

Port Freight Infrastructure Planning & Investment

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Overview of MARAD'S
StrongPorts Program Webinar
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Alliance of the Ports of Canada, the Caribbean, Latin America and the United States

Seaports
Deliver
Prosperity

American Association of Port Authorities
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American Association of Port Authorities

Representing Seaports of the Western Hemisphere for 100 years!

- **AAPA was established in 1912**
- Since then, AAPA has been providing a space for collaboration and exchange of best practices
- Fostering collaboration among members and allied groups through:
 - Education and Training
 - Networking and one on one interaction
 - Legislative and Policy support for U.S. ports
 - Outreach



19 Members in the Freight Stakeholder Coalition – And Growing



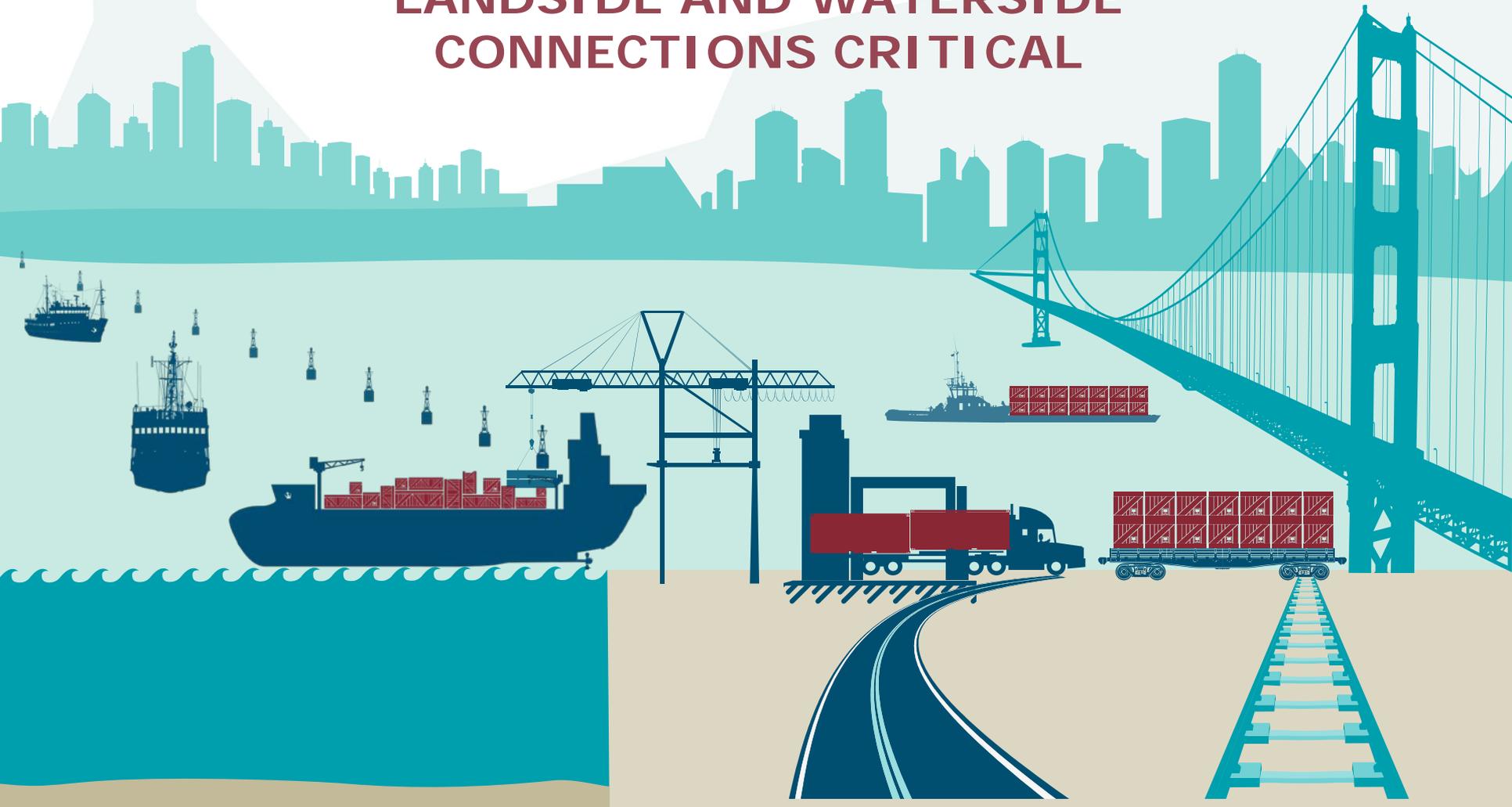
Role of Ports in the U.S. Economy

- Cargo moving through ports generates over 13M jobs
- Over 1/4 of U.S. economy is accounted for by international trade
- 99% of overseas trade goes through America's seaports
- Port activity generates more than \$200 billion in federal, state and local tax revenues



INFRASTRUCTURE VITAL FOR AMERICA'S TRADE FUTURE

LANDSIDE AND WATERSIDE CONNECTIONS CRITICAL



The Port Footprint is Expanding

- Larger vessels
 - assessing the adequacy of channel and marine terminal capacity
- More work is being pushed out beyond the gate to accommodate
 - increasing populations in metropolitan areas
 - greater trade volume



Impact Beyond the Port Gates

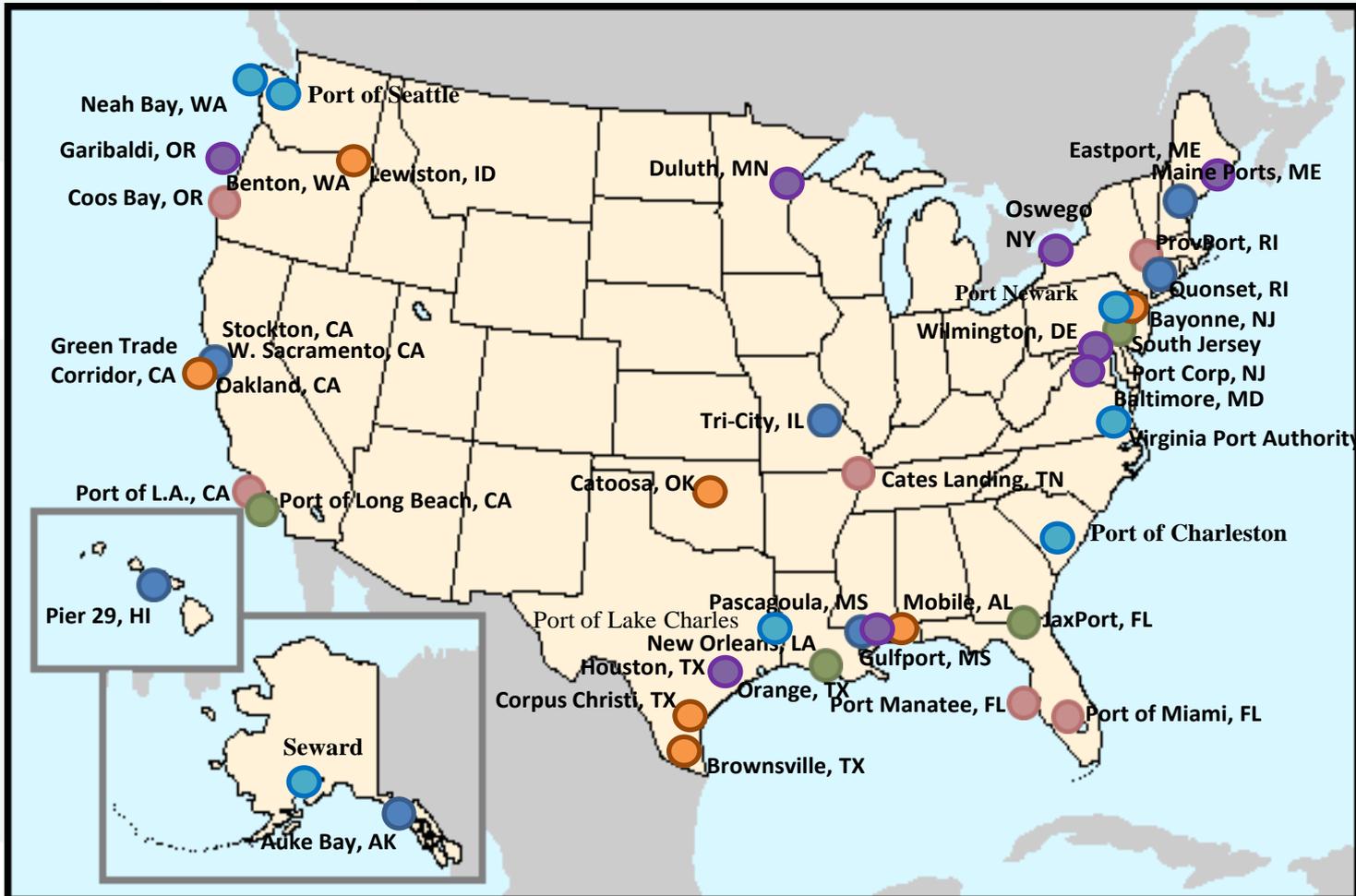
- Need for cleaner Intermodal Connections to connect to surface transportation network

- Highway
- On Dock Rail



- More integrated port networks reach beyond the gate:
 - Marine Highways
 - Distribution Centers

TIGER Brought Ports into the Planning & Funding Process



- TIGER FY 2009
- TIGER FY 2012
- TIGER FY 2010
- TIGER FY 2013
- TIGER FY 2011
- TIGER FY 2014

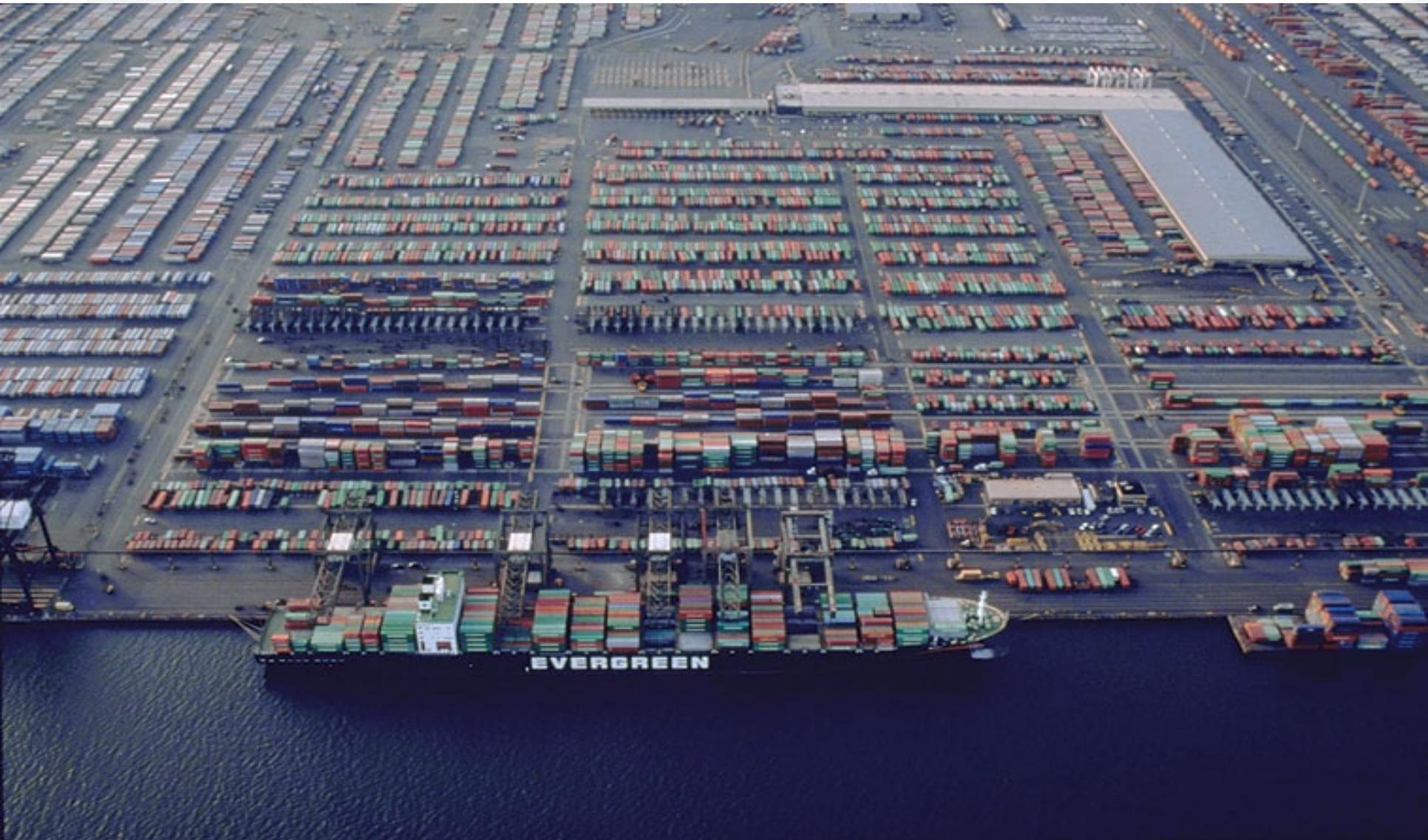
Since 2009 TIGER Funding has Leveraged \$700 Million for the Freight Network

- 2009 TIGER incorporated freight planning into the process
- Multi-modal and multi-jurisdictional competitive grant program
- 39 maritime projects, worth \$500 Million
- These Port TIGER Grants have leveraged an additional \$700 million
- There are additional freight rail and federal highway TIGER projects that also move maritime freight
- Ports and their private sector partners are investing more than \$46 billion over 5 years

Building on the Planning Provisions of MAP-21



- Encourage states to develop comprehensive immediate and long-term freight planning and investment plans, and to collaborate with individual states, Metropolitan Planning Organizations (MPOs).
- Encourages to establish freight advisory committees.
- MAP-21 set into motion a useful process for communicating, planning and ultimately funding important freight projects.



AMERICAN ASSOCIATION OF PORT AUTHORITIES

2015 Port Surface Transportation Infrastructure Survey: *"The State of Freight"*

- Planning
- Investments
- Financing

Planning

Preliminary results from AAPA's "*Port Surface Freight Infrastructure Survey*:"

- 67% of our nation's ports are working directly with their region's Metropolitan Planning Organization (MPO) or Council of Governments (COG) in the development and planning of a recent (or as-yet-unfinished) freight project
- 75% of our ports participated in the development of their state's statewide freight plan
- 69% of ports are members of a local freight advisory committees

Investment in Intermodal Connectors

- Between 2000 and 2013, the volume of containers shipped through U.S. ports grew by approximately 50%, from 30.4 million to 44.6 million TEUs (20-foot equivalent units), adding further strain to inland highway and rail connectors.
- At the same time the population in U.S. metropolitan areas also grew by 33 million people (14%) over the same period, which created a concomitant increase in the demand for goods.

Investment in the Freight Network

- Over the next decade, handling projected inbound and outbound cargo efficiently will require investing in upgrading intermodal connectors.
- Nearly 81% of our port members surveyed said a minimum investment of \$10 million in their connectors is necessary. 31% of the survey said \$100 million is needed.
- 35% of Port Authorities said congestion on connectors negatively impact their port's productivity by 25-50%.

Investment in Projects

Projects of National & Regional
Significance

\$18,709,000,000.00

Intermodal Projects

\$6,705,028,000.00

TIGER

\$1,938,025,144.00

Financing GAPS

- 13% Railroad Rehabilitation & Improvement Financing (RRIF)
- 8% Transportation Infrastructure Finance and Innovation Act (TIFIA)
- 34% reported using, or planning to utilize a P3s
- 14% identified Private Activity Bonds (PAB)
- 61% selected the survey response option, “Other”

We need to capture the investment and leverage resources that ports provide in our freight network

Investment is Critical Now More Than Ever

- Ports and their private sector partners are investing more than \$46 billion over 5 years
- Government entities need to uphold the partnership
- Governments/private sector must get creative about financing options
- Investment in infrastructure pays dividends in the long term and is a worthy investment
- Partnerships among seaports, governments, investors, terminal operators will be more important in the future

AAPA Landside Freight Priorities

✓ *Need for Federal and State Planning*

- Designation of Gateways and Corridors
- Identification of Connectors on Primary Freight Network
- Expertise in Maritime/Freight Planning should be a part of every state DOT
- Short Sea Shipping or America's Marine Highways

✓ *Dedicated Freight Funding*

- Port authorities should be eligible to apply directly for funding
- Funding for Connectors, Intermodal projects and 'First and Last Mile' projects
- Funding for Projects of National & Regional Significance (PNRS)

✓ *TIFIA and Strong Financing Options*

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