

GREEN SHEET REDIGEST

HB 845

2020 Regular Session

Dwight

WATERWAYS: Provides relative to the Calcasieu Ship Channel public-private partnership

DIGEST

Proposed law defines "board" as the Calcasieu Ship Channel Funding Management Board.

Proposed law defines "Corps" as the U.S. Army Corps of Engineers.

Proposed law defines "DMMP" as the Dredged Material Management Plan dated Nov. 22, 2010, as adopted by the U.S. Army Corps of Engineers.

Proposed law defines "fund" as the Calcasieu River Fund which is a separate and distinct fund kept and maintained by the Port of Lake Charles.

Proposed law defines "industry" as a fixed facility located on the Calcasieu Ship Channel with a terminal having at least one vessel call utilizing a state-commissioned pilot.

Proposed law defines "non-federal sponsor" as the Lake Charles Harbor and Terminal District acting on behalf of the state of Louisiana, as authorized by present law.

Proposed law defines "port" as the Lake Charles Harbor and Terminal District.

Proposed law defines "PPA" as the project partnership agreement between the Non-federal sponsor and the U.S. Army Corps of Engineers dated April 20, 2015, which implemented the Dredged Material Management Plan.

Proposed law defines "ship channel" as the Calcasieu Ship Channel, which may also be referred to as the Calcasieu River and Pass Project.

Proposed law defines "vessel" as any watercraft utilizing a state-commissioned pilot to navigate the Calcasieu Ship Channel, whether foreign or domestic.

Proposed law creates the Calcasieu Ship Channel Funding Management Board composed of three members including the executive director of the Lake Charles Harbor and Terminal District or his designee, the governor of the state of Louisiana or his designee, and a representative from an entity with a facility located on the Ship Channel that contributes to the fund and appointed by the La. Mid-Continent Oil and Gas Assoc.

Proposed law requires the board to elect a chairman to serve a term of one year and authorizes the chairman to serve consecutive terms.

Proposed law limits the powers of the board to include determining how money from the fund is used to pay the non-federal sponsor's cost share of the DMMP or non-federal sponsor's costs under the PPA or as required by federal law or regulation including, but not limited to, projects presented to the board for construction and any real estate acquisitions as are necessary to implement the objectives of the DMMP.

Proposed law specifies that the board members must serve without compensation.

Proposed law requires, for the 2020-2021 Fiscal Year, that certain entities operating a facility on the Calcasieu Ship Channel and receiving vessels contribute to the Calcasieu River Fund. Proposed law provides that the calculation for each entity's contribution must be based on the estimated number of ships expected at the facility for the year 2020 at a flat rate of \$1,500 per vessel plus \$84.50 per mile for each mile the facility is located from mile marker zero as shown on sheet 27 of the U.S. Army Corps of Engineers hydrologic maps of the Calcasieu

Ship Channel. Proposed law specifies that the total amount of private investment must not exceed \$3,000,000. Proposed law requires that the Lake Charles Harbor and Terminal District contribute \$3,000,000 to the fund and the legislature contribute \$3,000,000 to the fund.

Proposed law provides that funding for each subsequent year must be contributed as follows:

- (1) Industry must contribute \$2,500,000 as provided in the cooperative endeavor agreement. Industry must determine the number of working vessels anticipated to arrive at its facility for the following year and submit that number to the Port of Lake Charles by Nov. first of each year. Within 45 days, the Port of Lake Charles must invoice each entity for their individual contribution considering a minimum per vessel transit charge of \$1,500 dollars, a variable mileage charge based on distance from the facility to mile marker zero as approved by the board, and an adjustment using a true-up mechanism by the board using actual vessel transit count compared to the anticipated vessel transit count from the previous year.
- (2) The Port of Lake Charles must contribute an amount equal to \$2,500,000.
- (3) The legislature may contribute \$5,000,000 as provided in the cooperative endeavor agreement entered into between the Port of Lake Charles, the state of La., and the entities operating on the Ship Channel as represented by La. Mid-Continent Oil and Gas Assoc.

Proposed law provides that if the variable mileage charge per vessel transit has been adjusted to zero and the per vessel transit charge of \$1,500 would exceed \$2,500,000, the per vessel transit charge shall be lowered to an amount that equates to \$2,500,000.

Proposed law requires that industry determine the number of working vessels anticipated to arrive at its facility for the following year and submit that number to the Port of Lake Charles by Nov. first of every year. Proposed law requires that the Port of Lake Charles invoice each entity for their individual contribution based on the formula provided in proposed law with payment due on Jan. first of every year.

Proposed law authorizes the board to provide for an adjustment to the contribution of an entity after the entity has submitted written proof that a significant difference exists between the anticipated vessel count and the actual vessel count.

Proposed law specifies that in any month in which the net of committed expenditures in the fund exceeds \$20,000,000, the board must suspend all payments to the fund from the contributing entities. Reinstatement of payments must occur by resolution after the balance falls below \$20,000,000.

Proposed law authorizes the board to promulgate rules and regulations as are necessary to implement the provisions of proposed law.

Proposed law creates the Calcasieu Ship Channel Advisory Committee, which consists of a group of stakeholders that will offer advice and counsel, and meet with the management board quarterly to review funding plans and activities. Proposed law specifies that the committee has no decision making authority.

Proposed law specifies that the members of the advisory committee will serve without compensation and concurrently with the governor.

Proposed law provides that the advisory board must be composed of seven members as follows:

- (1) One member must be a representative of the U.S. Army Corps of Engineers.
- (2) One member must be the port director of the Cameron Parish Port, Harbor and Terminal District or his designee.

- (3) One member must be the executive director of the Lake Charles Harbor and Terminal District or his designee.
- (4) One member must be a state-commissioned river port pilot appointed by the Associated Branch Pilots for the Port of Lake Charles.
- (5) Three members must be appointed by the governor and represent separate facilities that utilize the Calcasieu Ship Channel for commerce involving deep draft seagoing vessels. One member must represent a facility on the Ship Channel in Cameron Parish and two members must represent a facility on the Ship Channel in Calcasieu Parish.

Proposed law specifies that the appointments by the governor are subject to Senate confirmation.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Adds R.S. 34:221-224)

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Transportation, Highways, and Public Works to the engrossed bill

1. Makes technical changes.
2. Make funds appropriated by the legislature permissive.