

February 15, 2019

The Honorable Elaine L. Chao
Secretary
U.S. Department of Transportation
1200 New Jersey Avenue, SE
Washington, DC 20590

Dear Secretary Chao,

The American Association of Port Authorities (AAPA) is writing to express its strong support for public seaports' applications for the FY 2019 Infrastructure for Rebuilding America (INFRA) Grants. Direct and sustainable multimodal funding for freight infrastructure was AAPA's top priority for the FAST Act.

Founded in 1912, AAPA is the unified and collective voice of the seaport industry in the Americas. AAPA empowers port authorities, maritime industry partners and service providers to serve their global customers and create economic and social value for their communities. Our activities, resources and partnerships connect, inform and unify seaport leaders and maritime professionals in all segments of the industry around the western hemisphere. Our letter today is on behalf of our U.S. members.

It is a critical time for making needed federal investments in the nation's port-related infrastructure. Rising freight volumes on all three coasts and the Great Lakes means we must upgrade our waterside and landside infrastructure to accommodate larger ships and the accompanying freight volume and passenger surges.

Maritime cargo volumes have seen marked increases over the past six decades and have continuously impacted our freight infrastructure. Total U.S. waterborne tonnage roughly doubled between 1956 and 2017, but this is due almost entirely to U.S. foreign trade growth which has seen nearly a 500 percent increase during that time frame, based on U.S. Army Corps of Engineers data.

In the last 17 years alone, container volumes have increased by 71 percent, passengers through our cruise port terminals increased by 98 percent, and total foreign trade in short tons increased by 37 percent.

To highlight the need for multimodal investments, AAPA released the [State of Freight III – Rail Access and Port Multimodal Funding Needs Report](#). The report addresses the need for improved rail access – efficient transfer of containers and other bulk goods directly from a maritime vessel to a rail car and vice versa. Sixty-seven percent of our members report that funding and financing options are significant barriers to improved rail access. Forty-three percent of our members report that improving rail access would contribute to over 25 percent more throughput capacity. Other members with smaller projects report good, although lower, throughput gains. Overall, AAPA members identified upwards of \$20 billion in multimodal project investment needs over the next decade.

The governments of Canada and Mexico are making large investments in their freight transportation systems, including their seaports. Goods imported and exported do not need to go through U.S. ports. If we do not maintain our infrastructure, more freight will flow through neighboring countries. To keep these important maritime jobs at home, the U.S. government must make significant investments in seaport infrastructure.

As the Department of Transportation begins to evaluate the applications for the INFRA grants, we strongly urge you to focus on seaports and the last-mile, freight-related projects, including gateways and corridor projects, to help maintain and expand the maritime infrastructure. These projects support U.S. exports and imports, which are vital to our nation's economy, standard of living and U.S. jobs.

Sincerely,

A handwritten signature in black ink, appearing to read "Kurt J. Nagle", with a long horizontal flourish extending to the right.

Kurt J. Nagle
President and CEO