

## News Release

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### Ports To Benefit From Freight Provisions In FAST Act

With the announcement yesterday that a House-Senate conference committee has agreed on a \$305 billion, five-year plan for surface transportation reauthorization, dubbed the **FAST (Fixing America's Surface Transportation) Act**, U.S. ports and the entire freight-handling industry are poised to claim some important victories, with close to \$11 billion in funding slated for freight programs.

The American Association of Port Authorities (**AAPA**) – the unified and recognized voice of seaports in the Americas – strongly urged House and Senate conferees to include dedicated funding for freight projects, omit specific port performance metrics, and reauthorize the Export-Import Bank, which they did. The result, says AAPA President and CEO **Kurt Nagle**, is a compromise bill that elevates the priority of freight movement in a way that constitutes major progress in recognizing the value of America's seaports and freight network to the economy, jobs creation and international competitiveness.

"AAPA is pleased by the broad eligibility of seaports for infrastructure grants and other financing in this bill," noted Mr. Nagle. "For the first time we have dedicated funding for multimodal freight projects. This is a big step forward. It shows that Congress and the Administration firmly recognize that seaports must be connected to America's surface transportation network in order for the freight network to be efficient."

Additionally, Mr. Nagle said that placing freight policy under the U.S. Department of Transportation (USDOT) Under Secretary for Policy will pay immediate dividends.

"We're extremely pleased that a framework within the USDOT will be in place to quickly implement the freight planning provisions as well as administer the freight funding as quickly as possible," he said. "There are freight projects that are ready to go and freight bottlenecks that must be addressed. AAPA looks forward to continuing to work with USDOT as our new freight policies take shape."

Many of the policy and funding freight programs included in the FAST Act conference report were discussed in AAPA's **2015: The State of Freight**, released last April. In that report, U.S. ports alone identified upwards of 46 needed multimodal projects totaling \$7.5 billion over the next decade.

Specific AAPA-advocated provisions that appear in the conference report include:

- **Freight Formula Funding** - AAPA strongly supported inclusion of a National Highway Freight Program (NHFP). The \$6.3 billion in dedicated apportioned funding over five years will be a valuable tool in connecting ports with the surface transportation network.

"The NHFP will have broad applicability to ports, large and small, in addressing 'first-and-last mile' and connector project needs while enhancing efficiency," said Mr. Nagle.

- **Nationally Significant Freight and Highway Projects Program** - AAPA is also a strong advocate of a nationally significant freight and highway projects program, which conferees agreed to fund at \$4.5 billion over five years. Additionally, the conference report included an AAPA-requested provision requiring state freight plans.

"This program perfectly complements the NHFP in that it provides dedicated funding for larger projects, such as gateway and corridor projects that traditionally lead to and from our nation's ports," said Mr. Nagle. He further noted that the association urged lawmakers to include \$500 million for multimodal freight projects in this program, which they did.

- **National Highway Freight Program Redesignation** – In addition to freight program funding, AAPA advocated for including the approximately 1,200 miles of "first-and-last-mile" roadway links to America's seaports and other intermodal transfer facilities as part of a national highway freight program designation. Lawmakers agreed to include 41,518 centerline miles to the freight program designation, which includes links with ports.

"Many of the connections with ports are in various states of disrepair and face further deterioration, particularly as trade volumes continue to grow," said Mr. Nagle. "Like links in a chain, these transportation connections are critical to the overall freight network, and are particularly vulnerable in large, congested metropolitan communities where commuters and freight share the same system."

- **Port performance** – While supporting the intent of assuring efficient freight movement at U.S. ports, AAPA urged against legislating port performance metrics. The conference report language strips specific metrics out and calls for the creation of an industry working group to address a national unified process in moving freight into and out of the country.
- **Ex-Im Bank reauthorization** – Included in the conference report is language that AAPA supported to reauthorize the Export-Import Bank, which is the official Export Credit Agency of the United States.

"Failure to reauthorize Ex-Im would put at risk the \$27 billion in exports enabled by the Ex-Im Bank last year, and it would undermine the thousands of companies that directly utilize Ex-Im Bank tools to compete in global markets," said Mr. Nagle. "If Congress didn't reauthorize Ex-Im, the U.S. would become the only major industrialized nation without such a tool, putting American exporters at a unique disadvantage in tough global markets."

- **CMAQ** - Additionally, AAPA is pleased with the increased focus on ports in the conference report's Congestion Mitigation and Air Quality (CMAQ) Improvement Program. CMAQ, which is a program that states and localities use to reduce emissions and improve air quality, should be an important tool for ports across the country. The FAST Act

agreement legislates port eligibility, including port-related equipment and vehicles within CMAQ.

"Ports are part of their communities and work hard to maintain and improve air quality in our communities. CMAQ has been and continues to be an important tool to reduce emissions," said Mr. Nagle.

Despite the good news on freight programs and funding, AAPA was disappointed to see that Congress indexed customs fees to offset the cost of the bill.

In advance of Congressional action on the surface transportation bill, AAPA launched its **Freight: Keep It Moving** campaign in September to raise awareness of the importance of funding freight and to augment the association's surface transportation bill advocacy activities. Through social and traditional media outreach, AAPA, its members and industry allies used the campaign to help enlighten Congress about the importance of freight funding to seaports and the U.S. economy. Using the hashtag #FreightKeepItMoving, AAPA engaged its partners, such as American Society of Civil Engineers, Infrastructure Week, Building America's Future and numerous other organizations to share its messages. AAPA also shared freight statistics through Facebook and Twitter on Mondays (#MaritimeMonday), Wednesdays, and Fridays (#FreightFriday), and reached out to key lawmakers through their respective states' media to share state-specific information, which was amplified by individual ports and associations located in those states.

"Overall," stated Mr. Nagle, "the language in the conference report supports many of AAPA's long-standing priorities and recognizes the importance of efficient freight movement to our economy and quality of life. We applaud lawmakers for crafting a bill that prioritizes freight movement."

He added, "AAPA, our member ports and many allied freight-related organizations worked tirelessly to enlighten lawmakers on the importance of funding freight projects in advance of this bill. We believe our collective efforts resulted in the favorable freight provisions we now see in the final bill language that Congress will act upon in the coming days."

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## About AAPA

Founded in 1912, the American Association of Port Authorities (AAPA) is the recognized and coordinated voice of seaports in the Americas. Our trade association represents more than 150 public port authorities in the United States, Canada, the Caribbean and Latin America. In addition, association members include more than 300 sustaining and associate firms and individuals with an interest in the seaports of the Western Hemisphere. AAPA is dedicated to strengthening the ability of member ports to serve their global customers and create economic and social value for their communities. AAPA promotes the common interests of the port community, and provides leadership on trade, transportation, environmental and other issues related to port development and operations. AAPA also raises awareness among the public, media, and policy makers about the essential role ports play within the global transportation system. AAPA headquarters is located in Alexandria, Virginia, approximately 5 miles south of Reagan

National Airport, at 1010 Duke Street. The staff includes 14 full-time, and three part-time, employees. AAPA's annual budget is approximately \$2.7 million. AAPA is governed by its 10-member Executive Committee and 52-member Board of Directors. AAPA has 12 technical and three policy committees; there are 350 individual corporate and almost 200 individual associate members on the committees.