

## National Defense Authorization Act – Key Provisions for Ports and the Maritime Industry

### **Sec. 3505 – Maritime Transportation System Emergency Relief Program**

**Section (a) – General Authority** – Gives the Maritime Administrator the authority to make grants to states and tribal entities and other eligible entities for the cost of capital projects to protect, repair, reconstruct, or replace equipment and facilities of the United States maritime transportation system determined to be in danger of suffering serious physical damage, or has suffered serious physical damage, as a result of an emergency; and eligible operating costs of United States maritime transportation equipment and facilities in an area directly affected by an emergency. The emergency duration laid out is one year from declaration, with the ability to add an additional year should the Maritime Administrator determine it necessary.

**Section (b) – Allocation** - Lays out how the Maritime Administrator should allocate emergency relief dollars, and grants flexibility in determining an appropriate method for the equitable allocation and distribution of emergency relief funds to eligible State and Tribal entities and eligible entities. The Maritime Administrator is directed to give State and Tribal Entities, including public port authorities, priority for grant awards.

**Section (c) – Applications** – Directs applicants to apply for grant awards under this program through the Maritime Administration, in such a manner determined by the Maritime Administrator.

**Section (d) – Coordination of Emergency Funds** – States that funds for this program shall be in addition to dollars regularly appropriated to the Maritime Administration, and that availability of funds under this program shall not affect the ability of other agencies, such as the Federal Emergency Management Agency (FEMA), to provide federal dollars.

**Section (e) – Grant Requirements** – Gives the Maritime Administrator the authority to determine terms and conditions for aid under this program. This section also includes language to ensure that grants made under this section are not for expenses eligible for reimbursement through FEMA or any other federal, state, or local assistance program, and that grants are not made for expenses reimbursable under any type of marine insurance.

**Section (f) – Federal Share of Costs** – States that grants made under this program will not require any matching dollars.

**Section (g) – Administrative Costs** – Gives the Maritime Administrator the ability to retain up to 2% of funds for administration and oversight.

**Section (h) – Quality Assurance** – Directs the Maritime Administrator to prevent waste, fraud, and abuse under this program.

**Section (i) – Reports** – Directs the Maritime Administrator to report to Congress on this program's effects on the maritime transportation system, how the program mitigated financial impacts on our nation, and how it protected critical infrastructure.

**Section (j) – Definitions** – Defines the following terms critical to program operation and grant disbursement:

- Eligible State or Tribal Entity – A port authority or a vessel owned or operated by a state or tribal government and facilities associated with operation of said vessel.
- Eligible Entity - A public or private entity that is created or organized in the United States or under the laws of the United States, with significant operations in and a majority of its employees based in the United States, that is engaged in vessel construction, transportation by water, or support activities for transportation by water with an assigned North American Industry Classification System code beginning with 3366, 483, 4883, or 6113, or in the case of such construction, transportation, or support activities conducted by a fish processing vessel, such an assigned code beginning with 3117, or otherwise determined as eligible for the program by the Maritime Administrator.
- Eligible Operating Costs – Costs relating to emergency response, cleaning, sanitization, janitorial services, staffing, workforce retention, paid leave, procurement and use of personal protective equipment, debt service payments, infrastructure repair projects, fuel, and other maritime transportation system operations as determined by the Maritime Administrator.
- Emergency - A natural disaster affecting a wide area (such as a flood, hurricane, tidal wave, earthquake, severe storm, or landslide) or a catastrophic failure from any external cause, that impacts the United States maritime transportation system as a result of which a governor declares a state of emergency, the President makes a Stafford Act Disaster Declaration or declares an emergency under the National Emergency Act, or a public health emergency is declared under the Public Health Service Act. The ongoing COVID-19 pandemic is listed to be treated as an emergency under this new program.