

March 6, 2018

The Honorable Thad Cochran
Chairman
Senate Committee on Appropriations
S-128 Capitol Building
Washington, DC 20510
c/o Bruce Evans

The Honorable Rodney Frelinghuysen
Chairman
House Committee on Appropriations
H-305 Capitol Building
Washington, DC 20515
c/o Nancy Fox

The Honorable Patrick Leahy
Ranking Member
Senate Committee on Appropriations
S-146A Capitol Building
Washington, DC 20510
c/o Chuck Kieffer

The Honorable Nita Lowey
Ranking Member
House Committee on Appropriations
1016 Longworth House Office Building
Washington, DC 20515
c/o Chris Bigelow

Dear Chairmen Cochran and Frelinghuysen and Ranking Members Leahy and Lowey:

The American Association of Port Authorities (AAPA) is encouraged that the President, Congress and the American people have made investment in our nation's infrastructure a high priority. Now that the Congressional two-year budget agreement has been reached that includes \$20 billion for infrastructure, we are writing to highlight the infrastructure needs of seaports and urge you to consider additional investments in the FY 2018 and FY 2019 appropriations bills. Growing trade in America requires investment in our nation's infrastructure to meet the demand for safe, efficient movement of freight. These investments will help the U.S. to trade competitively on the world market.

As outlined in the attachment, AAPA has identified \$66 billion in port-related infrastructure federal investment needs over the next decade, which will result in U.S. job creation, economic growth and tax fairness. AAPA's 10-year recommendation to build America's 21st century seaport infrastructure includes \$33.8 billion for investments in waterside improvements and \$32.02 billion for landside investments. For FY 2018/2019, we believe additional infrastructure spending should be devoted to the Corps of Engineers Coastal Navigation Program, the Department of Transportation's TIGER program and FAST Act state formula funds and INFRA Grants.

U.S. Army Corps of Engineers

The Corps Navigation Program ensures our nation's water infrastructure can support our nation's ability to efficiently move freight and successfully compete in global trade. The budget includes funding for maintenance as well as modernization of deep-draft navigation channels into our nation's seaports. In FY 2018, AAPA calls on Congress to provide additional funds to help address the shortfalls. Channels are undermaintained due to a lack of full use of the Harbor Maintenance Tax (HMT). While AAPA's 10-year recommendation of \$27.6 billion is to maintain our deep-draft navigation channels and \$6.2 billion is needed to modernize deep-draft navigation channels, we also would like to make specific recommendations for the FY 2018 budget that the Congress is finalizing.

For 2018, AAPA urges you to devote additional infrastructure funds to the Corps Coastal Navigation Program. In the maintenance area, AAPA calls for \$2.372 billion through (1) full use of the 2017 HMT revenues, \$1.472 billion, and (2) \$900 million, one-tenth of the \$9 billion surplus. These funds

will expedite restoring navigation channels to their authorized depths and widths, improve efficient freight movement and benefit U.S. manufacturers and consumers. This would be an increase of \$1.03 billion above the FY 2018 expected funding level for harbor maintenance spending. AAPA also recommends \$400 million for Corps of Engineers navigation channel deepening projects, including \$100 million in first-year funding for Congressionally authorized navigation channel deepening projects. This is about \$170 million above House and Senate expected FY 2018 numbers.

Landside Investments

As ports are multimodal transportation hubs that handle 95% of our nation's overseas cargo, there are significant needs to support landside investments. Over a 10-year period, AAPA calls for \$32.03 billion in infrastructure investment, of which \$28.9 billion would be devoted to build vital road and rail connectors to ports and \$3.13 billion for improved port facility infrastructure.

For the FY 2018 budget, AAPA recommends \$1.25 billion for the Department of Transportation TIGER program with 25% dedicated to port-related infrastructure, an increase from the FY 2017 funding level of \$500 million. TIGER is an essential tool for seaports, because it is a multimodal funding resource that addresses many complex port facility needs as well as improves landside connectors to ports. AAPA also recommends that the 10% cap per state for TIGER be adjusted, as not all states have ports, but all states use ports. The 10% state limit puts port states at a disadvantage.

Additionally, AAPA recommends additional funding for the FAST Act state formula funds and INFRA grants, with an increase on the current \$500 million multimodal cap for INFRA grants as well as a loosening of the 10% cap for multimodal freight formula projects at the state level. Seaports need at least \$28.9 billion over the decade in port landside infrastructure federal funding, recently identified in a soon to be released report, *The State of Freight III – Rail Access and Port Multimodal Funding Needs*.

Ports and their private sector partners are making huge investments to prepare for the trade increases in the future. They are planning to invest \$155 billion between 2016 and 2020. This investment is reliant on and can be leveraged with federal investments to make our seaport infrastructure modern and strong. American seaport activity accounts for over a quarter of the economy and supports more than 23 million American jobs. Seaports are economic engines and vital freight gateways to the global marketplace for American farmers, manufacturers, and serve as critical infrastructure for the U.S. military. Increased federal support of seaport infrastructure must be part of the plan to spend \$20 billion over the next two years on infrastructure. Our nation's ability to address the trade needs of both today and the future are at risk. Seaport infrastructure investments are good for ports and good for the nation.

Sincerely,



Kurt J. Nagle
President & CEO

cc: The Honorable Lamar Alexander, Chairman, Senate Committee on Appropriations, Subcommittee on Energy and Water Development, c/o Jen Armstrong
The Honorable Dianne Feinstein, Ranking Member, Senate Committee on Appropriations, Subcommittee on Energy and Water Development, c/o Samantha Nelson
The Honorable Mike Simpson, Chairman, House Committee on Appropriations, Subcommittee on Energy and Water Development, c/o Angie Giancarlo
The Honorable Marcy Kaptur, Ranking Member, House Committee on Appropriations, Subcommittee on Energy and Water Development, c/o Jaime Shimek
The Honorable Susan Collins, Chairman, Senate Committee on Appropriations, Subcommittee on Transportation, Housing and Urban Development, and Related Agencies, c/o Gus Maples
The Honorable Jack Reed, Ranking Member, Senate Committee on Appropriations, Subcommittee on Transportation, Housing and Urban Development, and Related Agencies, c/o Christina Monroe
The Honorable Mario Diaz-Balart, Chairman, House Committee on Appropriations, Subcommittee on Transportation, Housing and Urban Development, and Related Agencies, c/o Doug Disrud
The Honorable David Price, Ranking Member, House Committee on Appropriations, Subcommittee on Transportation, Housing and Urban Development, and Related Agencies, c/o Joe Carlile