

April 19, 2018

The Honorable Robert Lighthizer
Ambassador
United States Trade Representative
600 17th St. NW
Washington, D.C. 20006

Dear Ambassador Lighthizer:

The American Association of Port Authorities (AAPA) represents ports throughout the United States that enable our nation to connect with the global marketplace. Our industry has long been a supporter of reciprocal, fair and equitable trade. However, we are concerned about potential trade sanctions that could result in significant losses of good paying U.S. trade-related jobs, including those in the seaport industry.

While AAPA does not comment on specific trade sanctions, prior to implementing any trade remedies or sanctions, we urge you to carefully consider the negative impacts these actions would have on port and other trade-related American jobs nationwide, including the effects of likely retaliatory responses from our trading partners.

Seaports are at the frontlines of the current uncertainties surrounding U.S. trade policy. It is important to recognize that international trade, both exports and imports, is good for American workers and our national economy. Seaports serve as the gateway to domestic and international trade, connecting large and small U.S. businesses to expanding international markets. As international trade hubs, seaports are vital economic engines. Seaport cargo activity accounts for over one quarter of the U.S. economy, generates nearly \$4.6 trillion in total annual economic activity and is responsible for \$321 billion annually in federal, state and local tax revenues. The cargo moving through U.S. ports supports more than 23 million American jobs.

It is also important to recognize potential impacts on U.S. exports. For every \$1 billion in exports shipped through U.S. seaports, 15,000 jobs are created. We support and encourage steps focused on expanding exports rather than creating new import restrictions.

With today's worldwide supply chain, American manufacturers, farmers and businesses often rely on ports to handle the raw materials and semi-finished components needed for production here in the United States. These imports enable U.S. manufacturers to export their products and enhance their international competitiveness. For example, U.S. cars are manufactured with a significant degree of imports. Reciprocal trade sanctions from our trading partners also can directly hurt U.S. exports, such as U.S. agricultural products. Recently, we joined the U.S. Global Value Chain Coalition (USGVC), whose mission is to highlight the American jobs and domestic economic growth generated in the United

States, even when part or all of the production takes place overseas. According to the USGVC, one in five American jobs are linked to exports and imports of goods and services, and millions of those jobs are tied to the global value chain. For example, 70 percent of the retail value of an imported garment is attributed to U.S. sources. U.S. global value chains are a vital part of the U.S. economy.

Creating and sustaining American jobs is a top priority of President Trump, a worthy goal that all can support. We urge you to take a comprehensive view of the millions of U.S. jobs related to trade and ensure U.S. seaport and other employment is not negatively impacted by trade actions. A 2016 AAPA survey showed that ports and their private sector partners plan to invest significantly in improving port infrastructure by spending \$155 billion between 2016 and 2020. As businessmen, however, they are concerned about making these investments in an unstable trade environment. Eliminating that uncertainty is especially important as this Administration seeks to find partners to build America's infrastructure. You can help stabilize the market by focusing on expanding U.S. exports and finding cooperative ways to address any current trade inequities.

America has always been a trading and maritime nation. It has made our country strong and a world leader in international trade. We believe it's vital that the U.S. economy and jobs can continue to benefit from jobs generated by trade, both exports and imports.

Thank you for your consideration as you work toward achieving fair and equitable trade with our trading partners.

Sincerely,

A handwritten signature in black ink, appearing to read "Kurt J. Nagle", with a long horizontal flourish extending to the right.

Kurt J. Nagle
President & CEO