

# FREIGHT & LANDSIDE INFRASTRUCTURE

To be competitive in the 21<sup>st</sup> Century global economy, our nation needs a national multimodal freight network that incorporates and leverages 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 23.1 million U.S. jobs and \$321.1 billion in federal, state and local tax revenue. The FAST Act is a good first step in building our nation's 21<sup>st</sup> century freight network.

### **AAPA supports the full enactment of the FAST Act freight funding provisions:**

- AAPA has identified \$28.9 billion in 125 port-related freight network projects. These projects range from intermodal connectors, gateway and corridor projects, to marine highways and on-dock rail projects.
- AAPA supports the full use of the multimodal funding provisions in the FAST Act, the \$500 million discretionary grant program as well as the 10 percent set aside with the freight formula program. AAPA has identified 46 multimodal projects totaling \$7.5 billion.
- AAPA supports the use of funding corridor projects from the freight and highway projects of significance program in the FAST Act. AAPA has identified 34 port supported corridor and gateway projects totaling \$19.5 billion.

### **AAPA supports including multimodal connectors in a national freight plan and funding them.**

Nearly 80 percent of AAPA U.S. ports anticipate a minimum \$10 million investment being needed in their port's intermodal connectors through 2025, and 30 percent anticipate at least \$100 million investment in connectors.

**AAPA supports strong investment in on-dock rail.** 73 percent of AAPA U.S. member ports have on-dock rail, while most others have rail tracks within terminals near docks, which is often referred to as near-dock rail. However, U.S. ports' apparent rail infrastructure strength is misleading. Many port on-dock and near dock rail systems are out-of-date and need to be significantly enhanced and reinforced, as well as integrated with new technology to accommodate rising shipping volumes

**AAPA supports better access to the Railroad Rehabilitation & Improvement Financing (RRIF) program for port rail projects.** Only 13 percent of AAPA ports have utilized RRIF. AAPA also recommends that RRIF include a capital grants component to the program.

**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 Transportation Investment Generating Economic Recovery (TIGER) grant program to provide discretionary grants utilizing U.S. general treasury funds for purely multimodal 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.

**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 sustainable freight funding source must be established to build out the 21<sup>st</sup> century freight network.** AAPA supports a waybill fee approach that would generate \$8 billion annually for multimodal freight projects and would be firewalled in a freight trust fund.

**AAPA believes that if a freight trust fund is created 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.**

*March 2016*