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Alliance of the Ports of Canada, the Caribbean, Latin America and the United States

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Kurt Nagle, AAPA
President and CEO

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AAPA Press Release July 16, 2018

AAPA to Testify on Seaport Infrastructure, Trade Support Needs

July 18 hearing is before U.S. Senate Finance Committee's Subcommittee on International Trade, Customs and Global Competitiveness

Alexandria, VA (July 16, 2018) - In a hearing before the U.S. Senate Finance Committee's Subcommittee on International Trade, Customs and Global Competitiveness on July 18, the American Association of Port Authorities (AAPA) – the unified and recognized voice of America's seaports – will testify regarding the infrastructure needs of seaports, and offer a number of ways to ensure that America's ports have to ability to continue supporting U.S. international trade.

Speaking for AAPA will be its president and CEO, <u>Kurt Nagle</u>, who will offer the hemispheric port association's perspectives about the strong connection between international trade and seaports, and needs to improve freight-handling infrastructure to accommodate the nation's rising passenger numbers and trade volumes, both now and in the future.

"To remain internationally competitive in today's economy, America needs a coordinated, multimodal freight network that incorporates and leverages every mode of freight transportation, both on land and in the water," said Mr. Nagle. "AAPA projects the seaport industry will require about \$66 billion in infrastructure investments over the next decade, including nearly \$34 billion for waterside projects, like deep-draft dredging of our harbors and channels, and about \$32 billion for landside projects, like road and rail connectors to our ports."

In Mr. Nagle's remarks, he'll recommend that the best way to provide needed navigation maintenance funding is for Congress to adopt the long-term funding solution AAPA developed earlier this year. AAPA's solution devotes 100 percent of the funds collected from shippers for the HMT while requiring no additional tax burden on the transportation industry or on taxpayers. This system assures a fair, equitable and reliable way to keep this part of America's critical transportation system healthy.

In terms of increasing investments in landside freight movement infrastructure, particularly road and rail connections with ports, Mr. Nagle will recommend the Senate adopt the House Appropriations Committee's provision to mandate that one-third of FY 2019 BUILD/TIGER program grants be allocated to ports. He'll also ask Subcommittee members to support AAPA's proposal to raise the multimodal caps on FAST Act programs so that multimodal port projects have resources to build connecting projects.

With regard to Customs and Border Protection (CBP) staffing shortages amid record increases in passenger and cargo volumes, Mr. Nagle will suggest that hiring additional CBP officers at America's seaports, rather than expecting the ports to pay for existing officers' overtime, is a better solution. He'll explain that CBP's Reimbursable Services Program, which allows seaports to enter into agreements to allow CBP to provide, but then charge for, additional services upon the request of stakeholders, is quite costly to ports and sets up an uneven playing field. While the transportation industry already pays user fees to support CBP inspection activities, the additional charges assessed in the Reimbursable Services Program creates competitive disadvantages to U.S. ports.

"Ports are often asked how the federal government can improve port performance," said Mr. Nagle. "Fulfilling what has traditionally been a federal obligation to ensure sufficient CBP inspection activity is a key place to start."

About AAPA

Founded in 1912 and recognized as the unified voice of seaports in the Americas, AAPA today represents 140 of the leading seaport authorities in the United States, Canada, Latin America and the Caribbean and more than 250 sustaining and associate members, firms and individuals with an interest in seaports. According to IHS Markit's World Trade Service, combined international sea trade moving through Western Hemisphere ports in 2016 totaled 3.49 billion metric tons in volume and US\$3.01 trillion in value. Of that total, ports in Central and South America handled 1.71 billion metric tons of cargo valued at US\$941 billion, while North American ports handled 1.79 billion metric tons of goods, valued at US\$2.07 trillion. To meet the growing demand for trade, the AAPA and its members are committed to keeping seaports navigable, secure and sustainable. For more information, visit www.aapa-ports.org. On Twitter: http://twitter.com/AAPA Seaports



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