

American Association of Port Authorities

Alliance of the Ports of Canada, the Caribbean, Latin America and the United States

Seaports Prosperity

December 1, 2011

The Honorable Harry Reid Senate Majority Leader c/o <u>Chief of Staff David Krone</u>

The Honorable Mitch McConnell Senate Minority Leader c/o <u>Chief of Staff Sharon Soderstrom</u>

The Honorable John Rockefeller Chairman Senate Committee on Commerce, Science and Transportation c/o <u>Staff Director Ellen Doneski</u>

The Honorable Kay Bailey Hutchison Ranking Member, Senate Committee on on

Commerce, Science and Transportation c/o <u>Staff Director Todd Bertoson</u>

The Honorable John Boehner House Majority Leader c/o <u>Chief of Staff Barry Jackson</u>

The Honorable Nancy Pelosi House Minority Leader c/o <u>Chief of Staff John Lawrence</u>

The Honorable John Mica Chairman, House Committee on Transportation and Infrastructure c/o <u>Staff Director James Coon</u>

The Honorable Nick Joe Rahall Ranking Member, House Committee

Transportation and Infrastructure c/o <u>Staff Director James Zoia</u>

Senate, House and Committee Leadership:

Representing America's seaports, I write to you today to express the deep concern we have over the current rail labor contract negotiations, which have reached an impasse. It is our understanding that if the railroads and unions do not reach agreement by December 6, the nation could face a rail labor strike. AAPA strongly urges Congress to take swift action to avert a discontinuation of rail service on December 6.

Railroads are a vital component of the freight transportation system and are critical to international trade and goods movement to and from our nation's seaports. Nearly a third of the nation's GDP is derived from international trade, with 99 percent of our overseas trade moving through seaports. Approximately \$3.8 billion in cargo is moved through America's seaports daily. A significant portion of this cargo relies on the freight rail system to reach its destination.

Railroads enable America's farmers and producers to connect to seaports to reach overseas export markets. Railroads connecting to seaports carry imported raw materials, inputs to manufacturing, and consumer goods to the hinterland, supporting thousands of jobs and enhancing our standard of living.

The National Carriers' Conference Committee estimates that a disruption of rail service could potentially cost our country \$2 billion a day. Given the fragility of our current economy and job recovery, this simply cannot be allowed to occur.

In the past, Congress has acted to preserve interstate commerce by intervening on 19 separate occasions with America's railways, as sanctioned under Article I, Section 8 of the U.S. Constitution. AAPA strongly urges Congress to take the necessary action in order to avert a discontinuation of rail service on December 6.

Sincerely,

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Kurt J. Nagle President and CEO