**AAPA Talking Points on TRADE  
Revised 8-16-2018**

**Seaports Connect the Nation and the World**

***Seaports serve as the gateway to domestic and international trade, connecting large and small U.S. businesses to the expanding global marketplace.***

* Seaports, which are international trading hubs, are also vital economic engines. Seaport cargo activity accounts for over a quarter of the U.S. economy. U.S. seaports generated nearly $4.6 trillion in total economic activity and more than $321 billion in federal, state and local tax revenues in 2014.
* International trade through seaports create American jobs. Seaport cargo activity supports the employment of more than 23 million U.S. jobs - an increase of 9.8 million jobs since 2007. Seaport-related jobs also provide for $1.1 trillion in annual personal income and local consumption.
* U.S. seaports are responsible for moving nearly all of the country’s overseas cargo volume…99.4% by weight and 64.1 percent by value.
* Seaports ship U.S. exports, create jobs, deliver vital goods to consumers and support local and national economic growth.
* For every $1 billion in exports shipped through U.S. seaports, 15,000 jobs are created.
* With today’s global marketplace and 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 U.S. and to be able to export their products and enhance their international competitiveness.
* Each year, U.S. seaports handle about 2 billion tons of cargo (import, export and domestic) including food, clothing, medicine, fuel, raw materials, components, building materials, electronics and toys.
* Each of our 50 states relies on at least 15 seaports to handle its imports and exports, equal to about $6 billion worth of goods moving in and out of U.S. seaports each day.

**AAPA on U.S. Trade Policy**

* Seaports are at the frontlines of the current uncertainties surrounding U.S. trade policy. It’s important to recognize that international trade, both exports and imports, is good for American workers and our national economy.
* Trade is good for American workers and our national economy. Actions that would inhibit trade could have sizable negative repercussions to American jobs and the economy.
* AAPA is 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.
* The Sections 232 and 301 tariffs recently announced and the responses to date from our trading partners impact nearly 10 percent of total U.S. trade by value, over 6 percent by cargo tonnage, and 17 percent of containerized trade.
* The Section 301 tariffs on Chinese commodities and China’s retaliatory responses, to date, cover 8.4 percent of trade through America’s ports. For example, they cover 19 percent of the value of the trade through California ports, and 14 percent each for Georgia ports and ports in the state of Washington.
* In addition, the Section 232 steel and aluminum tariffs and retaliatory responses cover a significant level of the value of trade moving through ports in these states: Illinois – 28 percent; Connecticut – 9 percent; Wisconsin– 7 percent. According to the latest data, the total value of imports & exports covered by Section 232 steel and aluminum tariffs and retaliatory responses amount to $27.97 billion, or 1.3 percent of total value of US import/export trade.
* For the ports in Delaware, New Jersey and Pennsylvania:
* Delaware--$81.6 million in import/export trade is covered, or 0.7 percent of Delaware’s total trade.
* New Jersey--$320.9 million in trade is covered, or 8 percent of New Jersey’s total trade *[NOTE: Not sure if PANYNJ agrees with the numbers for the New Jersey ports]*
* Pennsylvania--$1.55 billion in trade is covered, or 3.6 percent of Pennsylvania’s total trade
* For the same three states, the total tonnage of imports & exports that are covered by Section 232 steel and aluminum tariffs and retaliatory responses to date equal 21.3 million tons, or 1.7 percent of total tonnage of U.S. import/export trade. Broken out by state, those number are:
* Delaware--50,351 tons, or 0.4 percent of total Delaware tonnage
* New Jersey--445,079 tons, or 10.9 percent of total New Jersey tonnage
* Pennsylvania—1,543,060 tons, or 4.6 percent of total Pennsylvania tonnage
* The impact of steel/aluminum tariffs would have a broad impact:
  + The Association of General Contractors cited the rise in commodity prices as one of the major reasons home prices have increased. Steel was one of the main commodities mentioned in their report.
  + Tariffs will have a far-reaching ripple effect on other sectors, as well, industrial construction, highway/infrastructure construction and mining.
  + As an example of impacts to U.S. agricultural exports:  80 percent of the steel moving through the Port of New Orleans moves up the Mississippi river by barge. Those same barges are then used by U.S. farmers to deliver agricultural products to the grain elevators located on the Lower Mississippi River. Without those barges moving upriver, the cost to transport U.S. grain increases, making U.S. agricultural products less competitive with those in other producing countries like Brazil and Russia.
* Federal policymakers must recognize that an unnecessary trade war, one characterized by imposing trade sanctions on select imports, would do far more harm than good.
* Reciprocal trade sanctions from our trading partners can directly hurt U.S. exports, such as U.S. agricultural products. According to the U.S. Global Value Chain Coalition, for which AAPA is a member, 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.
* 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.
* AAPA urges the Administration and Congress 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. Ports and their private sector partners are planning to invest significantly in improving port infrastructure by spending $155 billion between 2016 and 2020. As business people, 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.
* AAPA urges the Administration and Congress to consider the negative economic and employment impacts on seaports and their surrounding communities prior to imposing trade sanctions on imports from other nations, and encourages giving affected industries and consumers opportunities to discuss the impacts of sanctions to them in any trade remedy proceedings.
* To ensure America’s future prosperity and its status as an economic powerhouse, AAPA is working to help federal policymakers recognize that an unnecessary trade war would do far more harm than good.
* Because trade supports everyone, AAPA encourages federal policymakers to work swiftly to restore market certainties and forge paths to expand U.S. exports, rather than create new import restrictions.
* AAPA supports efforts within the Congress and the Administration to emphasize the importance of international trade to the American economy and to structure the government's organization and policies to bring maximum focus and efficiency to that effort.
* AAPA supports the goals of increasing employment and economic vitality, and continues to share its policy and infrastructure investment recommendations toward those objectives with the Administration and Congress.
* AAPA favors continued U.S. participation in comprehensive negotiations to expand trade in goods and services on a fair and equitable basis.
* AAPA believes the North American Free Trade Agreement (NAFTA) has been a net positive to the U.S. economy – especially for U.S. auto manufacturers. Trade between Canada, Mexico and the U.S. has tripled since its enactment in 1993 while U.S. manufactured exports to Canada and Mexico account for 2 million jobs. The ability to invest across the continent helps supports industries that may otherwise flee the region altogether.

***Topline Talking Points from Americans for Free Trade***

* Tariffs are taxes. They are paid for by American families, farmers, businesses, workers and communities. They aren’t paid for by other countries. They are paid here at home.
* The tariffs that have been imposed thus far have caused U.S. businesses to lay off workers, raised prices for consumers, hurt American farm exports, and threaten an otherwise productive economy.
* But we are only seeing the tip of the iceberg. While data from August shows tariffs have already gone up nationwide by 45% over last year’s monthly levels - the full force of tariff increases, including the impact of recent tariffs on $200 billion in goods, has yet to be fully felt.
* In the coming months these tariffs will reach directly into the pockets of U.S. consumers and hurt the bottom line of U.S. businesses and farmers.
* Tariffs are being placed on the goods that American families buy and use every day. From groceries, to baby products, to pet food, to electronics and home appliances. These tariffs are being passed on to the consumer in the form of higher prices and reduced choice and availability.
* Tariffs are increasing the costs for US businesses who rely on imported components for their domestic manufacturing operations.
* Retaliatory tariffs in particular are hurting American farmers. From soy, to corn, to fruit and specialty crops, farmers are being hurt by reduced demand, lower prices and uncertainty in global markets.
* We understand the administration’s desire hold other countries accountable, but this is the wrong approach.
* These tactics aren’t working and come at the expense of American families, farmers and businesses. America needs a clear strategy for how and when this trade war comes to an end.
* Instead of doubling-down on tariffs that have not worked, it is time for meaningful negotiations to take place. In the months ahead, we urge the administration to use forums like the G-20 to engage trading partners in discussions on how we can hold trading partners accountable without hurting American families.

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