

CMANC

CALIFORNIA MARINE AFFAIRS AND NAVIGATION CONFERENCE

To promote the operation, maintenance and improvements of California harbors, ports and navigation projects that demonstrate responsible stewardship and benefit the regional and national economy

CMANC is a consortium of California harbors, ports and marine interest groups. The vision of CMANC is that California ports and harbors are an integrated system, recognized and supported as the gateway to national commerce and international trade. CMANC works with the California legislature and congressional delegation to ensure that California maritime interests are supported by the federal and state government to the greatest extent possible.

Current membership embraces a wide variety of public members joined in common interests in support of operation, maintenance and improvement of California harbors, ports and navigation projects that demonstrate responsible stewardship and benefit the regional and national economy, together with related undertakings, such as: beach erosion; dredging impact; taxing policies on navigation; effective regulatory programs; and to assure adequate recognition of the importance of California's ports and harbors to the environment and well-being to California's citizens..

CMANC's Current Issues

Full expenditure of the Harbor Maintenance Tax for its intended purpose;
 Passage of WRDA 2011;
 More efficient Water Resource project execution;
 Identifying and filling scientific gaps;
 Adaptive management of coastal resources;
 Development of a national freight policy;
 Support working waterfronts;
 Prevent the diversion of cargo to ports outside of California.

Board of Directors

Jay Ach	Port of San Francisco
Rick Algert	City of Morro Bay
Chris Birkelo	Oxnard Harbor District
Drew Brandy	Port San Luis Harbor
John Bradley	City of Santa Barbara
Len Cardoza	Weston Solutions
Mike Christensen	Port of Los Angeles
Tim Dume	Fugro West
Bill Duira	The Duira Group
Cesar Espinosa	L.A. County, Beaches & Harbors
Brian Foss	Sanita Cruz Port District
Gordon Fulton	TranSystems
Roberta Goulart	Contra Costa County
Peter Grenell	San Mateo Co. Harbor District
Jim Haussener	CMANC
David Hull	Humboldt Bay Harbor District
Lyn Krieger	Channel Islands Harbor
Rod Lundin	AECOM
Innee Osantowski	Port of Oakland
Richard Parsons	Ventura Port District
Ron Popham	Port of San Diego
Rick Rhoads	Moffatt & Nichol
Tom Scheeler	Port of West Sacramento
Steve Schieblauer	City of Monterey
Doug Thiessen	Port of Long Beach
Mitch White	Manson Construction
Jeff Wingfield	Port of Stockton

Table of Contents	1
Attendees	2
Agenda	3
Harbor Maintenance Tax	6
Investment in America	13
Integrated Port System	17
British Columbia	18
FY 2012 Civil Works Appropriations	19
Ocean Policy Task Force	27
National Marine Sanctuaries Act	32
CAPA Letter to Secretary LaHood	35
52 nd Annual <i>Golden State Reception</i>	39

CALIFORNIA MARINE AFFAIRS AND NAVIGATION CONFERENCE



Attendees, March 23 & 24, 2011

Name	Agency/Firm
Jay Ach	Port of San Francisco
Dan Allen	Moffatt & Nichol
Richard Aschieris	Port of Stockton
Chris Birkelo	Port of Hueneme/Oxnard Harbor District
Liz Blanchard	Port of Stockton
Drew Brandy	Port San Luis Harbor District
Grady Bryant	Gahagan & Bryant Associates
Greg Carson	Ventura Port District
Mike Christensen	Port of Los Angeles
Richard "Dick" Claire	Port of Redwood City
Ron Coale	Port of Stockton
John Coleman	Bay Planning Coalition
Lisa Ekers	Santa Cruz Port District
Mike Giari	Port of Redwood City
Bill Hanson	Great Lakes Dredge & Dock
Jim Haussener	CMANC
David Hull	Humboldt Bay Harbor District
Jay Jahangiri	WorleyParsons Group Inc.
Gary Jones	Los Angeles County, Department of Beaches and Harbors
Lyn Krieger	Ventura County Harbor Department
Andrea Lueker	City of Morro Bay
Mike Luken	Port of West Sacramento
R J Lyerly	Carpi Clay & Smith
Jeff Martin	Santa Cruz Port District
Dirk Mathiasen	Port of San Diego
Steve McGrath	Port San Luis Harbor District
Clay Nichol	Moffatt & Nichol
Imee Osantowski	Port of Oakland
Bill Panos	Port of West Sacramento
Richard Parsons	Ventura Port District
Rich Rhoads	Moffatt & Nichol
Mary Anne Rooney	Port of Hueneme/Oxnard Harbor District
Steve Scheiblaue	City of Monterey
Jeff Wingfield	Port of Stockton
Bill Yates	City of Morro Bay

Carpi Clay & Smith

GOVERNMENT RELATIONS

1 Massachusetts Avenue NW
SUITE 330
WASHINGTON, DC 20001

CALIFORNIA MARINE AFFAIRS AND NAVIGATION CONFERENCE MARCH 22-24, 2011



Important Phone Numbers

E. Del Smith & Co. (202) 822-8300
Jim Haussener (925) 828-6215 (Text)
RJ Lyerly Cell (202) 498-5011
E. Del Smith Cell (202) 257-5705
Liaison Capitol Hill (202) 638-1616

PICTURE ID REQUIRED OR NO ADMITTANCE AT MOST MEETINGS

AGENDA: To discuss international trade through California, contributions to the National Economy, benefits of civil works to the environment, and recognition of California ports and harbors in budgeting priorities.

Tuesday, March 22, 2011

5:30pm Reception – Liaison Capitol Hill

Wednesday, March 23

7:45 am Continental Breakfast

8:15 am Jeff Wingfield. CMANC Chair
Opening Message

8:20 am Tyler Kruzich, Carpi Clay & Smith
Federal Update

8:30 am Captain Kevin C. Kiefer, USCG
Chief, Office of Port and Facility Activities
Federal Update

9:00 am Barry Holliday
Dredging Contractors of America
Update on RAMP Coalition Efforts

3

9:30 am	Jim Haussener RJ Lyerly Organizational Issues CMANC Agenda
9:45 am	Break
10:00am	Depart for DOT
10:30am	Joel Szabat, Deputy Assistant Secretary for Transportation Policy 1200 New Jersey Ave SE
11:30am	Depart DOT for Capitol Hill Club
12:00pm	Principal Deputy Assistant Secretary Rock Salt US Army, Civil Works John T. Anderson, Staff Director Water Resources & Environment Subcommittee Capitol Hill Club 300 1 st Street, S.E.
1:20 pm	Depart for CEQ & OMB Meetings
2:00pm	Council on Environmental Quality AND Office of Management & Budget Michael Weiss, Deputy Associate Director for Ocean and Coastal Policy Gary Waxman Natural Resource Programs, OMB 722 Jackson Place
3:30pm	Bettina Poirer, Jason Albritton, Paul Ordal, Professional Staff Briefing on Transportation Reauthorization and Water Resources Development Act with the Senate Committee on Environment & Public Works 410 Dirksen
4:30 pm	Roger Cockrell, Professional Staff Senate Appropriations Subcommittee on Energy & Water Ben Kramer, Legislative Assistant Office of Senator Dianne Feinstein 192 Dirksen
5:30pm	Golden State Reception Gold Room (2168), Rayburn House Office Building

4

Thursday, March 24

- 9:00 Depart for Corps of Engineers 441 G Street, N.W.
- 9:30-9:50 Welcome--**MG Grisoli, Deputy Commanding General**
- 9:50-10:10 Civil Works Program and Outlook--**Steve Stockton, Director of Civil Works**
- 10:10-10:35 2011-2012 Budget and Related Activities--**Gary Loew**
- 10:35-11:00 Navigation Mission and Related Activities/Issues—**Jeffrey McKee**
- 11:00-11:20 Break and Lunch Pick Up
- 11:20-11:40 USACE Project Management and Related Improvement Initiatives--**Gary Loew**
- 11:40-12:00 USACE Project/Study Review Process and Impacts to Schedules---**Tab Brown**
- 12:00-12:20 Q/A
- 12:20-12:30 Closing Remarks—**Jeff Wingfield, CMANC Chair**
- 1:30-2:30 **National Oceanic and Atmospheric Administration**
Sally Yozell
Director of Policy, and Senior Advisor to the
UnderSecretary and Administrator of NOAA,
Eric Schwaab, Assistant Administrator for Fisheries
Glenn Boldedovich, NOS, Policy, Planning & Analysis
1401 Constitution Avenue, NW (Main Entrance on 14th St)
Room 5215
- 3:30pm **Taunja Berquam, Minority Clerk, House Energy & Water
Development Subcommittee**
Joe DeVoght, Deputy Chief of Staff to
Rep. Pete Visclosky
2456 Rayburn HOB
- 4:30pm **Orlando Gotay, Jr., Deputy Administrator**
U. S. Maritime Administration
1200 New Jersey Ave SE

5

POSITION OF CALIFORNIA'S PORTS AND HARBORS
ON THE
HARBOR MAINTENANCE TAX & HARBOR MAINTENANCE TRUST FUND

California Ports and Harbors are crucial to the nation's economic well-being and security. They also are at the forefront of protecting coastal and ocean waters for future generations and species. To those ends, the California Marine Affairs and Navigation Conference memorializes its position of:

- **Ensuring that the Harbor Maintenance Tax revenues are used for their legislated purposes. Specifically, the total amount of Harbor Maintenance Tax collected each year shall be used for operation and maintenance of (O&M) of federally authorized port and harbor projects.**
- **CMANC shall work in conjunction with the national coalition, Realize America's Maritime Promise (RAMP), to get legislation enacted that will ensure all Harbor Maintenance Trust Fund tax revenues collected each year are budgeted to fully fund the O&M of federal navigation projects as described in a project's authorization so that the full benefits of each project are realized. That work shall be done in a timely and efficient manner.**
- **As part of CMANC's effort, our members will meet with the California congressional delegation to underscore the importance of the issue to the nation and to California and ask that they work to ensure a legislative solution to the HMT and HMTF issues.**

Harbor Maintenance Tax Revenues and Expenditures

Year	Collected	Spent	Not Spent
2005	\$1,048.0	\$716.0	\$331.0
2006	\$1,207.0	\$705.0	\$501.0
2007	\$1,262.0	\$757.0	\$505.0
2008	\$1,467.0	\$787.0	\$680.0
4-year totals	\$4,984.0	\$2,965.0	\$2,017.0

Only 60% of funds collected are spent on their intended use!

A breakdown of collections in 2007

San Diego Region	\$9.0
Los Angeles Region	\$351.1
San Francisco Region	\$47.9
Total Collected in California	\$408.0
Total National Collections	\$1,262.0

California contributes **32%** of National HMT Revenues

Expenditures vary annually: the average in the four years 2005 to 2008 was \$43.8 million in California vs. \$764 million nationally.

California receives **3.5%** of National HMT Revenues

(In Millions)

President's Budget Request vs. Need Comparison (Dredging in California)

	Request		Need*
	1997	2012	2012
State Total	\$39.0	\$52.0	
S. F. Bar Channel	\$2.3	\$2.5	\$3.5
Oakland Federal Channels	\$2.6	\$8.7	\$20.0
Richmond Federal Channels	\$3.0	\$8.0	\$9.5
In relation to Request	20%	36%	63%

CMANC estimates the maintenance need in FY 2012 to be \$204 million

Over \$400 million in Harbor Maintenance Tax is collected in California

If there is not a substantial increase in tax dollars being returned to California there will be widespread negative impacts

* Estimate based on 2010 contracts

Harbor Maintenance Trust Fund Background

- **Established in 1986 Water Resources Development Act (WRDA)**
- **Reimburses Treasury for 100% of harbor O&M since 1990**
- **Also for Construction (CG) of dredged material disposal facilities for O&M and navigation environmental mitigation**
- **Ad valorem tax of .125% on cargo value**
- **Also support St. Lawrence Seaway operations, Customs data collection**
- **Issues:**
 - Tax on exports ruled unconstitutional by U.S. Supreme Court in 1998 and no longer collected
 - Tax on imports may be challenged at WTO
 - Increasing balance - \$5.1 billion at end FY09 (\$5.22b thru Dec)
 - Not “off budget” like Highway Trust Fund so transfers fall under agency budget ceilings
- **HMTF Challenges**
 - HMTF Revenues in FY 09: \$ 1.3 billion (incl interest)
 - Transfers to Program Agencies in FY 09: \$ 807.5 million
 - Of which Corps: \$ 772.5 million
 - Balance at end of FY 09: \$ 5.1 billion (\$5.22b thru Dec)
 - Appropriations determine available O&M funds for harbor maintenance by the Corps
 - Transfers from HMTF then based on Corps expenditures
 - • Corps has unmet maintenance dredging needs: full channel dimensions available only 35% of the time

112TH CONGRESS
1ST SESSION

H. R. 104

To ensure that amounts credited to the Harbor Maintenance Trust Fund
are used for harbor maintenance.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 5, 2011

Mr. BOUSTANY (for himself, Mr. COURTNEY, Mr. GENE GREEN of Texas, Mr. SIMPSON, Ms. BORDALLO, Mr. PAUL, Mr. SCALISE, Mr. NADLER, Mrs. MCMORRIS RODGERS, Mr. MCCAUL, Mr. OLSON, Ms. RICHARDSON, Mr. ALEXANDER, Mr. LYNCH, Mrs. MILLER of Michigan, Mr. BRADY of Texas, Mr. CUMMINGS, Ms. SUTTON, Mr. CAPUANO, Mrs. CAPPS, Mr. SIRES, Mr. THOMPSON of California, Ms. FUDGE, Mr. BONNER, Mr. CALVERT, Mr. STARK, and Ms. LEE of California) introduced the following bill; which was referred to the Committee on Transportation and Infrastructure, and in addition to the Committee on Rules, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To ensure that amounts credited to the Harbor Maintenance
Trust Fund are used for harbor maintenance.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Realize America’s Mar-
5 itime Promise Act” or the “RAMP Act”.

1 **SEC. 2. FUNDING FOR HARBOR MAINTENANCE PROGRAMS.**

2 (a) HARBOR MAINTENANCE TRUST FUND GUAR-
3 ANTEE.—

4 (1) IN GENERAL.—The total budget resources
5 made available from the Harbor Maintenance Trust
6 Fund each fiscal year pursuant to section 9505(c) of
7 the Internal Revenue Code of 1986 (relating to ex-
8 penditures from the Harbor Maintenance Trust
9 Fund) shall be equal to the level of receipts plus in-
10 terest credited to the Harbor Maintenance Trust
11 Fund for that fiscal year. Such amounts may be
12 used only for harbor maintenance programs de-
13 scribed in section 9505(c) of such Code.

14 (2) GUARANTEE.—No funds may be appro-
15 priated for harbor maintenance programs described
16 in such section unless the amount described in para-
17 graph (1) has been provided.

18 (b) DEFINITIONS.—In this section, the following defi-
19 nitions apply:

20 (1) TOTAL BUDGET RESOURCES.—The term
21 “total budget resources” means the total amount
22 made available by appropriations Acts from the Har-
23 bor Maintenance Trust Fund for a fiscal year for
24 making expenditures under section 9505(c) of the
25 Internal Revenue Code of 1986.

1 (2) LEVEL OF RECEIPTS PLUS INTEREST.—The
2 term “level of receipts plus interest” means the level
3 of taxes and interest credited to the Harbor Maintenance Trust Fund under section 9505 of the Internal Revenue Code of 1986 for a fiscal year as set
4 forth in the President’s budget baseline projection as
5 defined in section 257 of the Balanced Budget and
6 Emergency Deficit Control Act of 1985 (Public Law
7 99–177) for that fiscal year submitted pursuant to
8 section 1105 of title 31, United States Code.

9 (c) ENFORCEMENT OF GUARANTEES.—It shall not be
10 in order in the House of Representatives or the Senate
11 to consider any bill, joint resolution, amendment, motion,
12 or conference report that would cause total budget re-
13 sources in a fiscal year for harbor maintenance programs
14 described in subsection (b)(1) for such fiscal year to be
15 less than the amount required by subsection (a)(1) for
16 such fiscal year.

○

Investing in California Ports and Harbors is an Investment in America



Over **40%** of waterborne trade goes through California ports.
This trade has financial impacts to the state and national economies.



IMPACT OF TRADE

Creates **1.6 Million** Jobs
Federal Revenue - **\$10 Billion** per year
GDP - **\$57 Billion** per year
Personal Income - **\$30.5 Billion** per year

CMANCC

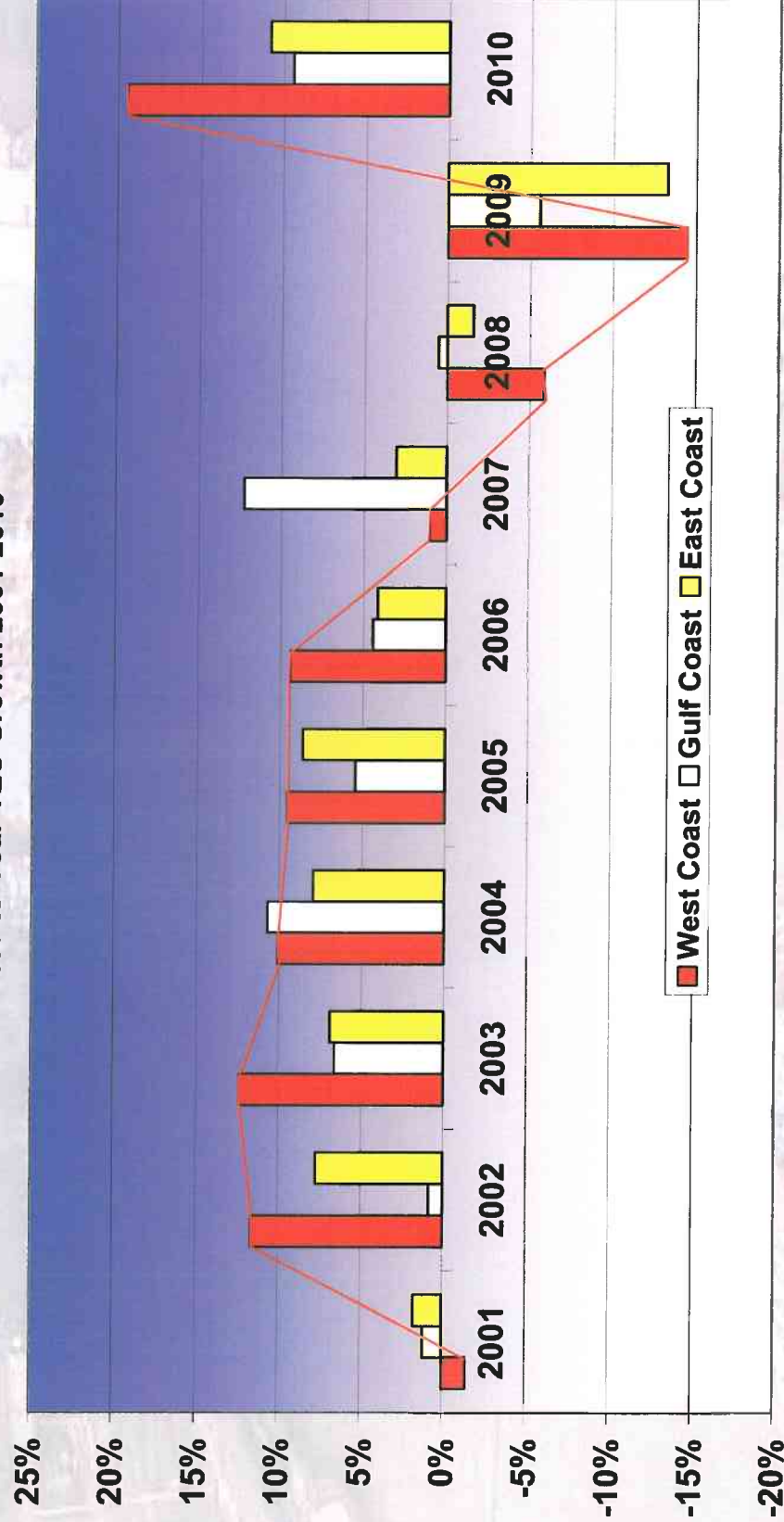
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Instead, A Strong Initial Recovery



West Coast ports were hit harder, but recovered faster

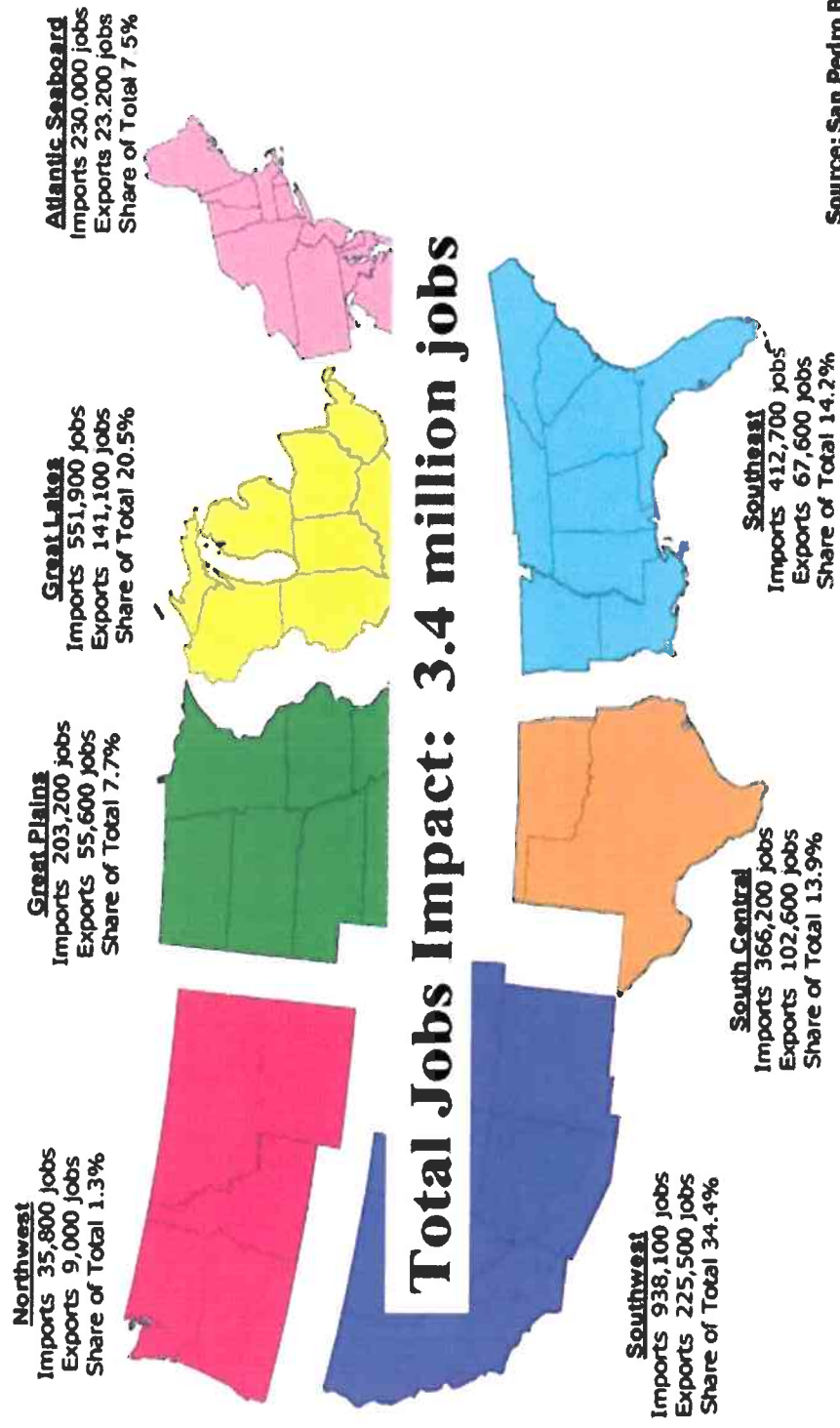
Year-to-Year TEU Growth 2001-2010



14

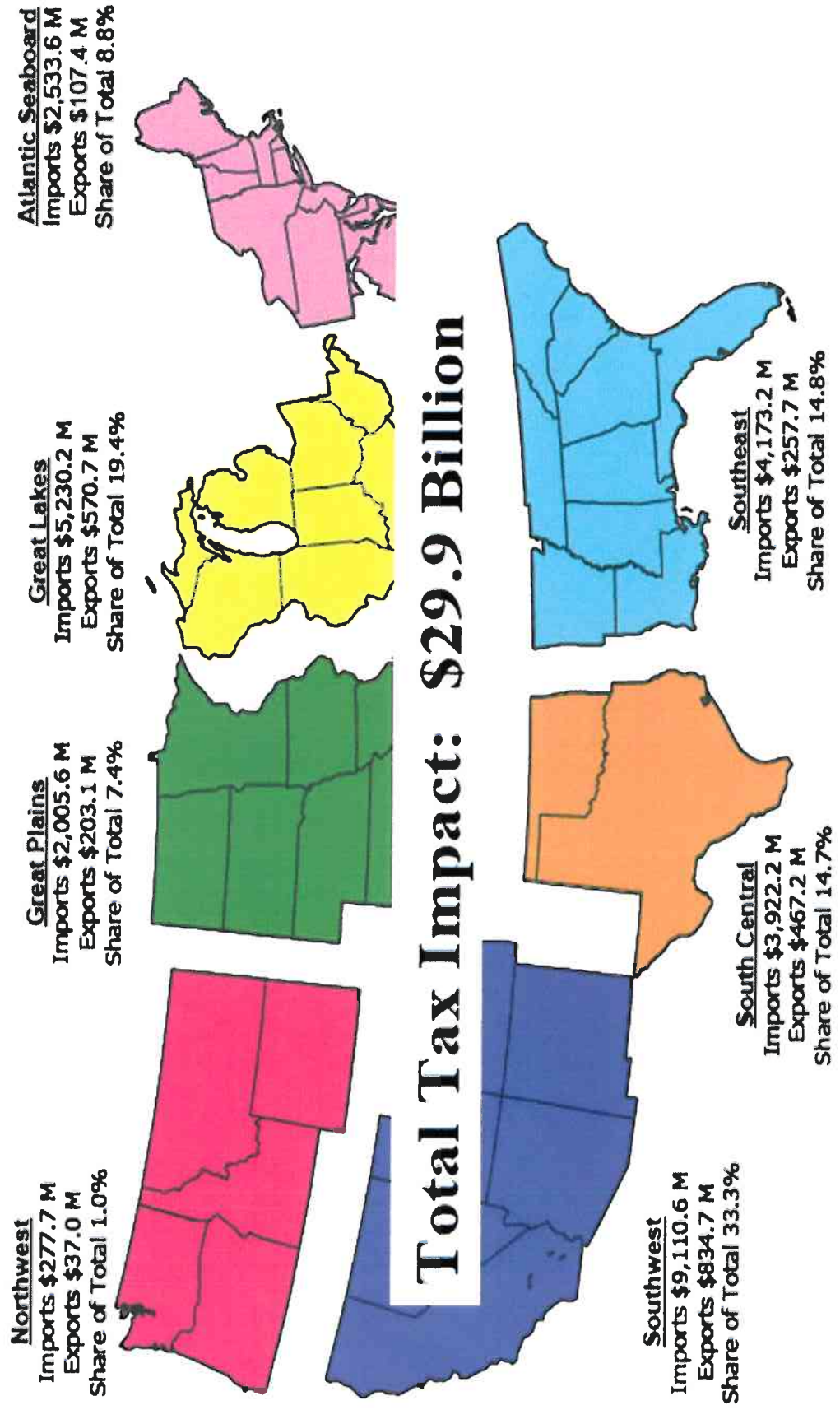
Regional and National Job Impacts

Job Impacts of Containerized Trade Through Los Angeles & Long Beach in FY2008



Regional and National Revenue Impacts

Figure 4 – Taxes Related to Trade Flowing Through the Ports of Los Angeles and Long Beach, FY2008



California Marine Affairs and Navigation Conference

California's System of Interdependent Ports:

- **Two major deep draft container port systems:**

- San Francisco-Oakland
- Los Angeles – Long Beach

Large volumes of cargo on and off very large, latest-generation ships equal economies of scale and require deeper water, seismically safe wharves, complex fendering systems, and larger, more extensive land facilities

- **Smaller deep draft ports:**

- Port Hueneme
- Redwood City
- Richmond
- Sacramento
- San Diego
- Stockton
- ➡ Automobiles, petroleum, bulk and break-bulk cargo

- **Shallow draft ports and harbors:**

- Fisheries
- Maritime support
- Search-and-rescue
- Recreation
- Security
- Research

Integrated Transportation System:

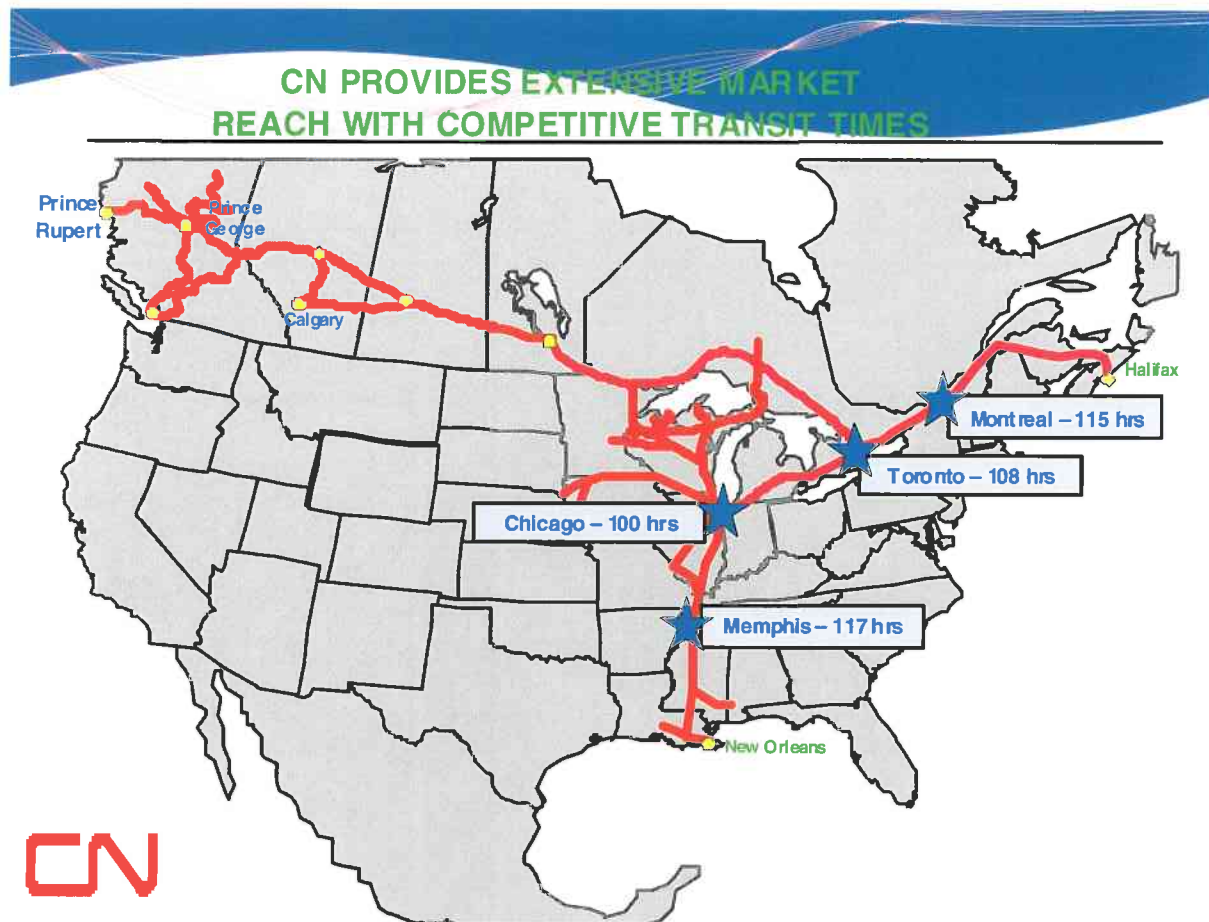
- Ports / Highways / Rail form an integrated transportation system critical to California's 'Agricultural Cycle' (the largest in the world) which:
 - Imports fertilizer (Stockton)
 - Exports food – 20% of production - (Stockton, Sacramento and Oakland)
- Ports are taking the lead in planning, designing and constructing the infrastructure to integrate truck borne cargo with other forms of transportation:
 - Joint Intermodal Terminal (Oakland)
 - Alameda Corridor (Southern California)
 - California Inter-Regional Intermodal System (CIRIS), a proposed joint project of Port of Oakland and State of California linking Oakland, Stockton and potentially north to Sacramento and Reno

Infrastructure:

If the planning, design, and construction of required infrastructure is not adequately funded and maintenance of Federally authorized projects is curtailed:

- The most efficient vessel fleet mix will not have adequate water depths, safe channels, and turning basins
- Shippers will turn to less efficient, less environmentally sustainable forms of cargo transportation which will
 - increase traffic congestion and air emissions
 - cause adverse impact on economic recovery
 - exacerbate trade imbalance

Prince Rupert, British Columbia: Gateway to the Heartland of America??



(* the hours represent the time savings by shipping cargo through Canada versus the Ports of Long Beach or Los Angeles)

Canada's Pacific Gateway: Connecting Asia to North America

This is a national strategy that provides a framework for policies, investments and initiatives that seek to make Canada the most competitive exit and entry point in North America. The Canadian government has committed \$33 billion over seven years to infrastructure.

Our failure in the United States to have a national freight strategy will cause the loss of jobs in the United States and Harbor Maintenance Tax (HMT) revenue to the federal treasury. When the Port of Prince Rupert is built to accommodate two million TEU per year the annual loss in HMT revenue will be in the range of \$50 to \$75 million and the payroll losses will be in the billions of dollars. The British Columbia Maritime Employers Association estimates the Asia Pacific Gateway contributes over \$12 billion to Canada's GDP, and more than 129,000 jobs.

The Canadian government has recognized that ports, terminals and facilities are economic development clusters that need to be directly linked to the national and state highway and rail systems. We must do likewise.

CALIFORNIA MARINE AFFAIRS AND NAVIGATION CONFERENCE

Project	FY 2010 Conf. Report	FY2011 C-MANC Recommendations	FY 2011 President's Budget	FY2012 C-MANC Recommendations	FY 2012 President's Budget	FY 2012 - Purpose of Funding
Potential NewsShoreline Protection Studies						
Coast of Northern California		100		100		Initiate Feasibility
Port Hueneme Breakwater & Shore Protection		100		100		Initiate Feasibility
Shoreline Protection Studies in Progress						
California Coastal Sediments Masterplan	762	1200	900	1200	900	Continue Study
Carpinteria Shoreline Study	202	0		0		non-member
Coast of CA, South Coast Region (L.A. County)		160		160		Continue Study
Ocean Beach, CA		0		0		non-member
San Clemente Shoreline						Moved to PED
San Diego County Shoreline	134	650		1320		Complete Study
San Gabriel River to Newport Bay		500		0		
South San Francisco Bay Shoreline Study	2800	0		0		non-member
Solana-Encinitas Shoreline	305	0	307	0		non-member
Ventura and Santa Barbara Counties Shoreline		800		800		Continue Study
Environmental Restoration Studies						
Ballona Creek, Ecosystem Restoration	224	776		776		Continue Study
Bolinas Lagoon Ecosystem Restoration	90	0		0		non-member
Long Beach Breakwater Study (East San Pedro Bay Eco Rest)	90	1000		1000		Continue Study
Newport Bay, San Diego Creek Watershed		500		0		
Orange County Shoreline, Lower Santa Ana		400		0		
Southern California Wetlands Restoration		100		0		
Potential New Navigation Studies						
Humboldt Bay - Long Term Shoal Management	90	500		500		Initiate Study
Huntington Harbour Shoreline		600		600		Initiate Study
San Francisco Central Basin		100		100		Initiate Study
Navigation Studies in Progress						
Arana Gulch Watershed		100		100		Continue Study
Redwood City Harbor (Deepening)	90	810		810		Continue Study

CALIFORNIA MARINE AFFAIRS AND NAVIGATION CONFERENCE

Project	FY 2010 Conf. Report	FY2011 C-MANC Recommendations	FY 2011 President's Budget	FY2012 C-MANC Recommendations	FY 2012 President's Budget	FY 2012 - Purpose of Funding
New Preconstruction Engineering and Design						
San Clemente Shoreline	90	0				non-member
Solana-Encinitas Shoreline		0				non-member
Continuing Construction Projects						
Hamilton Airfield Wetlands Restoration	14250	20000	20000	8500	8250	Continue Construction
Hamilton Airfield Wetlands Restoration - ATF						
Imperial Beach (Silver Strand)		0				non-member
Los Angeles Harbor Main Channel Deepening	836	838	2750	4000		Continue Construction
Oakland Harbor (50' Project)	1000	4330	4330	400	350	Complete Construction
Oakland Harbor (42' Project)		2500		2100		Reimbursement
Port of Long Beach Main Channel						To complete in FY2010
Rough & Ready Water Infrastructure		925		3000		Infrastructure Construction
Sacramento River Deep Water Ship Channel	2000	12500	12500	20500	3500	Continue Construction
San Francisco, CA (Piers 35 & 70)	4700	20200		6500		Pier Removal/Repair
S. F. Bay to Stockton (Baldwin & Stockton Ship Channels)		2000		2500		Continue Construction
Upper Newport Bay, CA		0				To complete in FY2010
Continuing Authorities Projects						
Moss Landing Harbor/Erosion Study - Sect. 1135		100		100		Environmental Restoration Study
Northern Half Moon Bay Shoreline Improvements - Sect. 111		100		100		Erosion Control Alternatives
Oyster Point Harbor - Sect. 107 project		500		500		Wave Attenuators
Port of Hueneme Deepening - Section 107		2500		2500		Harbor Deepening
San Francisco Central Basin - Section 107		100		100		Initiate Study
Ventura County - Sect 227		6500		6500		Oil Piers Project

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Operations and Maintenance

Project	FY 2010 Conf. Report	FY2011 C-MANC Recommendations	FY 2011 President's Budget	FY2012 C-MANC Recommendations	FY 2012 President's Budget	FY 2012 - Purpose of Funding
Bodega Bay Harbor		0		0		Not needed at this time
Channel Islands Harbor		7600	4600	525	525	Comprehensive Survey
Crescent City Harbor	1878	3400		3500		Maintenance Dredging
Dana Point Harbor		1500		0		Not needed at this time
Fisherman's Wharf Area, San Francisco		0		0		Not needed at this time
Humboldt Harbor and Bay	2860	8600	5848	11100	2800	Dredging & Jetty Repair
Larkspur Ferry Channel		0		0		non-member
Los Angeles - Long Beach Harbors		175		500		Model Maintenance
Marina del Rey	1406	14000	2050	15000	3170	Maintenance Dredging
Monterey Harbor		0		0		Not needed at this time
Morro Bay Harbor	3136	2000	1590	2500	1590	Maintenance Dredging
Moss Landing Harbor		3115		3200		Maintenance Dredging
Napa River		4300		4300		Maintenance Dredging
Newport Bay Harbor	1692	6000	1280	26000		Maintenance Dredging
Noyo River and Harbor		4500		4500		Maintenance Dredging
Oakland Harbor	9154	12500	7500	20000	8755	Does not include C.G. Dredging
Oceanside Harbor	1425	1800	1520	2000	1520	Maintenance Dredging
Petaluma River		7340		7500		Maintenance Dredging
Pillar Point Harbor		2200		2600		Complete Breakwater Repairs
Pinole Shoal Management/Delta LTMS	100	2500		2500		Continue LTMS Process
Port Hueneme		0		0		Not needed at this time
Port San Luis		4300		4500		Breakwater Repair
Project Condition Surveys	2321	2500	2132	2500	1710	Annual Surveys
Redondo Beach Harbor (King Harbor)		0		500		Comprehensive Condition Survey
Redwood City Harbor	6410	0		8000		Maintenance Dredging
Richmond Harbor		9797	8375	9500	8146	Maintenance Dredging
Sacramento River (30ft)	9113	6000	3585	10000		Maintenance Dredging
Sacramento River (Shallow Draft)	3185	250	161	250	125	Maintain Facilities
Sacramento River and Tributaries (Debris Control)	222	2300	1475	2300	1299	
San Diego Harbor		5500		6000	3800	Maintenance Dredging
San Diego River and Mission Bay		0		0		non-member

CALIFORNIA MARINE AFFAIRS AND NAVIGATION CONFERENCE

Operations and Maintenance (Cont.)

Project	FY 2010 Conf. Report	FY2011 C-MANC Recommendations	FY 2011 President's Budget	FY2012 C-MANC Recommendations	FY 2012 President's Budget	FY 2012 - Purpose of Funding
San Francisco Bay - Delta Model Structure	1062	3230	1087	3500	986	Operate Model
San Francisco Bay Long Term Mngt. Strategy	3500	3500		3500		Continue LTMS Process
San Francisco Harbor S.F. Bar Channel (55ft.)	3237	3326	2776	3500	2548	Maintenance Dredging
S. F. Harbor and Bay - Debris Removal	2945	3590	3090	3500	1979	Debris Removal
San Joaquin River - Stockton Channel	3377	9800	3603	12600	3746	Maintenance Dredging
San Leandro Marina (Jack D. Maltester Channel)		0		3500		Maintenance Dredging
San Pablo Bay & Mare Island Strait	2518	2750	2750	4500	2470	Maintenance Dredging
San Rafael Creek		6000		2500		Maintenance Dredging
Santa Barbara Harbor	1606	3700	2040	2500	2040	Maintenance Dredging
Santa Cruz Harbor		600		700		Maintenance Dredging
Suisun Bay Channel/New York Slough	3819	6200	2980	6500	2770	Maintenance Dredging
Suisun Channel		3000		3000		Maintenance Dredging
Surfside-Sunset & Newport Beach		0		0		Not needed at this time
Ventura Harbor	6107	4200	2840	4500	2805	Maintenance Dredging
Yuba River	139	0	121	0	97	non-member

TOTALS	FY 2010 Conf. Report	FY2011 C-MANC Recommendations	FY 2011 President's Budget	FY2012 C-MANC Recommendations	FY 2012 President's Budget
Potential New Shoreline Protection Studies	\$0	\$200	\$0	\$200	\$0
Shoreline Protection Studies in Progress	\$4,203	\$3,310	\$1,207	\$3,480	\$900
Environmental Restorations Studies	\$404	\$2,776	\$0	\$1,776	\$0
Potential New Navigation Studies in Progress	\$180	\$2,110	\$0	\$2,110	\$0
Navigation Studies in Progress	\$90	\$810	\$0	\$810	\$0
New Preconstruction Engineering and Design	\$90	\$0	\$0	\$0	\$0
Continuing Construction Projects	\$22,786	\$63,293	\$39,580	\$47,500	\$12,100
Continuing Authorities Projects	\$0	\$9,800	\$0	\$9,800	\$0
Operation and Maintenance	\$71,212	\$162,073	\$61,403	\$203,575	\$52,881
Totals	\$98,965	\$244,372	\$102,190	\$269,251	\$65,881

22



CORPS OF ENGINEERS—CIVIL WORKS

Funding Highlights:

- Provides \$4.6 billion, a reduction of \$913 million from the 2010 level. The Budget proposes to create savings and efficiencies through the elimination of duplicative and lower-priority programs including Corps funding of local water and wastewater treatment projects.
- Focuses funding on water resources infrastructure projects that produce high economic and environmental returns to the Nation and those that address public safety needs.
- Restores high-priority ecosystems such as the California Bay-Delta, the Everglades, the Great Lakes, and the Gulf Coast, which is still recovering from damage incurred by the Deepwater oil spill. This funding will help ensure their ecological sustainability and resilience, which also help support the economic growth of the surrounding areas.
- Supports a comprehensive levee safety initiative to help ensure that Federal levees are safe and to enhance efforts to assist non-Federal parties in addressing safety issues with their levee systems.
- Provides priority funding for the maintenance of existing high performing projects, such as the high commercial use Mississippi and Ohio Rivers and the Illinois Waterway.
- Reforms the civil works program to improve the way that the Army Corps of Engineers addresses the Nation's most pressing water resources challenges.
- Proposes changes in the way Federal navigation activities are funded, and supports increases in inland waterways receipts.
- Increases the organizational efficiency and improves the management, oversight, and performance of ongoing programs.

The Army Corps of Engineers (Corps) civil works program develops, manages, restores, and protects the Nation's water resources through studies of potential projects, construction of projects, operation and maintenance, and its regulatory program. Working with other Federal agencies, the Corps also helps communities respond to and recover from floods and other natural disasters. To support this work, the Budget

provides \$4.6 billion, a reduction of \$913 million from the 2010 level. This level reflects the Administration's Government-wide efforts to create cost savings by eliminating duplicative and lower-priority programs, including all Corps funding of local water and wastewater treatment projects. The Budget also includes proposed reforms to the civil works program to improve the way Federal funds are used.

Invests in Water Resources Infrastructure to Support Competitiveness, Growth, and the Environment

Constructs Projects with High Economic and Environmental Returns While Addressing Public Safety. The Administration proposes \$1.5 billion for high-return construction projects in the three main mission areas of the Corps: flood and storm damage reduction, commercial navigation, and aquatic ecosystem restoration, as well as hydropower. In addition, the Budget emphasizes funding for dam safety work, construction of projects with substantial life saving benefits, and projects that will complete construction in 2012.

Restores High-Priority Aquatic Ecosystems. The Administration proposes funding aquatic ecosystem restoration efforts based on sound science, criteria grounded in research and development, and adaptive management. Funds are provided for work on several priority ecosystems, including the California Bay-Delta, Chesapeake Bay, the Everglades, the Great Lakes, and the Gulf Coast, which will also help support the economic growth of the surrounding areas. Consistent with the frameworks and action plans developed by interagency Federal working groups led by the White House Council on Environmental Quality (CEQ), the Corps will continue to work with CEQ and other Federal agencies to help restore these key ecosystems in a sustainable manner.

Invests in the Reliability and Safety of Water Resources Infrastructure. The Administration prioritizes funding for the operation and maintenance of critical national infrastructure, including the inland waterways with the most commercial use (such as the Mississippi and Ohio Rivers and the Illinois Waterway) and the major coastal harbors and their channels. Consistent with the President's Executive Order on Stewardship of the Ocean, Our Coasts, and the Great Lakes, the Budget supports the operations and analysis of the Coastal Data Information Program. To assess the impact of climate change

on water resources projects, the Budget also continues the development of models, monitoring tools, and guidance for adaptation and mitigation.

Maximizes the Return on Federal Investments

Reforms the Civil Works Program to Improve Efficiency and Effectiveness. The Administration has identified the following general principles to guide Corps policy and funding decisions when addressing the Nation's most pressing water resources challenges. The Army Corps of Engineers civil works program will:

- Support those water resources projects, including modification of existing projects, within its main missions—commercial navigation, flood and storm damage reduction, and aquatic ecosystem restoration—that are highly justified from a national perspective based on current information; give priority to maintaining existing high-performing projects; and support de-authorizing existing and proposed civil works projects, or portions thereof, that no longer address the water resources priorities of the Nation.
- Work with other Federal agencies and non-Federal interests to ensure that its programs encourage improved management of water and related land resources at the local level to reduce vulnerabilities and enhance the resiliency and natural functions of floodplains and coastal areas, advance public safety, and promote efforts to preserve and restore aquatic ecosystems.
- Require non-Federal cost sharing that reflects the benefits received by non-Federal parties. Where an investment primarily serves an identifiable group or a specific geographic area, those who benefit most directly should pay all or a substantial share of the costs; work to extend, expand, rehabilitate, or replace an existing project should be cost-shared the same as a new project, using direct financing where appropriate.

- Employ best practices in planning for the future use and management of the Nation's water resources, including support of the ongoing effort to revise the principles and guidelines for Federal water resources planning, and promoting a watershed and integrated water resources management approach; seek to revise or repeal statutory provisions that limit its ability to plan projects appropriately.
- Be organized and operate in a manner that promotes improved management efficiency, accountability, and transparency of its operations and the productivity and responsiveness of its staff.

Reforms the Way Federal Navigation Activities Are Funded. The Administration proposes to expand the authorized uses of the Harbor Maintenance Trust Fund, so that its receipts are also available to finance the Federal share of other Federal efforts in support of commercial navigation through our ports. The Administration will also work with the Congress to reform the laws governing the Inland Waterways Trust Fund, including increasing the revenue paid by commercial navigation users sufficiently to meet their share of the costs of activities financed from this trust fund.

Eliminates Duplicative and Lower Priority Programs and Increases Organizational Efficiency. The Administration proposes to eliminate programs and projects that duplicate other Federal, State, or local efforts, including all Corps funding of local water and wastewater

treatment projects. The Administration will also focus on ways to ensure the responsiveness, accountability, and operational oversight of the civil works program in order to best meet current and future water resources challenges. Together, these efforts will improve performance and free up resources for other uses and deficit reduction.

Emphasizes a Well-Coordinated Regulatory Process for Preservation of Water Resources. The Administration will ensure a well-coordinated process with the Corps, the Environmental Protection Agency, the Department of the Interior and other agencies on permitting and related activities necessary to protect the waters of the United States. Through its permitting decisions, the Corps will continue to avoid, minimize and mitigate adverse environmental impacts from proposed activities to prevent a net loss of aquatic resource function.

Supports a Comprehensive Levee Safety Initiative. The Budget includes a comprehensive levee safety initiative to help ensure that Federal levees are safe and to enhance efforts to assist non-Federal parties to address safety issues with their levee systems. The Budget focuses funds on completing the current data collection effort for the Corps levee infrastructure, and expediting completion of levee assessments and inspections, which will allow the Corps to begin prioritizing its levee systems using a risk-based model currently under development. This levee safety initiative also includes measures to help ensure greater coordination between the Corps, other Federal agencies, and non-Federal levee owners and operators.

Corps of Engineers—Civil Works

(In millions of dollars)

	Actual 2010	Estimate	
		2011	2012
Spending			
Discretionary Budget Authority:			
Construction.....	2,017		1,480
Operation and Maintenance.....	2,488		2,314
Mississippi River and Tributaries.....	342		210
Flood Control and Coastal Emergencies.....	—		27
Investigations.....	161		104
Regulatory Program.....	190		196
Expenses.....	185		185
Office of the Assistant Secretary of the Army for Civil Works.....	5		6
Formerly Utilized Sites Remedial Action Program.....	134		109
Cancellation of Unobligated Balances, Mississippi River and Tributaries ..	—		-22
Total, Discretionary budget authority.....	5,522	4,881	4,609
<i>Memorandum:</i>			
<i>Budget authority from supplementals.....</i>	<i>217</i>	<i>—</i>	<i>—</i>
<i>Cancellation of budget authority from supplementals.....</i>	<i>—</i>	<i>—</i>	<i>-35</i>
Total, Discretionary outlays.....	10,002	10,767	7,941
Mandatory Outlays:			
Existing law.....	-88	-111	95
Total, Mandatory outlays.....	-88	-111	95
Total, Outlays.....	9,914	10,656	8,036



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CALIFORNIA

MARINE AFFAIRS AND NAVIGATION CONFERENCE

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Public Agency Members

Contra Costa, County of
Crescent City Harbor
Humboldt Bay Harbor
Long Beach, Port of
Los Angeles, County of
Los Angeles, Port of
Monterey, City of
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Newport Beach, City of
Noyo Harbor Dist.
Oakland, Port of
Oceanside, City of
Orange, County of
Oxnard Harbor Dist.
Petaluma, City of
Port Hueneme, City of
Port San Luis Harbor
Redondo Beach, City of
Redwood City, Port of
Richmond, Port of
Sacramento, Port of
San Diego, Port of
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San Mateo Co. Harbor
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Stockton, Port of
Suisun City, City of
Ventura, County of
Ventura Port Dist.

February 12, 2010

Interagency Ocean Policy Task Force
c/o Council on Environmental Quality
The Whitehouse
Washington, D.C.

CHRIS BIRKELO
CHAIR

JEFF WINGFIELD
VICE CHAIR

DAVID HULL
IMMEDIATE PAST CHAIR

JAMES M. HAUSSENER
EXECUTIVE DIRECTOR

Dear Task Force Members:

We appreciate the opportunity to comment on your *Interim Framework for Effective Coastal and Marine Spatial Planning*. While most of our members, and possibly most citizens, did not understand the concept of Marine Spatial Planning we have come to learn it to be a way to overlay on top of the hundreds of existing laws and regulations developed by numerous agencies at all levels of government a new process without the approval of Congress to determine who gets to do what, where and when in the oceans and Great Lakes of the United States. At the same time it appears that no law or regulation is eliminated.

Our members are very concerned about the process laid out in the *Interim Framework*. Not, because of the potential for change, but as a result of bypassing our representative system of government to allow "partners" to make crucial decisions about our oceans and our communities. While we support the intent of the *Interim Framework* to reduce or resolve user conflicts our members are concerned about an increasing regulatory burden on ports and coastal harbors and their users. One can not just pick up a port or coastal harbor and move it to another location. One also can not close harbors or move all port operations to one location within a state.

We support the concept of a public policy process for society to determine how the oceans, coasts and Great Lakes are sustainably used and protected. One could argue that a large portion of the problems with these areas is the failure of our inland areas in managing pollutants, nutrients and debris or, as a result of the failure of federal government agencies to work cooperatively. What we are concerned about is the improvement of ecosystem health and services will take the precedent over all others instead of being an integral part of the process for sustainable development.

We also support an adaptive and flexible approach to management as the oceans and coasts are dynamic areas and static rules and policies are inherently the wrong approach in guiding the public's use of its oceans and coasts. We encourage a true commitment to adaptive management and full funding for it. On the subject of funding, while the *Interim Framework* acknowledges the requirement for significant initial investments of both human and financial resources there is not a funding plan attached, nor is there recognition of future costs as there will always be a need to fill data gaps and adaptively manage our limited and special resources.

The comments from the *Joint Ocean Commission Initiative* to West Coast local and state elected officials recommended considering comprehensive spatial planning for marine areas whose management is complicated by several conflicting uses. They also recommended the coordination of people within geographic areas that are based on ecological and socioeconomic characteristics and at the appropriate scale to address critical issues. We don't understand why the *Ocean Policy Task Force* is jumping directly to spatial planning and is using large marine ecosystems as the planning area. Does combining the states of California, Oregon and Washington into one planning area meet the recommendations of the *Joint Ocean Commission Initiative*?

The *Interim Framework* anticipates a transparent planning process. Specifically how will this take place? We have worked with numerous federal agencies and have been frustrated that they are not always able to work in a transparent process even when in a collaborative process. How will the *National Ocean Council* ensure complete transparency of all federal actions as they relate to coastal and marine spatial planning? We are very concerned about state's rights and local involvement. How will California's unique issues, leadership and level of concern be heard in internal rule making process?

With respect to the National Goals of Coastal and Marine Spatial Planning we ask that there be recognition of the need to preserve land areas for traditional maritime uses; public access should be increased where feasible; our coastal communities should be enhanced and fully engaged as co-equal partners, and working-waterfronts and water-dependent uses need to be valued.

With respect to the National Guiding Principles for Coastal and Marine Spatial Planning we are concerned as to who and how will be managing existing uses, that ensuring *frequent* engagement is not sufficient in any collaborative process, how will the general public fully be engaged in development of nationally stated objectives, and why is only one of the "Rio Principles" mentioned?

Earlier we commented on the size of the West Coast Planning Area. We again raise this point as it ties into trying to identifying regional objectives, allowing for the engagement of stakeholders, throughout the process – not at some arbitrarily determined key-points, analyzing the full data set that is currently available as well as analyzing new data, and modifying a "certified" plan that has a significant unintended consequence on a small coastal community.

What is the impact of having a "certified" plan? Will they be regulatory in nature as a formal federal decision-making process has been initiated? Will states have to amend their Coastal Zone Management Plans to comply? Will local agencies have to amend their general plans to comply? Will federal funding programs be realigned to only fund those projects that are "approved" by a "certified" plan?

Again, we thank you for the opportunity to comment on the *Interim Frameworks*. We look forward to continuing to work with all other parties to develop the collaboration necessary in developing successful policies and programs necessary to protect our oceans, coasts, and Great Lakes.

Sincerely,

Jim Haussener

James M. Haussener
Executive Director

28

has entered into an additional Global Reseller Expedited Package (GREP) contract.¹ The Postal Service believes the instant contract is functionally equivalent to the previously submitted GREP contracts, and is supported by Governors' Decision No. 10-1, attached to the Notice and originally filed in Docket No. CP2010-36. *Id.* at 1, Attachment 3. The Notice explains that Order No. 445, which established GREP Contracts 1 as a product, also authorized functionally equivalent agreements to be included within the product, provided that they meet the requirements of 39 U.S.C. 3633. *Id.* at 1-2. Additionally, the Postal Service requested to have the contract in Docket No. CP2010-36 serve as the baseline contract for future functional equivalence analyses of the GREP Contracts 1 product.

The instant contract. The Postal Service filed the instant contract pursuant to 39 CFR 3015.5. In addition, the Postal Service contends that the instant contract is in accordance with Order No. 445. The term of the contract is 1 year from the date the Postal Service notifies the customer that all necessary regulatory approvals have been received. Notice at 3. It may, however, be terminated by either party on not less than 30 days' written notice. *Id.* Attachment 1, at 5.

In support of its Notice, the Postal Service filed four attachments as follows:

- Attachment 1—a redacted copy of the contract and applicable annexes;
- Attachment 2—a certified statement required by 39 CFR 3015.5(c)(2);
- Attachment 3—a redacted copy of Governors' Decision No. 10-1 which establishes prices and classifications for GREP contracts, a description of applicable GREP contracts, formulas for prices, an analysis of the formulas, and certification of the Governors' vote; and
- Attachment 4—an application for non-public treatment of materials to maintain redacted portions of the contract and supporting documents under seal.

The Notice advances reasons why the instant GREP contract fits within the Mail Classification Schedule language for GREP Contracts 1. The Postal Service identifies customer-specific information and general contract terms that distinguish the instant contract from the baseline GREP agreement. It states that the instant contract differs from the contract in Docket No. CP2010-36

pertaining to customer-specific information, *e.g.*, customer's name, address, representative, signatory, notice of postage changes and minimum revenue. *Id.* at 4-5. The Postal Service states that the differences, which include price variations based on updated costing information and volume commitments, do not alter the contract's functional equivalency. *Id.* at 4. The Postal Service asserts that "[b]ecause the agreement incorporates the same cost attributes and methodology, the relevant characteristics of this GREP contract are similar, if not the same, as the relevant characteristics of the contract filed in Docket No. CP2010-36." *Id.*

The Postal Service concludes that its filing demonstrates that the new GREP contract complies with the requirements of 39 U.S.C. 3633 and is functionally equivalent to the baseline GREP contract. It states that the differences do not affect the services being offered or the fundamental structure of the contract. Therefore, it requests that the instant contract be included within the GREP Contracts 1 product. *Id.* at 6.

II. Notice of Filing

The Commission establishes Docket No. CP2011-58 for consideration of matters related to the contract identified in the Postal Service's Notice.

Interested persons may submit comments on whether the Postal Service's contract is consistent with the policies of 39 U.S.C. 3632, 3633, or 3642. Comments are due no later than January 24, 2011. The public portions of this filing can be accessed via the Commission's Web site (<http://www.prc.gov>).

The Commission appoints Paul L. Harrington to serve as Public Representative in the captioned proceeding.

III. Ordering Paragraphs

It is ordered:

1. The Commission establishes Docket No. CP2011-58 for consideration of matters raised by the Postal Service's Notice.

2. Comments by interested persons in this proceeding are due no later than January 24, 2011.

3. Pursuant to 39 U.S.C. 505, Paul L. Harrington is appointed to serve as the Officer of the Commission (Public Representative) to represent the interests of the general public in this proceeding.

4. The Secretary shall arrange for publication of this Order in the **Federal Register**.

By the Commission.

Shoshana M. Grove,
Secretary.

[FR Doc. 2011-1335 Filed 1-21-11; 8:45 am]

BILLING CODE 7710-FW-P

OFFICE OF SCIENCE AND TECHNOLOGY POLICY

National Ocean Council; Development of Strategic Action Plans for the National Policy for the Stewardship of the Ocean, Our Coasts, and the Great Lakes

ACTION: Notice of Intent To Prepare Strategic Action Plans for the Nine Priority Objectives for Implementation of the National Policy for the Stewardship of the Ocean, Our Coasts, and the Great Lakes. Request for comments.

SUMMARY: On July 19, 2010, President Obama signed Executive Order 13547 establishing a National Policy for the Stewardship of the Ocean, our Coasts, and the Great Lakes ("National Policy"). That Executive Order adopts the Final Recommendations of the Interagency Ocean Policy Task Force ("Final Recommendations") and directs Federal agencies to take the appropriate steps to implement them. The Executive Order creates an interagency National Ocean Council (NOC) to strengthen ocean governance and coordination, identifies nine priority actions for the NOC to pursue, and adopts a flexible framework for effective coastal and marine spatial planning to address conservation, economic activity, user conflict, and sustainable use of the ocean, our coasts and the Great Lakes.

Purpose: The NOC is announcing its intent to prepare strategic action plans for the nine priority objectives identified in the Final Recommendations and is requesting input on the development of these strategic action plans. (For general information about the NOC and a copy of Executive Order 13547 and the Final Recommendations, please see: <http://www.WhiteHouse.gov/oceans>). Public comments will inform the preparation of the strategic action plans. All comments will be collated and posted on the NOC Web site.

Public Comment: The NOC is seeking public input as it develops the strategic action plans for the priority objectives. To be considered during the development of the draft strategic action plans, comments should be submitted by April 29, 2011. Draft strategic action plans will be released for public review in the summer of 2011, allowing

¹ Notice of United States Postal Service of Filing a Functionally Equivalent Global Reseller Expedited Package Negotiated Service Agreement and Application For Non-Public Treatment of Materials Filed Under Seal, January 14, 2011 (Notice).

additional opportunity for the public to provide comments. Plans are expected to be completed by the end of 2011.

In this public comment period, the NOC is interested in comments that address the opportunities, obstacles, and metrics of progress relevant to each of the priority objectives. Comments should take into account that the strategic action plans should address the key areas identified in the Final Recommendations, including, as appropriate, the importance of integrating local, regional, and national efforts.

The NOC is requesting responses to the following questions for each of the priority objectives:

- What near-term, mid-term, and long-term actions would most effectively help the Nation achieve this policy objective?
- What are some of the major obstacles to achieving this objective; are there opportunities this objective can further, including transformative changes in how we address the stewardship of the oceans, coasts, and Great Lakes?
- What milestones and performance measures would be most useful for measuring progress toward achieving this priority objective?

Comments should be submitted electronically at <http://www.WhiteHouse.gov/administration/eop/oceans/comment> or can be sent by mail to: National Ocean Council, 722 Jackson Place, NW., Washington, DC 20503.

FOR FURTHER INFORMATION CONTACT:

Additional information regarding this request can be found at <http://www.WhiteHouse.gov/oceans>. Questions about the content of this request may be sent to <http://www.WhiteHouse.gov/administration/eop/oceans/contact> or by mail (please allow additional time for processing) to the address above.

SUPPLEMENTARY INFORMATION: On July 19, 2010, President Obama signed Executive Order 13547 establishing a National Policy for the Stewardship of the Ocean, our Coasts, and the Great Lakes ("National Policy"). That Executive Order adopts the Final Recommendations of the Interagency Ocean Policy Task Force and directs Federal agencies to take the appropriate steps to implement them. The Executive Order creates an interagency National Ocean Council (NOC) to strengthen ocean governance and coordination, identifies nine priority actions for the NOC to pursue, and adopts a flexible framework for effective coastal and marine spatial planning to address

conservation, economic activity, user conflict, and sustainable use of the ocean, our coasts, and the Great Lakes.

The National Policy provides a comprehensive approach, based on science and technology, to uphold our stewardship responsibilities and ensure accountability for our actions to present and future generations. The Obama Administration intends, through the National Policy, to provide a model of balanced, productive, efficient, sustainable, and informed ocean, coastal, and Great Lakes use, management, and conservation. The Final Recommendations provide an implementation strategy that describes a clear set of priority objectives that our Nation should pursue to further the National Policy.

The nine priority objectives seek to address some of the most pressing challenges facing the ocean, our coasts, and the Great Lakes. The nine priority objectives are identified below. Additional information about each priority may be found at <http://www.WhiteHouse.gov/oceans>.

Objective 1: Ecosystem-Based Management: Adopt ecosystem-based management as a foundational principle for the comprehensive management of the ocean, our coasts, and the Great Lakes;

Objective 2: Coastal and Marine Spatial Planning: Implement comprehensive, integrated, ecosystem-based coastal and marine spatial planning and management in the United States;

Objective 3: Inform Decisions and Improve Understanding: Increase knowledge to continually inform and improve management and policy decisions and the capacity to respond to change and challenges. Better educate the public through formal and informal programs about the ocean, our coasts, and the Great Lakes;

Objective 4: Coordinate and Support: Better coordinate and support Federal, State, Tribal, local, and regional management of the ocean, our coasts, and the Great Lakes. Improve coordination and integration across the Federal Government and, as appropriate, engage with the international community;

Objective 5: Resiliency and Adaptation to Climate Change and Ocean Acidification: Strengthen resiliency of coastal communities and marine and Great Lakes environments and their abilities to adapt to climate change impacts and ocean acidification;

Objective 6: Regional Ecosystem Protection and Restoration: Establish and implement an integrated ecosystem

protection and restoration strategy that is science-based and aligns conservation and restoration goals at the Federal, State, Tribal, local, and regional levels;

Objective 7: Water Quality and Sustainable Practices on Land: Enhance water quality in the ocean, along our coasts, and in the Great Lakes by promoting and implementing sustainable practices on land;

Objective 8: Changing Conditions in the Arctic: Address environmental stewardship needs in the Arctic Ocean and adjacent coastal areas in the face of climate-induced and other environmental changes; and

Objective 9: Ocean, Coastal, and Great Lakes Observations, Mapping, and Infrastructure: Strengthen and integrate Federal and non-Federal ocean observing systems, sensors, data collection platforms, data management, and mapping capabilities into a national system and integrate that system into international observation efforts.

These priority objectives are meant to provide a bridge between the National Policy and action on the ground and in the water, but they do not prescribe specific actions or responsibilities. The NOC is responsible for developing strategic action plans to achieve the priority objectives. As envisioned, the plans will:

- Identify specific and measurable near-term, mid-term, and long-term actions, with appropriate milestones, performance measures, and outcomes to fulfill each objective;
- Consider smaller-scale, incremental, and opportunistic efforts that could build upon existing activities, as well as more complex, larger-scale actions that have the potential to be truly transformative;
- Identify key lead and participating agencies;
- Identify gaps and needs in science and technology; and
- Identify potential resource requirements and efficiencies; and steps for integrating or coordinating current and out-year budgets.

The plans will be adaptive to allow for modification and addition of new actions based on new information or changing conditions. Their effective implementation will also require clear and easily understood requirements and regulations, where appropriate, that include enforcement as a critical component. Implementation of the National Policy for the stewardship of the ocean, our coasts, and the Great Lakes will recognize that different legal regimes, with their associated freedoms, rights, and duties, apply in different maritime zones. The plans will be implemented in a manner consistent 30

with applicable international conventions and agreements and with customary international law as reflected in the Law of the Sea Convention. The plans and their implementation will be assessed and reviewed annually by the NOC and modified as needed based on the success or failure of the agreed upon actions.

The NOC is committed to transparency in developing strategic action plans and implementing the National Policy. As the NOC develops and revises the plans, it will ensure substantial opportunity for public participation. The NOC will also actively engage interested parties, including, as appropriate, State, Tribal, and local authorities, regional governance structures, academic institutions, nongovernmental organizations, recreational interests, and private enterprise.

Ted Wackler,

Deputy Chief of Staff, OSTP.

[FR Doc. 2011-1316 Filed 1-21-11; 8:45 am]

BILLING CODE P

SECURITIES AND EXCHANGE COMMISSION

Sunshine Act Meeting

Notice is hereby given, pursuant to the provisions of the Government in the Sunshine Act, Public Law 94-409, that the Securities and Exchange Commission will hold a Closed Meeting on Thursday, January 27, 2011 at 2 p.m.

Commissioners, Counsel to the Commissioners, the Secretary to the Commission, and recording secretaries will attend the Closed Meeting. Certain staff members who have an interest in the matters also may be present.

The General Counsel of the Commission, or his designee, has certified that, in his opinion, one or more of the exemptions set forth in 5 U.S.C. 552b(c)(3), (5), (7), 9(B) and (10) and 17 CFR 200.402(a)(3), (5), (7), 9(ii) and (10), permit consideration of the scheduled matters at the Closed Meeting.

Commissioner Casey, as duty officer, voted to consider the items listed for the Closed Meeting in a closed session.

The subject matter of the Closed Meeting scheduled for Thursday, January 27, 2011 will be:

institution and settlement of injunctive actions; institution and settlement of administrative proceedings; and other matters relating to enforcement proceedings.

At times, changes in Commission priorities require alterations in the scheduling of meeting items.

For further information and to ascertain what, if any, matters have been added, deleted or postponed, please contact:

The Office of the Secretary at (202) 551-5400.

Dated: January 20, 2011.

Elizabeth M. Murphy,
Secretary.

[FR Doc. 2011-1513 Filed 1-20-11; 4:15 pm]

BILLING CODE 8011-01-P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-63717; File No. SR-Phlx-2010-145]

Self-Regulatory Organizations; NASDAQ OMX PHLX LLC; Notice of Filing of Amendment No. 1 and Order Granting Accelerated Approval to a Proposed Rule Change, as Modified by Amendment No. 1 Thereto, Relating to the Establishment of Remote Specialists

January 14, 2011.

I. Introduction

On October 14, 2010, NASDAQ OMX PHLX LLC ("Phlx" or the "Exchange") filed with the Securities and Exchange Commission ("Commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ and Rule 19b-4 thereunder,² a proposed rule change to allow certain Phlx exchange members to act as option specialists that are not physically present on the option trading floor. The proposed rule change was published for comment in the *Federal Register* on November 2, 2010.³ On January 11, 2011, the Exchange filed Amendment No. 1 to the proposed rule change.⁴ The Commission received no comments on the proposal. This order provides notice of filing of Amendment No. 1 and grants accelerated approval to the proposed rule change, as modified by Amendment No. 1.

II. Description of the Proposal

The Exchange proposes to amend Phlx Option Rules 501, 506, 507, 1014, and 1020 to provide for remote specialists under limited circumstances and amend its Option Floor Procedure

Advices⁵ B-3 and E-1 to reflect the new category of remote specialist.

Currently, Phlx has several types of Registered Options Traders ("ROTs")⁶ that can register as market makers on the Exchange, including specialists, Streaming Quote Traders ("SQTs"),⁷ and Remote Streaming Quote Traders ("RSQTs").⁸ Specialists are floor-based Exchange members who are registered as options specialists pursuant to Rule 1020(a). An SQT has a physical presence on the options floor (though they may be "in-crowd" or "out-of-crowd") and is authorized to generate and submit option quotations electronically in options to which such SQT is assigned, but may only do so when he or she is physically present on the floor of the Exchange. An RSQT, on the other hand, has no physical trading floor presence and instead is authorized to generate and submit option quotations electronically in options to which such RSQT has been assigned. The various market making requirements applicable to each category of market maker are set forth in Rule 1014. Rules 500 through 599 (the "Allocation and Assignment Rules") generally describe the process for application and appointment of specialists, SQTs and RSQTs, as well as the allocation of classes of options to them.⁹

Accordingly, while Phlx's rules provide for remote market-making ROTs (i.e., RSQTs), they do not provide for remote specialists. Rather, Phlx's rules currently require that each options class and series listed on the Exchange have a specialist physically present on the

⁵ Phlx's Options Floor Procedure Advices ("OFPA's" or "Advices") are part of the Exchange's minor rule plan ("MRP" or "Minor Rule Plan"), which consists of Advices with preset fines, pursuant to Rule 19d-1(c) under the Act (17 CFR 240.19d-1(c)). See e.g., Securities Exchange Act Release No. 50997 (January 7, 2005), 70 FR 2444 (January 13, 2005) (SR-Phlx-2003-40) (order approving the Exchange's Options Floor Broker Management System). As this time, Phlx is not proposing to change any of the fines that are applicable under any of the Advices.

⁶ A ROT is a member who has received permission from the Exchange to trade in options for his own account. Phlx also has Directed SQTs and Directed RSQTs, which receive Directed Orders as defined in Rule 1080(l)(i)(A). Specialists may likewise receive Directed Orders. Further, Phlx rules also provide for non-streaming ROTs ("non-SQT ROT"), which can make markets in certain options on an issue-by-issue basis. See Rule 1014(b)(ii)(C).

⁷ See Rule 1014(b)(ii)(A).

⁸ See Rule 1014(b)(ii)(B).

⁹ The Allocation and Assignment Rules also indicate under what circumstances new allocations may not be made. See, e.g., Supplementary Material .01 to Rule 506.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Securities Exchange Act Release No. 63192 (October 27, 2010), 75 FR 67427 ("Notice").

⁴ On December 16, 2010, the Exchange extended the period for Commission consideration of its proposal to January 14, 2011. See 15 U.S.C. 78s(b)(2)(A)(ii)(II) (concerning the ability of the self-regulatory organization that filed a proposed rule change to extend the time period for Commission consideration of its proposal).

Recommendations for the Re-Authorization of the National Marine Sanctuaries Act

C-MANC supports the conservation of the nation's ocean and Great Lake resources through Congressionally established Marine Sanctuaries. C-MANC member ports, harbors, and communities have a great amount of experience in working with California's four National Marine Sanctuaries and with the Office of National Marine Sanctuaries. While the National Marine Sanctuaries Act has offered a framework for establishing National Marine Sanctuaries, wherein greater management may occur than in the rest of the nation's ocean and Great Lake waters, C-MANC members also see a number of ways in which the Act can be clarified and strengthened to improve the services it ultimately provides to the nation.

C-MANC's recommendations for the Re-Authorization of the National Marine Sanctuaries Act are:

The Act should explicitly require the Sanctuary site managers to use the best available, peer-reviewed science representing a broad range of scientific views in their decision making for permit conditions and for potential regulations. The sanctuaries must be tasked with making credible efforts to reconcile any competing or conflicting scientific opinions.

Clarify that the 1972 marine Protection, Research and Sanctuaries Act did not envision Sanctuaries be regulatory agencies in regard to dredging and dredge material disposal relative to harbors that may be in or adjacent to Sanctuaries. That primary responsibility has been given by Titles I and II of the Act, to the Corps of Engineers and EPA. Furthermore Sanctuaries should be mandated to embrace beneficial reuse of marine sediment.

Beneficial reuse of the nation's marine sediment resources has become a clear policy mandate in State and Federal resource agency guidelines. EPA/USACOE Beneficial use manual 842 B 07 001; WRDA 2007 Section 2037; 2004 California Ocean Protection Plan, all embrace the concept of preserving and reusing marine sediment resources. Conversely, however, Sanctuary designation documents generally contain pejorative language relative to dredging activities. Such broad brush, negative language does not serve the nation's stated sediment goals and should be amended to encourage a fair, scientific analysis of each dredging application. NOAA should encourage favorable findings by Sanctuary managers where the facts of any individual application support a beneficial outcome.

Sanctuaries should not have the authority to regulate fisheries, either directly or indirectly or through reserves or no-take zones. This should be left to existing science-based regulatory authorities. Sanctuaries would be able to work with the fishing industry, NOAA Fisheries, and the Federal Regional Fishery Management Councils if any fishery-related issue arises.

Clarify the role and purpose of the Sanctuary Advisory Councils. The Sanctuaries Act should provide clear direction that council members accurately reflect the makeup of the community, including stakeholders, and that some method of accountability from the council representatives to their constituency groups, whom they are to represent, must be in place. Sanctuary Managers should not be in the position of having full control over not only the types of seats, but also who occupies those seats on the Advisory Councils. C-MANC believes that the public expects that these Councils will reflect the will of the regional communities and stakeholders.

Strengthen the public process required to change a Sanctuary designation document. Concurrence for any language or boundary changes, or new authorities, should be required from both the member(s) of Congress representing the District(s) that adjoin the Sanctuary, as well as concurrence from whatever local agency served as the lead agency for Sanctuary Designation.

Sanctuary status should not restrict vessel traffic nor require alterations to shipping lanes that are not supported by that industry.

C-MANC recommends not allowing the expansion of existing Sanctuaries or designation of new Sanctuaries until the problems identified above are resolved.



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CALIFORNIA

MARINE AFFAIRS AND NAVIGATION CONFERENCE

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Ventura Port Dist.
West Sacramento, Port of

July 19, 2010

The Honorable Lois Capps
United State House of Representatives
1110 Longworth House Building
Washington, DC 20515
Attn: Dr. Heather Havens, Ph.D.

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IMMEDIATE PAST CHAIR

JAMES M. HAUSSENER
EXECUTIVE DIRECTOR

Subject: National Marine Sanctuary Reauthorization, April 16, 2010 draft

Dear Representative Capps:

Our members are grateful to you for your continued interest in the National Marine Sanctuary program and the tremendous outreach you and your staff are undertaking to develop a consensus on reauthorizing the National Marine Sanctuary program. I personally have met with your staff several times and participated in three conference calls with your staff and other stakeholders. Several of our members have been able to review the April 16, 2010 draft.

We believe that harbors are the gateway to the sanctuaries and that a partnership between harbors, coastal communities and the adjacent sanctuary is highly desirable if not essential to the success of all. We are strong supporters of the education function of the sanctuaries. Further, we believe in, and actively act on behalf of resource protection, and in the preservation of these unique environments for future generations.

Where we differ with others is our focus on the need to balance use of the sanctuary areas with protection. We believe that it is vital to preserve the economic vitality of the coastal areas, and that working in, or cruising through, the ocean is not incompatible with its preservation. There are many agencies and interest groups that are already involved in coastal areas, and we believe all of these have a role in the decision-making process about how to manage the coastal and ocean environment. We do not believe that these many interests should be supplanted by, or over-ridden by the judgment of the sanctuary, federal agency acting alone, to the exclusion of the many parties of interest in these issues. This same debate has taken place in Congress since the 1960's. When one reads the words in the Congressional Record from leaders such as Alan Cranston, Leon Panetta or Sam Farr it is apparent that multiple uses was either anticipated or not specifically ruled out. This theme carries forward in a 1986 petition from the California Legislature to the Senate of the United States where they stated "the needs of the commercial and sports fisheries are assured forever."

California's relationship with sanctuaries is different then the rest of the Nation. It was here that Senator Cranston proposed six sanctuaries from San Diego to Del Norte County. It was here that very large sanctuaries have been proposed, such as San Diego of over 4,500 square nautical miles and, Channel Islands of over 5,500 square nautical miles. It was here that Congressman Panetta thought the proposed Monterey Sanctuary size would not exceed that of the existing Channel Islands Sanctuary, when it is now 5 times the size. The Monterey Sanctuary currently extends south to Cambria and there have been proposals to extend the Channel Islands Sanctuary north to

Cambria as well as south to Point Magu along the coast (from its current off-shore boundaries). The Cordell Bank Sanctuary currently has its northern boundary at Bodega Head and there have been several proposals before Congress to move this boundary north to Point Arena. We are very concerned that 50% or more of the Coast of California will be within a sanctuary – resulting in a loss to coastal communities and the boating public. And, this causes us to ask if all areas of the marine environment “are of special national significance?”

Our members are very concerned about the proposed expansion of authority given to NOAA and what we see as the potential for adverse impacts on small coastal communities, those engaged in fishing and recreational activities including boating. In reviewing the draft it appears that without strong oversight from Congress, these communities could be marginalized if not decimated with the loss of waterfront jobs and the loss of independent fishing-boat.

While Administrator Lubchenco was quoted as saying recently: “America's fishermen are a vital part of our nation's economy and heritage and I remain committed to rebuilding fisheries and sustaining the communities that depend on them,” we see the potential for real harm if the present draft were to become law.

Further, statements such as “to the extent compatible with the primary purpose... . to allow the regulated public... . that are not prohibited” combined with the knowledge that marine sanctuaries off the coast of California wish to expand their boundaries are of great concern to our members as it implies recreational boating may be spatially zoned out of great swaths of the Pacific Ocean.

Our members are not supportive of: expansion of existing sanctuaries or the creation of new sanctuaries at this time; allowing sanctuaries to develop fishing regulations, to have the utilization of zoning, to have the use of marine reserves, or have the authority for the establishment and management of marine protected areas. Further, we continue to be very concerned about the Sanctuary Program having regulatory authority. Finally, in noting the recent controversy over penalties and fines in another NOAA program on the East Coast, we wonder if increasing penalties to be retained by the Secretary is appropriate.

Our recommendation to you is for further dialogue with interest groups, including CMANC and its members, on the role of sanctuaries as a part of the larger coastal community and the development of an appropriate governance model. Our members are very willing to work with your office because they do value the benefits of the Marine Sanctuary program and they are extremely appreciative of your personnel investment in making their communities better.

Sincerely,



James M. Haussener
Executive Director

34

CALIFORNIA ASSOCIATION OF PORT AUTHORITIES

1510 14TH STREET SACRAMENTO, CA 95814 (916) 444-7158

February 2, 2010

Honorable Ray LaHood
Secretary
U.S. Department of Transportation
1200 New Jersey Ave, SE
Washington, D.C. 20590

Dear Secretary LaHood:

The California Association of Port Authorities (CAPA) enthusiastically joins with our member port, the Port of San Diego, to wish you a warm welcome to California. Our California ports highly appreciate the fact that you selected San Diego and California as the site for this important Port Summit. It should provide an excellent forum for a comprehensive discussion of the critical issues facing the nation's port system; and also give us the opportunity to closely align our plans to the priorities set by our new administration.

CAPA represents the eleven large and small commercial deepwater seaports in California. The Association has served the maritime industry for more than 70 years. Our member ports have supported the escalation in world trade, the changes in cargo handling technologies, the establishment of new environmentally friendly techniques for the handling of dredge materials, and the improvement of air quality. We have also continued to make plans to deter, respond, and recover from an all hazards threat to the nation's transportation networks that can come from an act of terrorism, nature or an accident. CAPA is comprised of local political subdivisions of the State of California; and our member ports have achieved remarkable successes throughout the years with a strong record of relying upon the economic competitiveness of the marketplace rather than the public tax roll.

Today's modern marine terminals in California are typically financed and funded by the local port authorities. Whether large or small, they provide sophisticated cargo handling and intermodal equipment and capabilities dedicated to the movement of freight that not only serve our local communities but support more than 30% of the nation's ocean trade. Yet, at the heart of our State's freight industry, are the thousands of men and women whose jobs and living wages are directly or indirectly touched by the port industries.

As a result, California ports touch almost all industries in the State and in the Nation. The California port system continues to make vital contributions to the localities, the regions and the nation they service through the wide variety of business, jobs and public amenities that are provided by the individual ports. While the bulk of California freight is handled by the Ports of Los Angeles, Long Beach and Oakland; the smaller Ports of Humboldt, Stockton, Sacramento, Richmond, Redwood City, Oxnard/Hueneme, and San Diego play a vital role in cargo niches that serve as main arteries for sustaining and improving economic prosperity, maritime security, livable communities and the environment.

35

Like California, the rest of the nation's port industries are important economic engines for local, regional and national economies. When large and small ports work together as a system of ports, we will continue to make far-reaching contributions in scale and scope unmatched by other public and private sector segments of the national economy. Therefore, funds invested in our port system, and the regional infrastructure that supports the ports, have significant and disproportionately large economic stimulus. A port investment is an investment in jobs, environmental sustainability, financial self-sufficiency, supply chain security, and livable communities.

Yet, the entire nation's public port authorities and our port system need to be recognized as a distinct and vital coastal and waterway resource that requires protection and preservation at the local, regional and national levels. Today, public port lands and harbors are challenged by gentrification and encroachment of land uses along our freight corridors and marine terminals that put at risk the fabric of our commercial port network. Protecting port lands and facilities will ensure that existing public port authorities have the opportunity to grow and meet emergent and future needs and requirements of the global marketplace; and, thus, help limit the unnecessary development of new port complexes, within our coastal zones or in neighboring countries, such as Canada and Mexico, which can also have adverse global environmental impacts. The latter can be seen as an unintended consequence of the long absence of a national strategy for the U. S. port system as a whole. Such a system's perspective for the nation's ports can also help to plan better for prioritizing intermodal and port infrastructure development needs without pitting ports against each other to compete for limited Federal funds. Since, it seems clear by your visit to California and the Port of San Diego for this important Port Summit that your administration is very serious about putting the "port" emphasis back into formulation of "transportation" policy, in a meaningful, strategic and integrated manner, the California Port Directors have identified the following vital issues that represent our firsthand assessment of the critical issues facing the nation's port system:

1. The California port industry, along with other regional port areas, has experienced negative growth in 2009. The global recession limiting the quantity and value of imports to the United States has resulted in significant reduction in man-hours and jobs at our marine terminals. This in turn has reduced the available capital for port authorities to continue implementation of freight corridor projects that were in the planning stages prior to the recession. Many of these projects are "shovel ready" but require capital funding through programs such as T.I.G.E.R. in order to be completed and provide the necessary future freight network we will require following this downturn. Capital investments in port and freight infrastructure, for small and large port authorities, have immediate and direct positive impacts for local communities, as well as for state and national economies.
2. Global leadership in the development of cleaner freight handling capabilities will result in the establishment of new "green technologies" that can be exported throughout the international shipping industry. Carrying cargo by ship or barge is far more environmentally friendly than any other method. Carbon dioxide emissions are five to ten times less when cargo is handled by water than when transported by trucks. Also, in California, ports themselves are developing and operating in harmony with the natural

36

environment. Most recently, the implementation of new clean truck programs and the implementation of shore-side power capabilities for container, cruise, and refrigerated vessels, are all leading to the environmental sustainability of California's port industry.

3. The California port system is a collection of eleven local political subdivisions within the State. To that extent, programs to improve and enhance our communities' livability are critical to our long-term success. Investment strategies must be funneled directly to the local political subdivisions that are responsible for the efficient and safe transport of goods and materials. For example, the funding of interstate connector roads from our nation's interstate highway system to our local ports can best be identified by the port authority that has the single focus for freight connectivity and reliability, rather than more general Metropolitan Transportation Organizations. The ability to see and understand that the intermodal transportation network must be transparent to enhancement of secure and safe movement of goods is recognized by the port authorities.
4. Enhancing maritime security and protecting our international supply chain must continue to be a top public policy priority. Although Congress has enacted the SAFE Port Act, Port security has become the responsibility of local port authorities. California's Port security professionals working together and working with the California Office of Emergency Management have created an excellent model for the implementation of security measures at our seaports. However, port security funding cannot stop at our terminal perimeters. Future port security investment must include an investment in the entire transportation network and supply chain.
5. Nationwide, more than 2 million jobs are linked to California's public port system, According to the California Marine and Intermodal Transportation System Advisory Council (CalMITSAC). More than 40% of the total containerized cargo entering the United States arrives at California ports; and almost 30% of the nation's exports flow through ports in the Golden State. Port activities employ more than half-a-million people in California and generate an estimated \$7 billion in state and local tax revenues annually. Every county within the State, and many of our bordering states, rely on California seaports to handle exports and imports. California's agriculture industry and its manufacturing industries are key export potentials for the U.S. economy. Nationwide, every \$1 billion in exports creates an estimated 15,000 new jobs in the United States. The eleven California ports are poised and ready to support a national agenda to double the volume of exports.

In addition to the above critical issues, CAPA has also identified some immediate and long term initiatives that we would like you to consider in the development of future national transportation policies:

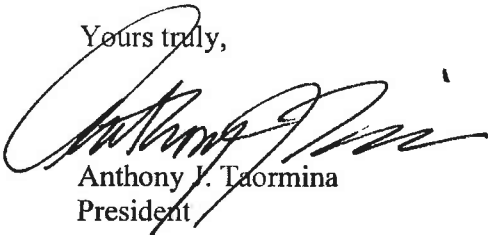
- A. There needs to be continued strong national advocacy within the United States Department of Transportation for port, intermodal and freight mobility issues. The Maritime Administration, through their key gateway offices, is an important conduit for hearing first hand the critical issues facing ports within designated geographical areas.

However, it must be recognized that the fabric of the port industry includes large load-centers and small public port complexes.

- B. The adage "Freight Does Not Vote" means that discretionary funding at the regional and local community levels will generally not be allocated to important port connectivity projects. While sources of transportation funding need to be identified directly with waterborne transportation and port projects, such funding cannot be used to influence the local and regional marketplace conditions. Funding of large load-center projects, especially during these economic conditions, may result in vital small "niche" ports closing marine terminals that provide important jobs within small rural areas.
- C. Environmental sustainability cannot be viewed as only regional initiatives. Clean trucks and the reduction of vessel emissions must be national priorities to improve the overall livability of our nation and to ensure a level competitive marketplace.
- D. The national port system consists of individual terminals and facilities that are economic development clusters that need to be directly linked to the national and state highway and rail systems. The Maritime Administration should seek to expand our nation's strategic port system to incorporate facilities and projects that share national defense and commercial transportation strategies.
- E. Fees and duties collected directly from users of the marine transportation system need to be used by the marine transportation system for the development of new technologies and enhancements to the marine transportation system.

Finally, the California Association of Port Authorities again wishes to express our appreciation that you took the time to conduct this important Port Summit. We know through this Summit, and from other outreach programs, you will become more familiar with, and appreciate more, the strategic and economic importance of the U.S. Port Industry; and the vital role played by large and small ports alike in this system. On Wednesday, March 24, 2010, Port Executives from the California ports will be in Washington, D.C. for the Spring Conference of the American Association of Port Authorities. We would welcome the opportunity to come by the Department of Transportation to meet with you for a short collective discussion as a follow up to this Port Summit. If you are open to such a discussion, please have your office contact Mr. Tim Schott, at the CAPA office [(916) 444-7158].

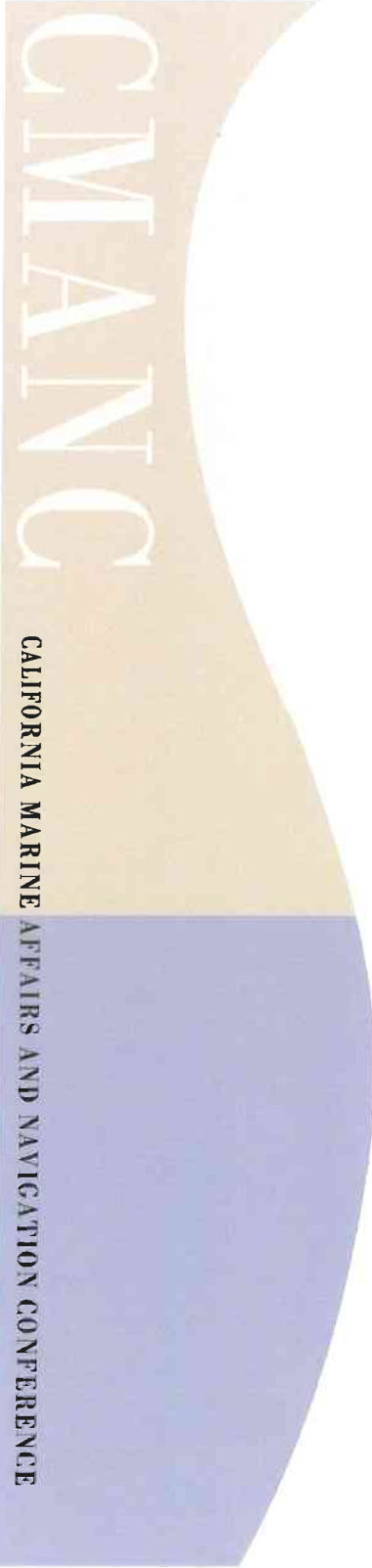
Yours truly,



Anthony J. Taormina
President

On behalf of California's ports and harbors, CMANC is grateful for
the contributions of the following for supporting the

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*To promote the operation, maintenance and improvement of California harbors,
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