



2018 Position Paper

State Assistance for Ports

Summary:

Throughout the Great Lakes region, ports are in need of reinvestment to replace aging infrastructure and improve freight movement. State governments have primary responsibility for transportation planning and invest heavily in highway, rail, aviation and public transportation. They do this for the benefit of their citizens and to ensure a strong economy. Unfortunately, they largely ignore their ports. Of the eight Great Lakes states, only two (Minnesota & Wisconsin) have a state port assistance program. Although modest in size, these programs have been a critical source of grant assistance to rebuild dock walls, provide dredge material disposal, and redevelop waterfront facilities.

AGLPA Position:

Each Great Lakes state should take an active role in the success of its ports. States should enact legislation creating long-term commercial port investment programs. These programs should provide grants to both public port authorities and private marine terminals that can demonstrate a positive economic benefit to their host communities.

Additional Background:

Traditionally, states have had a limited role in the maritime industry. With regard to government, maritime commerce is largely a federal and local responsibility. For example, the U.S. Coast Guard regulates shipping, and the Army Corps of Engineers plans and constructs waterway improvements. Local entities such as cities, counties or port authorities typically work with the private sector to develop ports. Despite the critical role ports play in each state's economy, most state transportation agencies are uninvolved.

As a contrast, Florida has stepped out as a leader in port development. The state sees its seaports as the key to economic development, competitiveness and job growth. The Florida Ports Council notes that for every dollar invested in Florida seaports, the state sees an additional \$6.90 in economic activity. For that reason, the state invested \$642 million in on-port infrastructure projects between 2011-14. Florida's thoughtful port and economic development program shames every Great Lakes state. Illinois ports handle more waterborne commerce than Florida ports, yet the state has no focus on ports. With more than 20 federally authorized commercial harbors, and twice the shoreline of Florida, the State of Michigan largely ignores its ports and has failed to strategically leverage these assets to grow its economy. The same can be said for Ohio.

Wisconsin's Harbor Assistance Program (HAP) stands out as an exception. Created in 1979, the program assists Wisconsin's Great Lakes and Mississippi River ports by providing annual grants for dock wall repairs, dredging, disposal facilities, breakwater repairs, and other infrastructure improvements. Since the program's creation, the State of Wisconsin has invested more than \$110 million into its ports.

The Wisconsin program should be replicated, and Great Lakes Governors have called for just that. In early 2016, a regional maritime strategy released by the Conference of Great Lakes Governors and Premiers called for port investment by states. Great Lakes states should follow-up on that recommendation and enact harbor assistance programs to benefit port communities, facilitate the movement of commerce and stimulate economic development.