



PORTS. UNITED.



Policy Agenda for the 117th U.S. Congress

Executive Summary:

Seaports serve a vital role in U.S. job creation, America's international competitiveness, economic prosperity, and the supply chains for essential goods even in – or *especially in* - times of emergency.

Seaports are responsible for more than 31 million U.S. jobs, \$378 billion in federal, state and local tax revenue, and \$5.4 trillion in economic activity. Seaports are economic engines and vital gateways to the global marketplace for American farmers, manufacturers, energy producers and consumers, and serve as critical infrastructure for the U.S. military. Moreover, economists agree that cruising and tourism ports are *American exports* that support an under-appreciated \$55 billion to the U.S. economy and more than 430,000 jobs.

To protect jobs, supply chains, and national resilience, the 117th Congress and the Biden-Harris Administration must make investments today to build back America's seaport infrastructure.

PRIORITIES FOR THE 117TH CONGRESS:

Expand America's Economic Gateways

America needs to Build Back Better. To ensure U.S. global competitiveness, effective maritime transportation programs must be resourced and strengthened. The federal government should increase investments in programs that target seaport and multi-modal infrastructure.

Invest in Sustainability

Ports spend millions of dollars every year on environmental protection and sustainability. Congress must continue to support programs that help U.S. ports transition to the greener economy, adopt alternative fuel and sustainability practices, develop wetlands, restore coastal habitats, and monitor water quality.



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Safeguard Our Borders

Effective border protection must allow the secure and efficient movement of freight through U.S. seaports. Adequate federal funding is required for the Department of Homeland Security and for facilities, staffing, and equipment for American ports.

Support Free, Fair, and Rational Trade

Seaports connect American small business owners, farmers and manufacturers to the global marketplace. Protectionism is self-harming. Instead, policymakers should recognize that trading abroad actually gives Americans access to food, medicine, and other consumables while moving Made in America products all around the world.

Drive Innovation

Modern port infrastructure is not just docks, pilings, and piers – it's hardware, software, and data exchange. The challenges of the pandemic show that cargo visibility and electronic data exchange are mission critical – the Federal Government must support the port industry's uptake of technology to keep up with our competitors in Asia and Europe.



Themes of the Ports United Policy Agenda for the 117th Congress

Gateways to our Economy

Resources for Better, Resilient
Maritime Infrastructure

Sustainable Investments

Data-Driven Policy for Port Infrastructure
Means Long-Term Cost Savings

Security at our Gateways

Supporting the Government in its
Constitutional Customs Mission

Calmer Seas

Free, Fair, and Rational Trade

Information Technology & Digitization

Virtual Connectivity Informs Physical
Connectivity, and Visibility Means More
Efficient Supply Chains

1. Gateways to our Economy

Resources for Better, Resilient Maritime Infrastructure

America needs to Build Back Better. We can start by making sure the effective programs already in place for maritime transportation infrastructure keep pace with expanding global value chains.

As AAPA will show this year with its upcoming Staying a Superpower report, the U.S.'s competitors and trading partners are planning, funding, and modernizing their port infrastructure far faster.

Congress must also ensure that reauthorization of our nation's surface transportation policies prioritizes multimodal freight infrastructure to remain competitive internationally and to connect American producers to international markets.

POLICY RECOMMENDATIONS FOR CONGRESS AND THE PRESIDENT:

- ✓ Initiate full appropriation of the annual Harbor Maintenance Trust Fund (HMTF) revenues, in accordance with the 2020 Coronavirus Aid, Relief, and Economic Security (CARES) Act and 2020 Water Resources Development Act (WRDA);
- ✓ Support Army Corps of Engineers' development of implementation guidance for the 2020 WRDA, including provisions for funds distribution;
- ✓ Codify Frontline Essential Worker designation for maritime workers for Covid-19 vaccine priority and personal protective equipment allocation;
- ✓ Fully fund the Port Infrastructure Development Program (PIDP), Better Utilizing Investments to Leverage Development (BUILD), Infrastructure for Rebuilding America (INFRA), Consolidated Rail Infrastructure and Safety Improvements (CRISI), and Port Security Grant Program (PSGP), reflecting that every dollar invested in our nation's maritime infrastructure yields benefits of \$2 to \$3¹;
- ✓ Establish policies to support sustained improvement in the performance of the national multimodal freight transportation network in the next reauthorization of our nation's surface transportation legislation;
- ✓ Expand the role of ports in Department of Transportation programs - including in the BUILD and INFRA programs - to better reflect the role that ports play in the national economy;
- ✓ Establish dedicated programs to invest in national freight infrastructure and ensure a sustainable source of funding for these programs;

¹ https://www.cmts.gov/downloads/CMTS_Economic_Analysis_of_Spending_on_MTS_Infrastructure.pdf.

- ✓ Ensure federal port investments allow for technology to a) keep up with competitor ports around the world and b) simultaneously advance productivity, safety, sustainability, and job creation;
- ✓ Expand ports' eligibility for other Federal programs, e.g., the Department of Commerce Economic Development Administration (EDA) awarding of a grant to a port for the first time in response to severe weather;
- ✓ Proceed with shovel-worthy grant projects when ports are already using grant dollars to the maximum extent for "Buy America";
- ✓ Proceed with shovel-worthy projects by addressing regulatory review inefficiencies and National Environmental Policy Act (NEPA) redundancies that cause project delays and cost overruns, including the continued delegation of NEPA responsibilities to appropriate state agencies.

2. Sustainable Investments

Data-Driven Policy for Port Infrastructure Means Long-Term Cost Savings Infrastructure

Port communities are where land meets water, therefore they are the first impacted by the effects of climate change. Port communities are on the front lines of a) sea level rise and extreme weather, and b) reducing greenhouse gas emissions. Port communities need help with rising tides, increasingly frequent and severe weather events, and the transition to the modern, greener economy.

Investments now will pay dividends in the future through a stronger, more competitive economy and a healthier environment. But until those investments are in place, as disasters do happen with more regularity and ferocity, we must ensure that resources are made available directly to the hubs of commerce to manage the immediate impacts of a changing climate.

In 2021 AAPA will develop the State of Freight Volume V, to be a playbook for how federal policymakers can revolutionize port infrastructure programs for sustainability and climate.

POLICY RECOMMENDATIONS FOR CONGRESS AND THE PRESIDENT:

- ✓ Use the Maritime Transportation System Emergency Relief Program (MTSERP) to help ports manage the economic challenges wrought by the COVID-19 pandemic and to quickly recover from future disasters;
- ✓ Maintain flexibility in the Environmental Protection Agency's Diesel Emissions Reduction Program to transition to cost-effective greenhouse gas reduction strategies at ports;

- ✓ Streamline the ability to use dredged material from navigation channels for other beneficial efforts such as coastal storm damage reduction and environmental restoration;
- ✓ Include extreme weather events in Homeland Security planning and dedicate funds to keeping critical infrastructure above water;
- ✓ Use existing PIDP eligibility to include projects that support reduction of greenhouse gas emissions or support climate change adaptation;
- ✓ Fund workforce development efforts designed to train the maritime workers to maintain, repair, and operate newer and cleaner cargo handling equipment at U.S. ports;
- ✓ End the double tax at U.S. ports for transshipped cargo. The double tax is suppressing short sea shipping, which once expanded, will reduce trucks on highways, improve air quality, and increase safe freight movements;
- ✓ Ensure port eligibility for environmental mitigation and enhancement programs, such as the Environmental Protection Agency's National Estuary Program, that allow ports to partner with communities to enhance near-port ecosystems and increase coastal resilience.

3. Security at our Gateways

Supporting the Government in its Constitutional Customs Mission

Cargo inspection and duties collection are Federal responsibilities. Ports might complement these government responsibilities, but they maintain a laser focus on getting people and goods where they need to go.

America's port authorities are concerned about Custom and Border Protection's (CBP) unprecedented demands that ports bear the cost of CBP's facilities and space.

Ports also work with the agency by advocating in Congress for increased inspection staffing and equipment to ensure efficient and safe movement of people and goods.

POLICY RECOMMENDATIONS FOR CONGRESS AND THE PRESIDENT:

- ✓ Require CBP to clearly define what is a "necessary" facility requirement for cargo inspections;
- ✓ Act on examples of inappropriate CBP support requests, and protect ports from agency retaliation;

- ✓ Rein in the agency's unauthorized development of technical standards on facilities blueprints;
- ✓ Develop a fund for CBP seaport facilities, possibly by using existing commercial fees;
- ✓ Fund resource needs—immediate and future— - to assure safe and efficient inspection of cargo, including the hiring of additional CBP officers and installation of radiation portal monitors (RPMs);
- ✓ Support public and private sharing of cyber incident data in order to enhance maritime supply chain cybersecurity;
- ✓ Increase oversight of CBP from the Department of Homeland Security Inspector General and from the Government Accountability Office.

3. Calmer Seas in International Trade Free, Fair, and Rational Trade

Emerging from a period of failed retrenchment and protectionism, global trade persists. Ports are the conduit for arguably the oldest and most resilient industry ever undertaken by humans—trade in goods. Despite the Covid-19 pandemic, or perhaps because of the need to stock our shelves with different types of protective equipment, medicines, and home goods, ports have remained open for business.

The policies of alienating our trading partners and turning away from global consumer markets—80% of which are outside America—need to end. Barriers to trade harm everyone because they increase costs on American businesses and decrease access to goods and export markets.

AAPA supports free-flowing trade that gives Americans access to food, medicine, and household goods while at the same time allowing Made in America products to reach the world.

POLICY RECOMMENDATIONS FOR CONGRESS AND THE PRESIDENT:

- ✓ Eliminate tariffs that artificially suppress trade and raise prices for American consumers. Tariffs are taxes on American consumers. The current trade wars with Canada, Mexico, China, and Europe have resulted in \$50 billion in economic losses for Americans;
- ✓ Reform and resuscitate the World Trade Organization (WTO). 95% of international trade moves by water, and the WTO guards the broad outlines of the rules necessary to keep the entire system from seizing up over political disputes;
- ✓ Negotiate U.S. trade deals to broaden prosperity and American market access around the world;

- ✓ Include an Environmental Goods Agreement in any environmental tax proposals in order to keep an even playing field for American consumers and businesses who want to transition to the green economy but should not be disadvantaged;
- ✓ Pass a renewal of the powerful Trade Promotion Authority (TPA), which allows the President to negotiate trade deals and then send them to Congress for an up-or-down vote.

5. Information Technology & Digitization

Virtual Connectivity Informs Physical Connectivity, and Visibility Means More Efficient Supply Chains

The global competitiveness of U.S. ports means using technology to keep up with the operational efficiencies and customers' "visibility" that ports have in Europe and Southeast Asia. As we have learned with the pandemic and vaccine distribution, when supply chains stretch and surge, it is more important than ever—other than war—that ports and their users be able to identify where goods and passengers are and where they need to go.

Useful information about goods movements requires reliable communications infrastructure. The information technology that ports rely on is "the infrastructure of the infrastructure." Software, hardware, and devices call for the same investment as docks, pilings, and piers.

More electronic exchange of documents and data is about change management—it's about finding processes at ports that can be done more easily, quickly, or transparently and then digitizing them.

POLICY RECOMMENDATIONS FOR CONGRESS AND THE PRESIDENT:

- ✓ Use AAPA's technical and policy committees to find common ground on the timeline for Port Community Systems (PCS) and the standards thereof;
- ✓ Agree on and use PCS that are interoperable, scalable, secure, and have common standards;
- ✓ Set a national framework for effective and enforceable data security, especially when data is being used internationally for supply chains;
- ✓ Provide national and international resources for increasing digitization of supply chains;
- ✓ Protect and back up the Global Positioning System (GPS), used by the maritime industry around the world. The system is being exploited by foreign adversaries, and on the home front, the rapid privatization of the bands of spectrum where GPS operates might lead to interference. Regulators must protect legacy GPS systems while allowing for the safe development of 5G spectrum as well.

Our respectful conclusion is that America's ports are essential.

They are resilient and they are united on the fact that policymakers can keep our maritime trading system the best in the world by following these recommendations for the 117th Congress.

Through the challenges of a difficult 2020, America's ports and its brave workers remained OPEN and saw first-hand how government investments keep our supply chains strong and how we can remain resilient for the future.

