



Seaports Deliver Prosperity

For centuries, seaports have served as a vital economic lifeline by bringing goods and services to people and enhancing overall quality of life. Seaports continue to be a crucial link for access to the global marketplace. Each year seaports throughout the Western Hemisphere generate about \$8.6 trillion of economic activity, support the employment of tens of millions of people, and import and export more than 7.8 billion tons of cargo, including food, clothing, medicine, fuel, building materials, consumer electronics, and toys. The volume of cargo shipped by water is projected to dramatically increase over the coming decades, and the number of passengers traveling through our seaports continues to grow. To meet these demands, the American Association of Port Authorities (AAPA) and its members look forward to partnering with the Administration and Congress to strengthen the infrastructure that will create jobs, alleviate congestion, reduce pollution and deliver prosperity.

Seaports Vital to Recovery & Reinvestment

- ✓ **Seaports deliver the goods and allow for choice in good times and bad.** From your morning coffee to the shoes on your feet, nearly everything we use comes through a seaport. Because of seaports, consumers enjoy less expensive options for purchasing food, clothing, medicine, fuel, and building materials, as well as consumer electronics and toys. Ports also serve as transit points for millions of cruise passengers and U.S. military equipment.
- ✓ **Seaports sustain and create new high-paying jobs.** Seaports and the businesses they support provide some of the highest paying union jobs in the country. These jobs are *in America* and provide strong family wages for the American worker. With ambitious initiatives to increase exports nationwide, seaports are also providing thousands more jobs every year and could do more with greater federal priority on freight infrastructure.
- ✓ **Seaports invest significantly in our economy and infrastructure.** Infrastructure improvement that helps to enhance the movement of goods flowing into and out of our country is good for America. While exports are key economic drivers, U.S. manufacturers also rely on imported materials and parts to create finished products that can be purchased and used by American consumers.
- ✓ **Seaports facilitate export of American-made goods, which are increasing and essential to the recovery of our economy.** U.S. waterborne exports hit record highs in 2011, with increases from 2010 of 9.8 percent in volume to 572.6 million metric tons and 25.2 percent in value to \$570.3 billion.
- ✓ **Seaports help propel billions of dollars in business income and spending annually.** From 2010 to 2011, the Gross Domestic Product grew 1.7 percent. Exports of goods were responsible for approximately 40 percent of that growth. As exports and GDP have grown, so have corporate profits. From the 4th quarter of 2010 to the 3rd quarter of 2011, corporate profits from the manufacturing sector increased 34 percent.
- ✓ **Seaports have invested significantly in our economy and infrastructure and now need long-overdue federal investment.** America's seaports and their private-sector partners plan to spend nearly \$8 billion a year collectively in marine terminal capital improvements over the next five years to help handle freight and cruise passengers more efficiently. Private equity groups and other financial interests are also investing in America's seaports because they represent a stable source of long-term revenue. Neither national freight policy nor federal transportation funding yet adequately match local, state, and private investment dollars.

Seaports Need Higher Federal Priority

Transportation & Commerce: Modern, navigable, uncongested seaports are vital to international trade and economic prosperity.

- Develop a comprehensive national freight policy and increase funding for projects and corridors of national and regional significance, intermodal freight connectors, and marine highways and encourage public-private partnerships, rail expansion, and more freight expertise and funding at the state level.
- Continue and increase funding priority for port-related infrastructure through transportation discretionary grant programs like the DOT's "TIGER" program.
- Increase appropriations and improve project delivery efficiency for the U.S. Army Corps of Engineers Civil Works deep draft navigation portfolio including:
 - Funding deepening and widening of federal navigation channels to keep the U.S. globally competitive.
 - Full use of the Harbor Maintenance Tax (HMT) for its intended purpose of maintaining channels to their full authorized depth and width. Channel users pay this tax that is supposed to fund 100 percent of channel maintenance, but only a portion of this tax is appropriated each year, resulting in unmet needs while building a huge surplus (\$6.34 billion in 2011).
- Encourage federal support for marine highways, including elimination of the HMT for U.S. port-to-port cargo moves, to provide a federal incentive for domestic short sea shipping, alleviating highway congestion and improving environmental sustainability.
- Establish a multi-modal freight office within the Office of the Secretary to provide high-level freight policy expertise within DOT.

- Fully fund NOAA's aids to navigation and Electronic Navigational Charts and the Physical Oceanographic Real Time Systems (PORTS), which are essential to the protection of life and property and the enhancement of marine efficiency.
- Support policies that enhance, rather than restrict, free and open trade in the Western Hemisphere.

The Environment: Seaports are working to identify solutions that enhance our coastal resources and reduce environmental impact.

- Fully fund the Diesel Emissions Reduction Act (DERA) of 2005, by annually appropriating the authorized level of \$100 million to support retrofitting legacy equipment, using cleaner fuels, improving operational efficiency, and purchasing new electric and battery-powered equipment, especially clean trucks to replace dirty diesel trucks.
- Ensure a strong federal ballast water management program to reduce the risk of invasive species in our navigable waterways and provide a uniform system of protection.

Homeland Security: Safe and secure seaports are fundamental to protecting our borders and moving goods.

- Support strong budgets for the U.S. Coast Guard and Customs and Border Protection, which impact port security.
- Fully fund the Port Security Grant program, providing \$400 million annually as authorized, and grant a permanent waiver of the requirement for 25 percent cost-sharing.
- Streamline the Federal Emergency Management Agency's (FEMA) final approval of grants allowing ports to adopt security improvements more quickly.
- Ensure that full implementation of the Transportation Worker Identification Program (TWIC) does not have a negative impact on the movement of cargo.
- Support the Department of Homeland Security's (DHS) container security programs, including supporting DHS' extension of the 2012 deadline for 100% scanning of containers overseas.