Ports of Los Angeles, Long Beach receive \$112M for maintenance, repair

Port of LA gets record federal funding

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Port of Long Beach (Photo: Shutterstock/ADLC)

The ports of <u>Los Angeles</u> and <u>Long Beach</u> have been awarded a total of \$112 million in federal money from the U.S. Army Corps of Engineers. Local and state leaders touted it as a milestone toward equitable funding.

The money, which comes from the Harbor Maintenance Tax, will finance maintenance and repair projects at the ports. The funds will also benefit a Salton Sea project addressing public health and the environment. U.S. Sen. Alex Padilla, D-Calif., announced the funding, which comes from the fiscal year 2024 Army Corps of Engineers Work Plan. Almost \$4 million will go to a Salton Sea feasibility study to address "public health crises ... which have devastated the surrounding communities for far too long," Padilla <u>said in a news release.</u> The Salton Sea is California's <u>most polluted</u> <u>inland lake.</u>

"The Ports of Los Angeles and Long Beach move 40 percent of the nation's container imports, transporting the goods that power our economy," Padilla said. "I am glad to see the Army Corps heed my call to fund these crucial upgrades that will bolster global supply chains and make long overdue repairs to the ports."

The ports, which make up the San Pedro Bay port complex, will undergo infrastructure repairs for piers and wharfs. Projects include seismic safety upgrades, wharf and fender repairs, pile replacements, sediment removal and remediation, and improvements to slips and channels, the announcement said.

The Port of Long Beach, the top seaport for exports in the United States, plans to invest \$2.3 billion over the next decade in capital improvements to increase capacity, the bulk of which is planned for rail.

The Harbor Maintenance Tax, established in 1986 and administered by the Army Corps of Engineers, collects money from ports based on the value of imports, some domestic cargo and is also assessed on cruise passengers. Funds weren't typically directed to ports like Long Beach, the port <u>said in a</u> <u>news release</u>. The Water Resources Development Act of 2020 expanded the use of the funds.

"These funds will contribute to our ongoing infrastructure investments and strengthen our position as the premier gateway for trans-Pacific trade,"

Long Beach Mayor Rex Richardson said in the release. "Making the Harbor Maintenance Tax more equitable will make the Port more competitive and improve our harbor, which translates into more jobs and economic growth for Long Beach.

The Port of Los Angeles, the top container port in the United States, received a record \$58 million in funding – nearly 10 times as much as it received last year. A few ports, including Los Angeles and Long Beach, contributed half of the harbor tax revenue but received only 3% of the funding, the Port of Los Angeles <u>said in a news release</u>.

An Army Corps of Engineers spokesperson told FreightWaves that ports receive funding from two sections of the Water Resources Development Act of 2022: Section 104 and Section 102. Section 104, through which ports have received money for about six years, was smaller. This is the first year ports have received funding from the larger section.

"Addressing this disparity has taken years," Los Angeles Harbor Commission President Lucille Roybal-Allard said in the release.

The Los Angeles port estimates navigation maintenance and repair projects will cost \$6.7 billion overall.