

FREIGHT & LANDSIDE INFRASTRUCTURE

To be competitive in the 21st Century global economy, we need a national freight strategy that takes a comprehensive view of every mode of freight transportation, whether on the waterside or the landside of seaport facilities. Port-related infrastructure connects American farmers, manufacturers and consumers to the world marketplace. Seaports facilitate the increasing export of American-made goods that is essential to the growth of our economy. Cargo moving through seaports is responsible for more than 13 million jobs. Annually seaports generate more than \$200 billion in federal, state and local tax revenue and more than \$20 billion in Customs duties. Particularly in these challenging economic times, it is crucial that basic, core federal missions, like ensuring efficient access to America's seaports, be recognized and prioritized. **To meet these demands, the American Association of Port Authorities (AAPA) and its members urge Congress and the Administration to pass a robust surface transportation authorization that prioritizes freight mobility and intermodal access to seaports.**

AAPA supports implementation of a national freight policy and plan that includes:

- Continuing creation of a national freight strategy that includes consideration of cargo flowing through ports, both large and small. To be competitive in the global marketplace, diverse cargos have a variety of logistics needs that should be incorporated into a national freight plan. Existing connectors between the Interstate Highway System and intermodal facilities, such as seaports, need to be integrated into a larger strategy.
- Intermodal connectors on the Primary Freight Network being crafted by the Department of Transportation, either in the initial 27,000 mile map, or by using the additional 3,000 miles.
- A Freight Conditions and Performance Report that includes freight movement through ports; AAPA has been working with DOT to identify port-specific freight movement measurement standards, and we hope to continue that working relationship.
- Dedicated funding for freight projects. Identification and funding for intermodal freight connectors (highway, maritime, rail) that are vital to port efficiency and cargo mobility. Rail connector projects eligible for investment should specifically include rail connectors to ports, large and small.

- Freight corridors are as important as roadways and the highest priority/critical freight gateways and corridors need to be designated. Gateways and corridors should be combinations of high freight volume roadways and rail corridors that connect ports, intermodal connectors, multimodal freight facilities, multi-state freight corridors, international borders or airports. Criteria to select these gateways, and the corridors that support them, should include (in no priority order) the volume of freight moved (as measured by TEUs and Tons), the value of freight moved, freight vehicle miles traveled, congested lane miles, system delays, and should consider the number of multimodal facilities served by the corridor. When the priorities are established, they need to enhance the competitive position of the nation's existing freight flows and support the nation's strongest areas of future growth.
- Making port authorities eligible to apply directly for project funds through federal and state freight programs.

AAPA strongly encourages expertise at the state/metropolitan planning organization (MPO) level on marine highway alternatives/benefits, as well as dedicated freight offices with coordinators, programs, and funds that support what is implemented at the federal level. So much of the highway funds are

managed at the state level that more extensive expertise in maritime and freight issues is important to ensure port freight is part of the state planning process.

AAPA strongly recommends a continuation of a “TIGER-style” program and that a minimum of 25 percent of the funding be dedicated to port-related infrastructure needs. AAPA supports the “TIGER” program to provide discretionary grants utilizing U.S. general treasury funds for port infrastructure projects. This program is the only general federal funding source for port-related infrastructure. This infrastructure is critical to the U.S. economy and the competitiveness of U.S. exports.

With regard to program reform, AAPA supports a performance-based approach as set forth in MAP-21 and encourages the conditions and performance reports to be as broad as possible. In evaluating the conditions and performance of the freight system, DOT should take a multimodal view that includes land *and* waterside connections, including navigation channels.

Regular assessments of national freight system performance and the effectiveness of U.S. freight policy should include benchmarking our freight system and policies with that of other nations.

AAPA supports project delivery streamlining as set forth in MAP-21 for surface transportation infrastructure and similar initiatives regarding waterside infrastructure project study and delivery processes. Streamlining should address environmental review inefficiencies and National Environmental Policy Act (NEPA) redundancies that cause project delays and cost overruns, including delegating NEPA responsibilities to appropriate state agencies.

AAPA supports investments in freight rail that make the system safer and more efficient, improve environmental sustainability and encourage competitive rail access to ports. The federal surface transportation program should:

- Provide tax credit incentives for main line and short line railroads to invest in port access
- Include a grant program with cost-share (federal/railroad) for projects with both public and private benefits
- Define freight corridors of national significance that would be eligible for rail investment and their critical connectors
- Increase expertise in state departments of transportation and MPOs on rail access issues

AAPA supports the development of marine highways that alleviate highway congestion, provide important system redundancy and improve environmental sustainability through:

- Harbor Maintenance Tax exemptions for certain U.S. port-to-port cargo
- Federal funding to support the return of transshipment cargo service to U.S. mainland ports
- Federal funding support (operating and capital) for short sea shipping services
- Encourage use of the Congestion Mitigation and Air Quality (CMAQ) Improvement Program to fund projects for short sea shipping services
- Incentives for shippers (e.g., green tax credit)
- Development of expertise at the state/MPO level on marine highway alternatives/benefits
- Reassessment of federal shipbuilding programs, exploring how they could support marine highway development

AAPA believes that a combination of funding mechanisms will be necessary to address freight mobility needs in the U.S. These funding mechanisms should not disadvantage U.S. ports in their ability to remain competitive.

AAPA believes that if a freight trust fund is created under surface transportation authorization to fund freight projects, it should be fully spent on freight transportation and not used for deficit reduction. Appropriate projects that are freight-related should still be eligible to compete for other federal funding sources.

AAPA supports alternative financing mechanisms like national and state infrastructure banks, the Transportation Infrastructure Finance and Innovation Act (TIFIA) program, and government bond financing. However, these mechanisms should:

- Specifically include public ports as eligible applicants
- Specifically include port-related infrastructure as eligible for funding
- Complement rather than supplant freight infrastructure grant funding mechanisms
- Ensure most major port projects can qualify within funding floors contained in legislation and that funding floors are not too high

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