

InfrastructureUSA

Guest on THE INFRA BLOG

Kurt Nagle, President and CEO, American Association of Port Authorities (AAPA)

Conversation with Steve Anderson, Managing Director, InfrastructureUSA

Ports Are a Major Part of the U.S. Economy

A lot of times when folks talk about infrastructure, whether the public or policy makers, a lot of times you hear them talking about roads, highways, bridges etc., but really the freight transportation infrastructure throughout our country is vital to our economy and certainly our international competitiveness, and particularly in and around our seaports. A lot of times that is not fully recognized by the public or policy makers. Just to give an overview of that, the activity that goes around seaports accounts for over a quarter of our U.S. economy, the GDP, so it's an absolutely vital, critical piece of our economy. It accounts for over 23 million jobs and also, importantly, in these kind of tight fiscal times, that activity generates over \$320 billion a year in local, state and federal tax revenue that hopefully then can also be utilized to strengthen and rebuild and modernize that infrastructure that allows for that activity.

We Need Better Maintained, More Modern Ports in Order to Compete

Our water-side infrastructure, which in this country are federal navigation channels, are right now not being even maintained at their current authorized depths and widths. So we're not even maintaining our infrastructure to where it's supposed to be and where it has been historically. That's a major problem, and particularly when you see the trade growth and the larger vessels that are already in international trade, we need to be deepening and widening a number of our channels to accommodate those larger vessels. Right now we're not even providing enough resources to the Corps of Engineers to enable them to fully maintain the channels', as they're currently authorized, depths and widths. We need to make sure that we're maintaining the infrastructure that we have, and we as a nation have invested in over the years. Secondly, on the land side we need to make sure that connections into and out of our ports are able to accommodate—and accommodate efficiently but also safely and in an environmentally positive way—that trade that needs to move through our ports to again enable us to be competitive internationally, but also to grow the economy here in the United States. So in terms of the land side, it's more a case of increasing the efficiency of the connections between the various modes, and obviously ports are a key note in that, particularly as it relates to that quarter of our economy that relies on international trade.

Boosting Efficiency and Improving Environmental Performance

One of the things that we've done as an organization and industry, and certainly continue to do, is to get policy makers as well as influencers out to physically see a number of ports and see what is being done in terms of investment in infrastructure. A lot of that infrastructure entails new technology: technology in terms of handling equipment, container cranes, low-emissions vehicles, electrification that reduces diesel

emissions etc., that increases efficiency, but also has the double benefit of environmental enhancements. We recently updated a survey last year that talks about what our member port authorities and their private sector partners are doing in terms of investing in infrastructure because, certainly, while we think a lot needs to be done at the federal level to complement that investment, the ports and their private-sector partners are investing over \$155 billion just over the next five years in their facilities and in infrastructure to address the growing needs, address the new opportunities, new technologies etc. So there's a huge amount of investment, a lot of new technology that again not only improves our productivity but also the environmental aspects of port operations.

We're Killing Our Competitiveness and Wasting Investments

We're at a crisis in terms of our nation's transportation infrastructure, and particularly including our freight transportation infrastructure. Certainly, ports and their connections on both sides are vital pieces of that. There's a lot of investment being made at the local level in the port facilities themselves. Primarily, the shortfall more in line with a crisis situation is in those connections. When your navigation channels are not even being maintained at the depths and widths—many of them are only being maintained for essentially half of their width—it's just an absolute waste of federal investments. It's essentially the equivalent of making an investment in a two-lane highway, making that significant investment, and then just maintaining half of it down the middle and letting the rest fall by the wayside and fall into disrepair. We're not only reducing our competitiveness, reducing efficiency, but we're in essence wasting past investments in our nation's infrastructure. At a bare minimum we need to be maintaining the infrastructure that we have and improving it where appropriate; we can't be letting it run down. What is particularly frustrating and problematic is that those navigation channels have a user fee, the harbor maintenance tax, that collects more than is necessary to enable those channels to be fully maintained. But a good deal of that money—up until just a few years ago about half of that money on an annual basis—was being diverted to other areas of the federal budget.

AAPA: Representing Seaports throughout the Western Hemisphere

The American Association of Port Authorities represents public seaports throughout the Western Hemisphere—certainly the major ports throughout the United States, but in addition to that, ports throughout Canada and the Caribbean and Central and South America. For our broad membership, a lot of the focus is on sharing of experiences, lessons learned, best practices in terms of port operations and various areas of port management and operation. In addition to that, for our United States members, we focus as the leading advocacy group here in Washington, DC, to highlight the critical role that ports play and to advocate for policies that would allow that positive economic activity around ports to continue to grow.

**www.InfrastructureUSA.org
212.414.9220
info@infrastructureusa.org**

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