen it, and I am very concerned that required dredging funds may not be forthcoming to avoid serious disruptions in commerce. Stakeholders throughout the entire Mississippi River System who are engaged in the international trade of agricultural products, mineral resources, and other goods, and who rely on a well-maintained, dependable transportation corridor provided by the Mississippi River and its tributaries, share our concern about this unacceptable situation.

Our challenge this year is this – we have pressing waterways maintenance needs on the Lower Mississippi River with apparently no additional Federal funding to address them. We are all well aware that the Army Corps of Engineers was forced to implement key flood protection strategies to manage the Mississippi River System during the recent high water episodes. Now, that System is facing harmful navigational restrictions that are being imposed because of significant shoaling and silting on the Lower Mississippi River. Without immediate, additional maintenance dredging of the Lower Mississippi River deep draft navigation channel, delays and diversions of vitally important cargoes will necessarily occur. As a result, domestic transportation costs will significantly increase for many low-margin agricultural, aggregate, and other U.S. products and goods, and many businesses will be placed at a competitive disadvantage for participation in the Nation's export trade.

Despite this commercial state of emergency, it is bewildering to the many affected maritime transportation and commodity interests that, while a huge \$5.6 billion surplus exists in the Harbor Maintenance Trust Fund, the estimated \$95 million in Corps operations and maintenance funding is not made available immediately to address the emergency dredging needs in the Lower Mississippi River. We urgently require the Administration to request emergency supplemental funding now to address, in part, the Lower Mississippi River dredging requirements. This is a major problem, one that we would not have to face in the future if the RAMP Act is passed to ensure the proper dedication of funds to meet our Nation's waterway transportation needs.

Mr. Chairman, I would like to point out that another Federal maritime trust fund is also important to our marine transportation system and in need of reform. In order to continue to meet domestic and international trading needs, we must properly invest in our inland waterways infrastructure for the efficient delivery of cargo throughout the United States. Improvements are required in the administration and use of the Inland Waterways Trust Fund to fully address critical needs for locks and dams on our inland waterway system. The Port of New Orleans supports the Capital Development Plan that has been developed to address the needs of this system, and we urge Congress to act on that plan at your earliest opportunity.

To help advance economic recovery in our country, the President has made a strong commitment through his National Export Initiative to double American exports over the next five years. That effort will be seriously undercut if we do not provide our trading partners and related maritime transportation interests with the assurance that our U.S. ports and waterways will be properly maintained. That assurance would be provided through Congressional

enactment of the vitally important RAMP Act. Mr. Chairman, the Port of New Orleans and other port and maritime interests from across the country look forward to working with you and your colleagues in the effort to pass the RAMP Act to facilitate international trade and foster related job growth for our country. We are deeply grateful for the time and attention that you, Congressman Boustany, and other members of the House have given to this important issue.

Mr. Chairman, thank you for allowing me to appear before you today, and I look forward to any questions that you or the Subcommittee members may have.

COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE
Truth in Testimony Disclosure

Pursuant to clause 2(g)(5) of House Rule XI, in the case of a witness appearing in a nongovernmental disclosure of the amount and source (by agency and program) of each Federal grant (or subgrant thereof) or contract (or subcontract thereof) received during the current fiscal year or either of the two previous fiscal years by the witness or by an entity represented by the witness. Such statements, with appropriate redaction to protect the privacy of the witness, shall be made publicly available in electronic form not later than one day after the witness appears.

(1) Name:

Gary P. LaGrange

(2) Other than yourself, name of entity you are representing:

President & CEO
Board of Commissioners of the Port of New Orleans

(3) Are you testifying on behalf of an entity other than a Government (federal, state, local) entity?

YES

If yes, please provide the information requested below and attach your curriculum vitae.

NO

(4) Please list the amount and source (by agency and program) of each Federal grant (or subgrant thereof) or contract (or subcontract thereof) received during the current fiscal year or either of the two previous fiscal years by you or by the entity you are representing:

FY2011	
DHS/FEMA Public Assistance (CFDA 97.036) Katrina and Gustav	\$11,484,762.91
DHS/FEMA Port Security Grant Program (CFDA 97.056) (includes sub funds)	\$ 1,647,079.09
DHS/FEMA Special Community Disaster Loan (forgiven)	\$ 8,472,759.00

Signature

Date

7-6-11

Mr. Gary P. LaGrange
President & CEO
Port of New Orleans

Gary LaGrange has served as President and Chief Executive Officer of the Port of New Orleans since 2001. Under LaGrange's direction the Port made great expansions in spite of facing great adversity. During his tenure the Port opened new state-of-the art container and cruise terminals. Also notably and certainly most publicly, LaGrange's leadership brought the Port of New Orleans back into operation within two weeks after Hurricane Katrina, the most extensive natural disaster in U.S. history.

Under LaGrange's leadership, the Port of New Orleans opened the award-winning \$101 million Napoleon Avenue Container Terminal in January 2004. In October 2006, the Port opened the Erato Street Cruise Terminal and Parking Garage. This new \$37 million cruise terminal boasts a 1000 car parking garage and 90,000 square foot terminal. The Port has also received preliminary funding for another cruise ship terminal at the Poland Avenue Wharves, and will soon begin renovations to its Julia Street cruise terminal. Additionally, the Port has just recently unveiled its \$1 billion 2020 Master Plan, currently in the early stages of implementation.

LaGrange's commitment to the maritime industry is reflected in the numerous leadership positions he has held at state, regional and national levels. He is the Chairman of the National Waterways Conference and serves on the Board of the Waterways Council, Inc. He is Past Chairman of the American Association of Port Authorities, an alliance of 350 ports in the Western Hemisphere. He also serves on the boards of the Gulf Ports Association of the Americas and is past chairman and past president of the Gulf Intracoastal Canal Association. He was named to the Federal Reserve Bank of Atlanta's Advisory Council on Trade and Transportation, in addition to having earned the esteemed Professional Port Manager Certification (PPM) from the American Association of Port Authorities.

LaGrange was named the Maritime Person of the Year by the Propeller Club of New Orleans in 2003, and the Maritime Person of the Year by the Propeller Club of the Port of Gulfport in 2001. He received the "Man of Steel" Award by the American Institute for International Steel (AIIS) in 2006. He received the Leadership Award for his administration of the Port of New Orleans during Hurricane Katrina and was named to the Hall of Fame by the International Maritime Association at the United Nations. He was also named to the Natural Rivers Hall of Fame in Dubuque, Iowa.

Before taking leadership at the Port of New Orleans, LaGrange served as the Executive Director of the Mississippi State Port Authority in Gulfport, Miss., and Executive Director of the Port of South Louisiana on the Mississippi River as well as the Port of West St. Mary.

Mr. LaGrange attended Louisiana State University. He received his B.A. in Geography/Economics from the University of Louisiana at Lafayette. He completed a Master of Arts in Urban Planning, with honors, at ULL in 1975 and taught Economic Geography and Urban Planning at the university through its University College.