

Results of AAPA's Port Planned Infrastructure Investment Survey

April 30, 2020



Infrastructure investment plans for U.S. ports and their port property tenants, 2021 through 2025

U.S. Ports' Capital Investments



**2012 - 2016
AAPA Survey**

**Public Ports:
\$18.3 Billion**

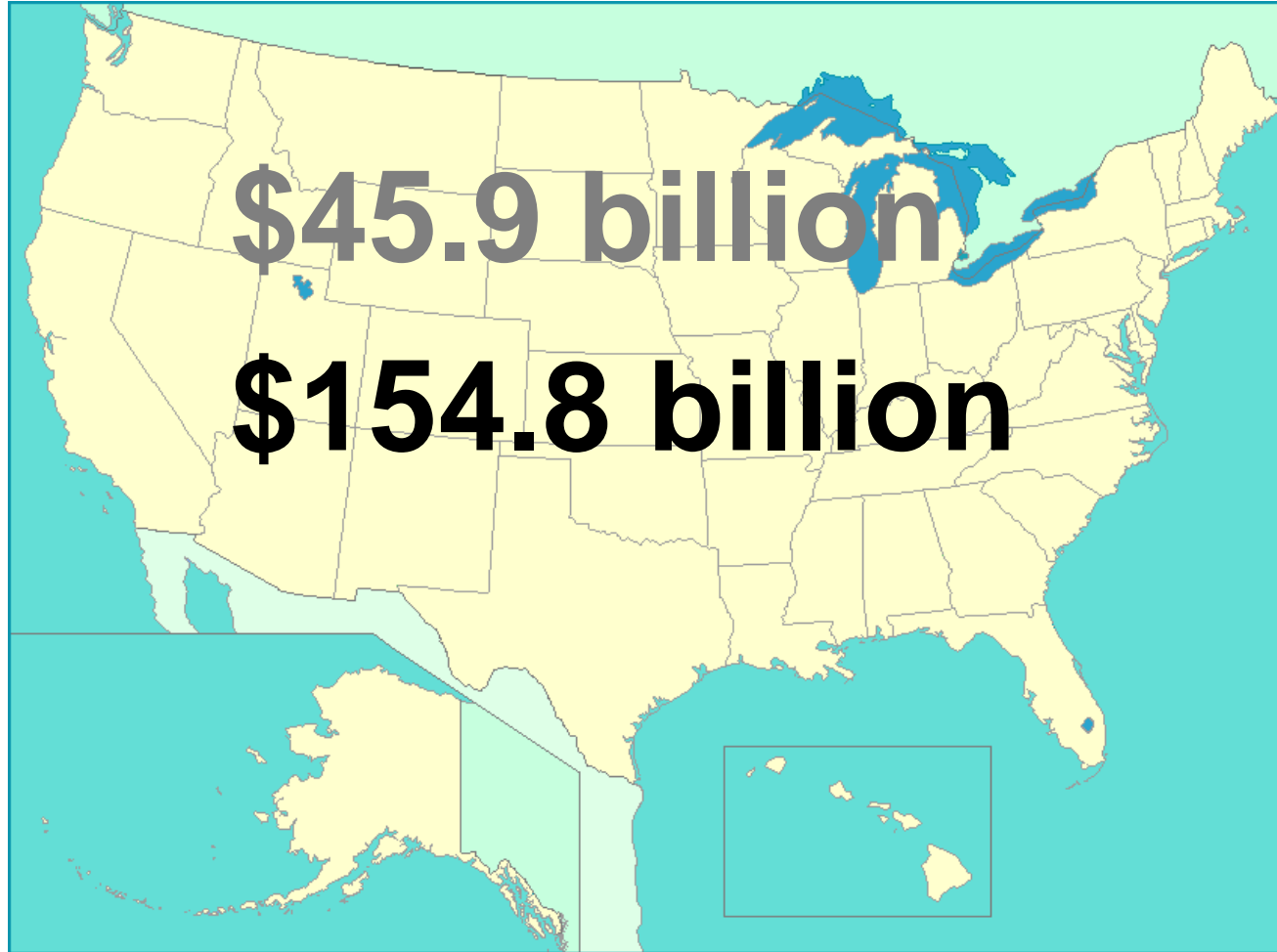
**Port Tenants:
\$27.6 Billion**

2012 – 2016 Survey Set A Benchmark

Port Region	Ports' Projected Capital Expenditures For 2012-2016	Projected Private Sector Capital Expenditures For 2012-2016	TOTAL Projected Port & Private Capital Expenditures For 2012-2016
<i>NORTH ATLANTIC</i>	2,122,375,000	1,206,500,000	3,328,875,000
<i>SOUTH ATLANTIC</i>	4,080,678,910	261,602,000	4,342,280,910
<i>GULF</i>	4,340,061,518	17,782,298,008	22,122,359,526
<i>GREAT LAKES</i>	224,650,000	135,000,000	359,650,000
<i>NORTH PACIFIC</i>	1,765,715,068	5,914,300,000	7,680,015,068
<i>SOUTH PACIFIC</i>	5,801,296,561	2,336,000,000	8,137,296,561
TOTALS:	18,334,777,057	27,635,700,008	45,970,477,065

Results of AAPA's 2012 – 2016 port infrastructure investment survey showed U.S. ports & their private sector partners planned to spend at least \$46 billion in port-related improvements through 2016.

U.S. Ports' Capital Investments



2016 - 2020
AAPA survey

Public Ports:
\$22.6 Billion

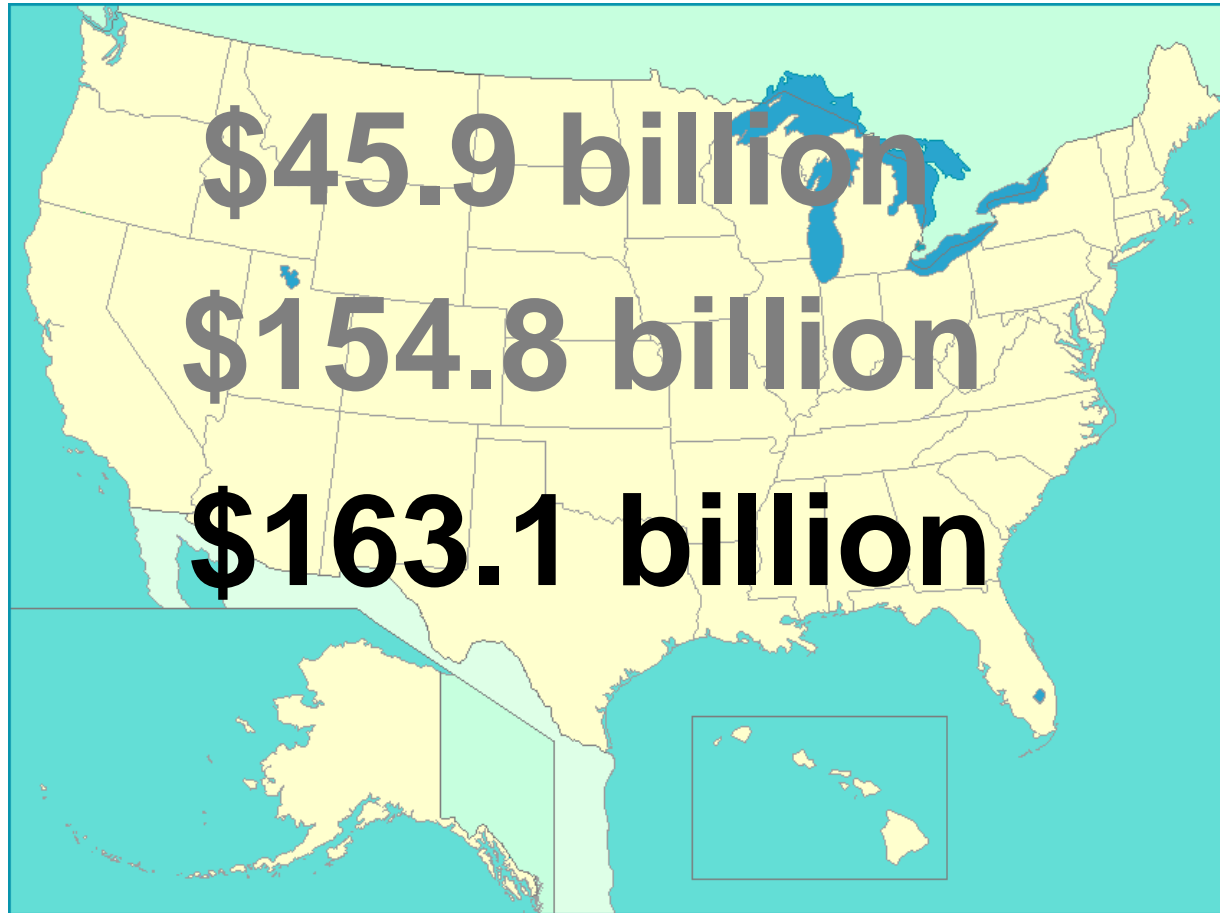
Port Tenants:
\$132.2 Billion

2016 - 2020 Survey Raised the Bar ... 3-Fold

Port Region	Ports' Projected Capital Expenditures for 2016-2020	Projected Private Sector Capital Expenditures for 2016-2020	TOTAL Projected Port & Private Capital Expenditures for 2016-2020
<i>NORTH ATLANTIC</i>	\$3,641,587,000	\$1,217,000,000	\$4,858,587,000
<i>SOUTH ATLANTIC</i>	\$7,592,716,466	\$1,787,000,000	\$9,379,716,466
<i>GULF</i>	\$4,999,477,595	\$122,792,800,000	\$127,792,277,595
<i>GREAT LAKES</i>	\$503,200,000	\$504,500,000	\$1,007,700,000
<i>NORTH PACIFIC</i>	\$1,293,438,518	\$2,734,000,000	\$4,027,438,518
<i>SOUTH PACIFIC</i>	\$4,573,279,326	\$3,139,655,000	\$7,712,934,326
TOTALS:	\$22,603,698,905	\$132,174,955,000	\$154,778,653,905

Results of AAPA's 2016–2020 port infrastructure investment survey show U.S. ports & their private sector partners plan to spend nearly \$155 billion in port-related improvements through 2020 . . . three times that of the previous 5-year survey!

U.S. Ports' Capital Investments



**2021 - 2025
AAPA survey**

**Public Ports:
\$22.9 Billion**

**Port Tenants:
\$140.2 Billion**

2021–2025 Survey Saw The Bar Raised Even More

U.S. Port Region	Projected Ports' Capital Expenditures For 2021-2025	Projected Port Tenants' Capital Expenditures For 2021-2025	TOTAL Projected Port and Port Tenant Capital Expenditures For 2021-2025
NORTH ATLANTIC	\$ 6,047,150,000	\$ 3,845,800,000	\$ 9,892,950,000
SOUTH ATLANTIC	\$ 3,861,876,600	\$ 3,861,876,600	\$ 7,723,753,200
GULF	\$ 4,950,431,000	\$ 117,193,000,000	\$ 122,143,431,000
GREAT LAKES	\$ 564,500,000	\$ 349,000,000	\$ 913,500,000
NORTH PACIFIC	\$ 2,745,214,199	\$ 10,285,900,000	\$ 13,031,114,199
SOUTH PACIFIC	\$ 4,753,460,000	\$ 4,647,500,000	\$ 9,400,960,000
TOTALS:	\$ 22,922,631,799	\$ 140,183,076,600	\$ 163,105,708,399

Results of AAPA's 2021 - 2025 port infrastructure investment survey show U.S. ports & their property tenants plan to invest more than \$163 billion in port-related improvements through 2025, although spending is contingent on economic recovery and federal, state and local government partnerships.

Why So Much \$\$ In Gulf Coast Port Projects?

- Many Gulf Coast infrastructure projects are construction and expansion of energy facilities, which are expensive to develop.
- Most ports weren't sure how much their port property tenants plan to spend on capital projects, so the estimate is conservative.
- There were another \$25.6 billion in port-related private-sector planned investments that were identified in this survey, outside of the ports.



To Work, Port-Related Infrastructure Investment Needs Federal Infrastructure Support



U.S. PORT AUTHORITIES' ROLE: AAPA's 2021-2025 survey found U.S. ports & their property tenants plan expansion/modernization investments of more than \$163B thru 2025, assuming government plays its part.



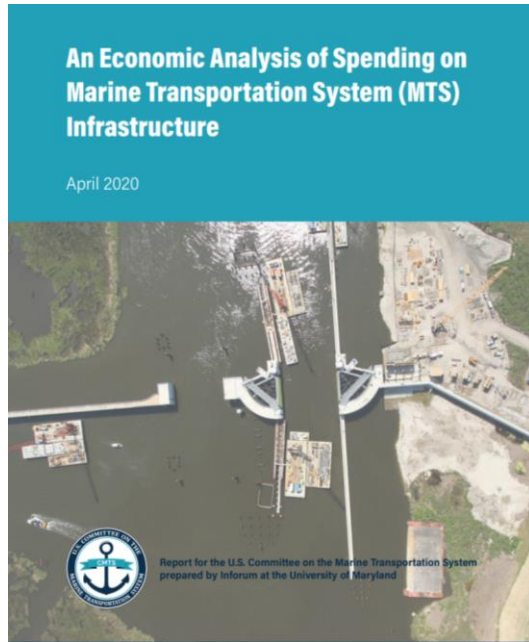
GOVERNMENT'S ROLE: To support port planned infrastructure investments, AAPA recommends \$500M in FY21 appropriations for USDOT's Port Infrastructure & Intermodal Program, \$1.5B for its BUILD program, \$2B for its INFRA program, \$15M for its Marine Highways program & \$330M for its CRISI grants program.

What Key Investments Are Ports' Non-Tenant Customers Planning?



While not included in the survey results, port non-tenant customers are planning to spend billions of dollars in new distribution & storage facilities, corporate buildings, rail upgrades, oil & gas refineries, logistics operations, land improvement & more.

New Inforum Report Showcases Value of Port-Related Infrastructure Investments



<https://bit.ly/3f3ecUI>

AAPA believes that infrastructure improvement funding, particularly for maritime and intermodal-related freight movement, is the best way to recover economically from the pandemic. A report released in April 2020 by Inforum at the University of Maryland for the U.S. Committee on the Marine Transportation System, demonstrates that increasing investment in marine transportation system infrastructure above a business-as-usual scenario will improve U.S. economic performance.

Compared to a baseline forecast that assumes continuation of limited public infrastructure investment, **the report finds:**

- Enhancing the level of infrastructure spending in the short term would boost jobs by between 54,700 and 182,500 jobs in 2025, depending on the scenario.
- By 2030, the level of real GDP would rise between about \$8 billion and \$41 billion in 2012 dollars.
- Because of cumulative effects through time, by 2045 infrastructure investments could produce economy-wide returns of between \$2 and \$3 per every \$1 spent, after adjusting for inflation.

***AAPA Seaports Deliver* Campaign Helping U.S. Ports**



To ensure that U.S. seaports have the resources & assistance necessary to deal with the unprecedented challenges posed by the coronavirus pandemic, AAPA's *Seaports Deliver* campaign includes garnering federal supplemental appropriations and provisions for ports:

- \$1.5B for a Seaports Grants-In-Aid program (for use in port operations, capital costs and debt service).
- Equal treatment of public entities under Division G of the Families First Coronavirus Response Act to allow port authority personnel to take payroll tax credits for paid sick & family medical leave during the pandemic.
- Ensure CARES Act state and locality funding is available to all localities.
- Repeal of the trade-choking, job-killing '301' China tariffs to increase domestic consumer spending power and help American manufacturing.

AAPA *Seaports Deliver* Campaign Helping U.S. Ports



To aid national economic recovery and provide further support for America's seaports, AAPA's *Seaports Deliver* campaign includes recommendations for:

- \$1B in FY20 supplementary funding for the Port Infrastructure Development Program (PIDP) to ensure continued investment is made in U.S. port infrastructure so ports & their industry partners can keep supply chains moving during the crisis and in the recovery that follows.
- \$4.5B for the Corps of Engineers coastal navigation program: \$2.5B in construction funding to expedite federal navigation channel improvement projects & to reimburse for federal funds owed, and; \$2B in Operations and Maintenance funding to ensure safe, efficient freight movement in federal navigation channels.

The Bottom Line

It's critical that ports, their property tenants and supply chain partners remain intact and able to facilitate the post-pandemic economic recovery.

Cargo activities at U.S. ports generate a total economic value of nearly 26% of the American economy. Ports and their port property tenants plan to invest a combined \$163.1 billion in infrastructure through 2025, not including investments being planned by their non-tenant customers.

Federal investments into port-related infrastructure are crucial to support and ensure these planned port investments are made to put America and Americans back to work.

