



A bold voice for transportation workers

THE PATH FORWARD FOR PORT INVESTMENTS

America's ports and harbors are a core driver of domestic and international trade, generating \$5.6 trillion dollars in economic activity — approximately a quarter of the entire U.S. economy. The operation of ports and the vessels that call at them directly generate thousands of jobs in the longshore, maritime, dredging, shipbuilding and freight transportation industries, and an untold number of jobs indirectly throughout the supply chain. Despite this, ports and harbors are frequently left out of the infrastructure conversation, and have been historically underserved by federal initiatives.

In the last two years, Congress has taken steps to rectify this persistent underinvestment in critical on-dock infrastructure through the Port Infrastructure Development Program. As efforts to provide this funding continue, we call on legislators to ensure that any future port funding is consistent with two core principles.

First, Congress must prioritize immediate and consequential needs, particularly including those that connect ports more readily with rail lines and road networks. As cargo volumes at ports have increased, the lack of comprehensive multimodal connectivity has contributed to congestion and delays. Federal investment is crucial in solving this problem and increasing U.S. competitiveness. In fact, 67% percent of ports say that funding is the single largest obstacle to constructing essential freight rail connectors. Furthermore, nearly half of U.S. ports state that better rail access could increase throughput capacity by over 25%. Given the vital role that our ports play in facilitating international trade and bringing U.S. products to the world market, it is in the national interest to provide immediate and meaningful investments in multimodal and other land-side projects. Investments like these must be first in line for federal support, and there is no lack of suitable projects at ports and harbors across the nation.

Second, Congress must reject efforts to divert limited federal infrastructure money on port automation projects that will undermine existing jobs in this sector. Unlike other industries, automated port equipment is a currently available off-the-shelf product. Port owners and terminal operators wishing to pursue these technologies are free to do so of their own volition and consistent with collective bargaining agreements. We are not opposed to responsible deployments of technology at our nation's seaports and in other segments of our transportation system. But workers and their unions must be at the table and policies must be adopted to ensure that technological changes help working families reclaim shared prosperity and gain wealth in a changing economy.

Automated port equipment has seen minimal deployment in the United States due to high costs and inadequate efficiency compared to current operations. Providing federal funding for these types of projects would incentivize procurements that operators would not have made without the government's intervention. In other words, the federal government would be subsidizing job

cuts. This runs contrary to the stated goals of lawmakers on both sides of the aisle to develop policies that increase jobs and enhance economic opportunity. Given the preponderance of unmet needs at ports throughout the country, it would be counterintuitive to divert much-needed federal funds to any programs where the only major “benefit” is to eliminate longshore jobs.

We applaud Congress for adopting both of these principles through its passage of the FY2020 Further Consolidated Appropriations Act and the National Defense Authorization Act for FY2020. These legislative accomplishments provide a framework for meaningful port investment that benefits both the industry and its workers. The recent announcement of nearly \$300M in grant awards for port projects through this framework, including five multimodal projects, demonstrates both the need for, and viability, of this approach.

As Congress continues to address port infrastructure, we have no doubt that new concepts and challenges will emerge. The 2021 President’s Budget, for example, proposes to eliminate the Port Infrastructure Development Program, despite its obvious success. Legislators should ignore inane proposals like this and remain committed to the tenets and goals of the program as currently constructed.

Finally, in addition to on-dock infrastructure, Congress must address long overdue reforms to the Harbor Maintenance Trust Fund (HMTF). The purpose of the HMTF is to allocate funding for the dredging of ports and harbors that is required to accommodate increasingly larger vessels. However, budgetary gimmicks have stopped the full spend-out of money received by the Trust, and a balance of over \$9 billion dollars has amassed in the account despite the existence of eligible projects waiting for funding. The House of Representatives has already taken action to address this issue, passing the Full Utilization of the Harbor Maintenance Trust Fund Act (H.R. 2440), by a broad bipartisan majority last year. We call on the Senate to do the same.

By appropriately addressing on-dock infrastructure and unmet dredging needs, Congress can ensure that we have first-class ports and harbors that are efficient domestically and competitive globally.

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