AAPA Commissioners Seminar

U.S. Legislative/Regulatory Update

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Advocating For America’s Ports

AAPA is central voice in Washington, D.C. for U.S. member ports. Key legislative/regulatory issues are:

- **Port security (cargo and facilities)**
- **Navigation dredging (channels & harbors)**
- **Intermodal access (highway and rail)**
- **Environment (air and water emissions)**
Seaports Are Vital Commercial Gateways

U.S. ports support nearly 5 million jobs that provide $44 billion in annual worker earnings.

Over 99% of overseas freight moves through U.S. seaports a year, representing 1.5 billion tons foreign, plus 1 billion tons domestic cargo.
Seaports Are Also Vital
“People” Gateways

Over 8 million cruise passengers and 113 million ferry passengers used U.S. ports in 2005.
Ports Crucial For National Defense

- 19 U.S. ports designated militarily “strategic”
- Ports instrumental in supporting overseas conflicts
Billions Needed For Port Development

- Seaports nationwide expanding to meet increased trade demand.
- New cranes, landside equipment, terminal areas & operating systems needed to accommodate bigger ships & cargo volumes.
- Port security must be a shared local/state/federal responsibility to aid ports in accommodating trade volumes.
Imports Are Driving Trade Growth

Containerized Import Cargo Has Grown at an Average Annual Rate of 9.8% -- Driven by Asian Imports
Container Volumes To Double By 2020

US Total Containerized Tonnage Forecast

- 151.5 million tons in 2000
- 388 million tons in 2020

Source: Global Insight
More Federal Security Funding Needed

Ports throughout the U.S. are concerned about the high costs of securing their facilities.
Dubai: The Shout Heard ‘Round The World

DP World controversy brought attention to ports

Helped to speed-up TWIC roll-out

Pushed security bills

Raised CFIUS reform legislation
Dubai and CFIUS Reform

- Legislation being considered to reform CFIUS review process
- Would require investigations of transactions involving foreign government acquisitions in U.S.
- More than half of AAPA member port facilities operated by international companies

Deputy DHS Sec. Michael Jackson
Dubai and TWIC Implementation

• TWIC proposed rules published May 22
• When finalized, will create standardized ID procedure to access secure areas
• Ports concerned about biometrics technology shortfalls & high cost of initial implementation
• AAPA working to secure more PSG funding
Dubai & Seaport Security Legislation

- In 2002, U.S. Coast Guard estimated ports would need $5.4 billion through 2012 to comply with MTSA

- AAPA’s $400 million/yr. request for PSG program funding reflected in new House and Senate legislation
AAPA Supports GreenLane & SAFE Port Act Legislation

Common characteristics in both bills include:

- $400 million/yr. for Port Security Grant program
- Protocols for trade resumption if incident occurs
- Increase in Customs and Coast Guard funding for personnel, equipment and training
- Establishment of Maritime Command Centers
- Higher standards for non-intrusive container screening
The Port Security Grant Program Is Still Underfunded

Port Security Grant Funding
Rounds 1-5 (FY 2002 - 2005)

Total Requested: $3.781 Billion
Total Received: $3.073 Billion
Difference: $708 Million

100% of the Total Requested was received.
81% of the Total Requested was received.
19% of the Total Requested was not received.
Additional PSG Program Issues

- Ports Security Grant program eligibility still in question
- Ports opposed to any new federal security fees
- Some ports have initiated security fees to offset costs not covered in the PSG program
Other Port Legislative Priorities

- Waterside access to ports
- Landside access to ports
- Environmental protection
Waterside Access Another AAPA Priority

- Ports need to maintain & expand access for ships
- Lack of adequate harbor & channel depth presents economic and safety impediments
FEDERAL INVESTMENT LAGGING
Trust Fund Surplus Skyrocketing

AAPA Championing 2006 WRDA

- AAPA urging Congress to pass a new Water Resources Development Act in 2006
- Last WRDA passed in 2000
- Further delay in authorizing vital navigation projects results in higher costs, reduced benefits to the nation
Freight Mobility Also An AAPA Priority

Road and rail access to/from ports is critical for goods to move efficiently.
Congestion Reduction Initiative Announced

- In May, U.S. Transportation Secretary Norman Mineta announced a new federal program to reduce traffic congestion on highways, at ports & airports.
- Called “National Strategy to Reduce Congestion on America’s Transportation Network”
- Initial focus is to raise revenue for projects and increase transportation system performance.
Communities expect their ports to be leaders in environmental protection investments.
Helping Ports Reduce Air Emissions

- Air quality issues getting more attention as int’l trade grows
- Bigger ships, more trucks, larger landside ops contributing causes
- AAPA encouraging federal incentives for voluntary actions
Helping Reform Ballast Water Mgmt.

- AAPA working closely with U.S. Coast Guard to promote effective ballast water treatment policies
- Also lobbying U.S. government to ratify IMO int’l ballast water management treaty
- Pushing for federal preemption of state regulations
- Encouraging Congress to fund shipboard testing
In Summary

- It takes many components, working together, to make a strong port system.
- AAPA advocating U.S. government to raise federal seaport security assistance to $400 million/year, making all ports eligible to apply, & implementing a universal TWIC.
- AAPA working with U.S. member ports and federal lawmakers to ensure seaports continue as vital contributors to economy, security & quality of life.