

THE UNIFIED VOICE OF THE SEAPORT INDUSTRY

AAPA
www.aapa-ports.org

Infrastructure Investment

AAPA Harbors and Navigation meeting

Jim Walker

AAPA Government Relations

Director of Navigation Policy and Legislation

November 15, 2017

American Association of Port Authorities
703.684.5700 • www.aapa-ports.org

Maritime Infrastructure Investments - Ports

- AAPA 2016 survey of Ports identified \$155 billion in planned and scheduled capital investments 2016-2020
- AAPA 2012 survey of Ports identified \$45 billion, 2012-2016
- Federal investment for 2016-2020 estimated to be \$25 billion

Building America's 21st Century Seaport Infrastructure
For job creation, economic growth and secure borders

23 MILLION
AMERICAN JOBS
SUPPORTED BY SEAPORTS

\$6 BILLION+
VALUE OF GOODS HANDLED
BY SEAPORTS EACH WEEKDAY

\$321 BILLION
A YEAR IN TAX REVENUE
GENERATED BY PORT ACTIVITY

\$4.6 TRILLION
VALUE OF ECONOMIC ACTIVITY
RELATED TO SEAPORTS ANNUALLY

\$66 BILLION
NEEDED FOR PORT-RELATED
INFRASTRUCTURE
OVER THE NEXT 10 YEARS

Maritime Infrastructure Investments - Federal

- \$25 billion estimated based on:
- Corps: \$13 billion
 - \$2.6B (FY17) x 5 years
- Dept of Transportation: \$12 billion
 - TIGER Grants
 - FAST Act (Surface Transportation)
- 6 to 1 ratio, Non-Fed to Federal \$
- Federal investment essential for returns to be realized on port investments

Building America's 21st Century Seaport Infrastructure
For job creation, economic growth and secure borders

23 MILLION
AMERICAN JOBS
SUPPORTED BY SEAPORTS

\$6 BILLION+
VALUE OF GOODS HANDLED
BY SEAPORTS EACH WEEKDAY

\$321 BILLION
A YEAR IN TAX REVENUE
GENERATED BY PORT ACTIVITY

\$4.6 TRILLION
VALUE OF ECONOMIC ACTIVITY
RELATED TO SEAPORTS ANNUALLY

\$66 BILLION
NEEDED FOR PORT-RELATED
INFRASTRUCTURE
OVER THE NEXT 10 YEARS

Infrastructure Investment

- President campaigned on \$1 trillion over 10 years
- Recent discussions on \$200 billion
- Maritime infrastructure must be included
- AAPA and others emphasizing freight movement as engine for economic growth
- Ports need \$66 billion for Waterside and Landside components

Waterside Infrastructure Investment

MAINTAIN DEEP-DRAFT NAVIGATION CHANNELS

\$27.6 BILLION NEEDED

\$18.6 billion for full use of annual Harbor Maintenance Tax (HMT) revenues, including increasing donor equity

\$9 billion to use the HMT surplus to address the chronic maintenance backlog

Restore tax fairness to the HMT

MODERNIZE DEEP-DRAFT NAVIGATION CHANNELS

\$6.2 BILLION NEEDED

\$3.1 billion for federal share of 15 current congressionally authorized construction channel improvements

\$3.1 billion for federal share of projects undergoing feasibility studies



Landside Infrastructure Investment

BUILD VITAL ROAD AND RAIL CONNECTORS TO PORTS

\$28.9 BILLION NEEDED

Provide robust funding for federal programs to modernize landside port connectors, including DOT TIGER, FAST Act state formula funds and FASTLANE grants

IMPROVE PORT FACILITY INFRASTRUCTURE

\$3.13 BILLION NEEDED

Provide \$1.25 billion annually to the U.S. DOT TIGER program, with 25 percent dedicated to port related infrastructure

Fully fund FEMA's Port Security Grant Program, which provides funds for transportation infrastructure security activities at American ports.



Fully Maintained Projects - K.I.S.S. Approach Needed

- Bottom line: Congress wants to know ‘How much?’
- Corps and Ports need to come up with tools and amounts
 - Desire for Engineer accuracy can work against you!
- “Don’t be such a ~~Scientist~~ Engineer!”

Asset Group	RED		AMBER		GREEN
Channels	???		???		???
Jetties	F	D	C	B	A
Placement Areas	I.t. 5 yrs		I.t. 10 yrs		10+ yrs

Status

- Channels: Ports reluctant to publish info showing channel restriction issues. Consider alternate terms:
 - Fully Maintained
 - Well Maintained
 - State of Good Repair
- Coastal Structures: Hung up on Condition versus Consequences
 - Condition: Loss of stone from original design/construction
 - Consequence: Loss of function, ex break up waves
- Dredged Material Placement Facilities
 - Years remaining generally acceptable
 - Issues with implementing/funding Dredged Material Management Plans (DMMP)

Seeking Alternatives: Navigation Channel Performance

- ERDC's Channel Portfolio Tool, CPT
- CPT can identify 'cargo at risk'
 - Tons
 - Vessel trips
 - Cargo value
- Example of grades
- A: 0 tons or vessel trips at risk
- B: 1-10% of tons or vessel trips at risk
- C: 11-20% of tons or vessel trips at risk
- D: 20-30% of tons or vessel trips at risk
- F: Over 30% of tons or vessel trips at risk

“Fully Maintained Projects”

- An issue for AAPA efforts to agree on HMT permanent legislative fix- full annual HMT revenues provided directly to the Corps
- All projects ‘fully maintained’ before Donor Ports receive funding for expanded uses?
- All 1000 projects in Corps inventory?
- High and Moderate commercial use?
- Identify a subset of ‘active’ navigation projects?
- Thoughts on a scrub

Maritime role in U.S. Economy

What you do is critically important!

- 21st century U.S. economic growth is directly linked to global trade
- 95% of world population and 80% of consumption is outside of U.S.
- Presently 26% of GDP, soon to be 30%
- Maritime infrastructure - Ports, ships and navigation channels are essential to global trade and economic growth!

THANK YOU!

- to ports, regional associations and organizations for your support and advocacy;
- to Appropriators for funding;
- to Congressional members that see this as a national issue for inland as well as coastal states
- These are important investments for 21st century freight movement
- Please help us educate and advocate for maritime infrastructure

