

Freight and Landside Infrastructure

Our nation needs a national multimodal freight network that incorporates and leverages every mode of freight transportation, whether waterside or landside, to be competitive in the 21st-century global economy. Port-related infrastructure connects American farmers, manufacturers, and consumers to the world marketplace. Seaports facilitate the increasing export of American-made goods that are essential to the growth of our economy.

Department of Transportation (DOT) programs are critical to modernizing and maintaining our nation's port infrastructure. Programs essential to accomplishing this goal include Better Utilizing Investments to Leverage Development (BUILD) grants, freight programs at the state and national level, Infrastructure For Rebuilding America (INFRA) grants, rail financing programs and grants, the America's Marine Highways Program and other Build American Bureau financing tools that support port infrastructure construction.

AAPA supports robust funding of the Maritime Administration's Port Infrastructure Development grant program. After years of advocating for dedicated funding to be provided for port infrastructure grants, AAPA applauds Congress for allocating nearly \$750 million for port infrastructure investment over the previous three years.

It is critical that the U.S. expand investment in port infrastructure to address growing trade. AAPA port members have identified more than \$20 billion in projected multimodal port, and rail access needs alone, as outlined in the *State of Freight III, Rail Access, and Port Multimodal Funding Needs Report*.

AAPA strongly recommends a continuation of the DOT "Multimodal BUILD-style" grants. These BUILD discretionary grants should be funded minimally \$1.5 billion. BUILD grants have funded important, inside-the-gate, projects that assist ports to be "big ship ready" for the 21st century and help to return existing facilities into a state of good repair.

However, Improvements to the program can be made to benefit our nation's trade infrastructure. The 10 percent state limit on BUILD grants should be waived for port projects as all states benefit from the use of ports to move exported and imported goods, while 25 percent of BUILD funding should be dedicated to port-related infrastructure needs.

AAPA supports robust multimodal freight programs as our nation's surface transportation policies are reauthorized, including increased funding of freight program. AAPA urges Congress to pass reauthorize the FAST Act and remove limitations on multimodal infrastructure investments.

- The Fast Act formula freight funds at both the state and federal levels included multi-modal caps that should be waived. This consists of a \$500 million limit for Infrastructure for Rebuilding America (INFRA) Grants and a 10 percent limit on state multimodal funding.

- 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 use of funding corridor projects that align with the nationally and regionally significant freight and highway projects program in the FAST Act. AAPA has identified 34 port supported corridor and gateway projects totaling \$19.5 billion.

AAPA supports including and funding multimodal connectors in a national freight. Nearly 80 percent of AAPA U.S. ports anticipate a minimum of \$10 million investment being needed in their ports' intermodal connectors through 2025, and 30 percent expect to need at least \$100 million of investments in connectors.

AAPA supports stabilizing freight programs and supports mechanisms to sustainably fund infrastructure investment. Finding a funding source for all FAST Act programs is essential. AAPA also supports language to ensure all commercial ports are included in the national multimodal freight map/network. DOT should also maintain a national multimodal freight strategic plan.

AAPA supports substantial investment in rail access. In the *State of Freight III – Rail Access and Port Multimodal Funding Needs Report*, AAPA members stated 69 percent have on-dock rail access, 72 percent have near-dock rail access, and another 15 percent cited “other” rail access. However, U.S. ports' apparent rail infrastructure strength is misleading. Many ports' 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.

Moreover, because of these demands and evolving freight network challenges, 80 percent of the AAPA member ports are seeking better rail access. Furthermore, 34 percent of ports are projecting port rail investments of over \$50 million in the next ten years.

AAPA supports continued funding for the Federal Railroad Administration's Consolidated Rail Infrastructure, and Safety Improvement (CRISI) Grants Program, which provides crucial multimodal funding for port rail access projects. In the *State of Freight III* report, AAPA members identified 75 potential BUILD grant projects that could be financed by RRIF if access to the program and 100 percent financing was available.

AAPA supports the development of marine highways that alleviate highway congestion, provide necessary system redundancy, and improve environmental sustainability through:

- Harbor Maintenance Tax exemptions for specific 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,
- 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).

AAPA supports alternative financing mechanisms. This includes the Transportation Infrastructure Finance and Innovation Act (TIFIA) program, the Railroad Rehabilitation and Improvement Financing Program (RRIF), the Short Line Tax Credit (45G), and bond financing. The DOT should continue its progress to make these programs more port friendly. AAPA recommends waving the finance fee for RRIF loans.