

July 2, 2018

The Honorable Elaine L. Chao
Secretary
U.S. Department of Transportation
1200 New Jersey Avenue, SE
Washington, DC 20590

Dear Secretary Chao:

The American Association of Port Authorities (AAPA) is writing to express its strong support for public seaports' applications for FY 2018 BUILD grants. AAPA has been a strong advocate for the program since its inception in 2009. The BUILD/TIGER program has made real improvements in our nation's maritime transportation system and needed investments in our multimodal freight infrastructure.

Founded in 1912, AAPA is the unified and collective voice of the seaport industry in the Americas. AAPA empowers port authorities, maritime industry partners and service providers to serve their global customers and create economic and social value for their communities. Our activities, resources and partnerships connect, inform and unify seaport leaders and maritime professionals in all segments of the industry around the western hemisphere. Our letter today is on behalf of our U.S. members.

American seaports and their private-sector partners annually spend more than \$30 billion collectively in marine terminal capital improvements that help handle freight and cruise passengers more efficiently. BUILD grant investments in port projects help to move these projects forward. In addition to the ability to leverage additional funding, BUILD is extremely valuable because it is multimodal, which means it funds a variety of transportation modes and projects that are beneficial to ports, the surrounding communities and our national supply chain.

To highlight the need for multimodal investments, AAPA recently released the State of Freight III – Rail Access and Port Multimodal Funding Needs Report. The report addresses the need for improved rail access – efficient transfer of containers and other bulk goods directly from a maritime vessel to a rail car and vice versa. Sixty-seven percent of our members report that funding and financing options are significant barriers to improved rail access. Forty-three percent of our members report that

improving rail access would contribute to over 25 percent more throughput capacity. Other members with smaller projects report good, although lower throughput gains. Overall, AAPA members identified upwards of \$20 billion in multimodal project investment needs over the next decade.

In the past, these grants have helped fund seaport intermodal connectors and facilities (including rail, road and short sea shipping), wharf and dock rehabilitation and expansion, improvements in yards, piers, breakwaters and cranes, and improvements overall to rail movements throughout the United States to improve freight mobility.

As the Department of Transportation begins to evaluate the applications for FY 2018 BUILD grants, we urge you to provide, at a minimum, 25 percent or more of available funding for seaports' freight-related projects. These projects will help maintain and expand the maritime infrastructure that is so critical to U.S. exports and imports, which are vital to our nation's economy, standard of living and U.S. jobs.

Sincerely,

A handwritten signature in black ink, appearing to read "Kurt J. Nagle", with a long horizontal flourish extending to the right.

Kurt J. Nagle
President and CEO