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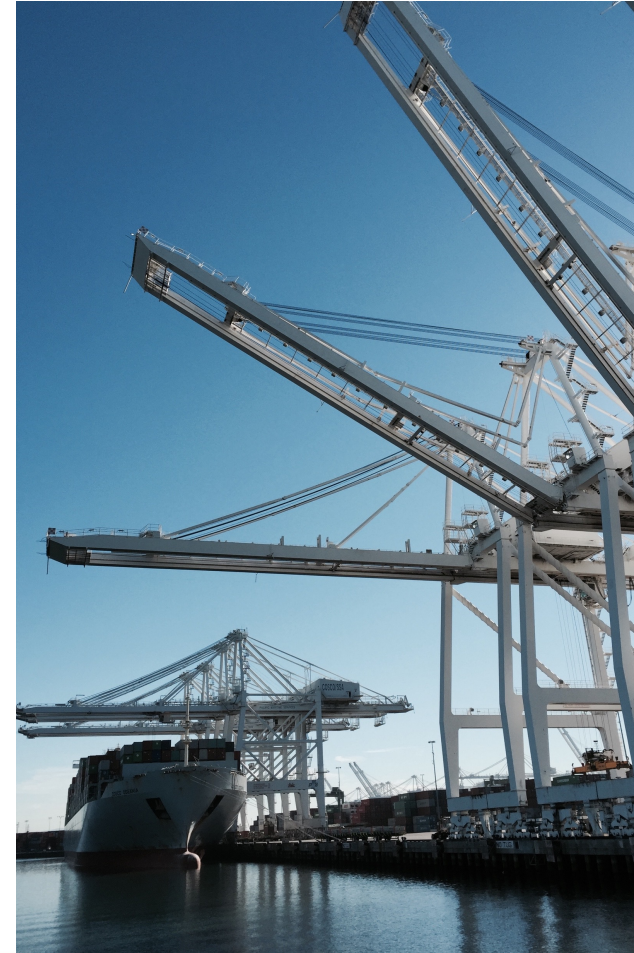
American Great Lakes Ports Association

*Cary Davis,
VP & General Counsel
July 28, 2023*



Agenda

- **AAPA Overview**
- **Funding for Ports**
- **Policies for Ports**



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AMERICA'S SEAPORTS.

Propelling Job-Creation & Economic Growth.

Seaports and their maritime partners sustain 31 million jobs and generate economic activity representing 26 percent of the U.S. economy. Here's a look behind the numbers:

31 MILLION AMERICAN JOBS



652,078 Port Jobs

- Railroad workers
- Truckers
- Dock workers
- Steamship agents
- Freight forwarders
- Ship chandlers
- Warehouse operators
- Terminal operators
- Stevedores



28.5 Million Jobs Rely on Ports

- Steel Fabrication
- Construction Materials
- Manufacturing
- Retail Distribution
- Bulk & Liquid Commodity Producers
- Import & Export Industries

\$5.4 TRILLION IN ECONOMIC ACTIVITY

\$2.2 TRILLION

in freight moves through U.S. ports every year.

PORTS DRIVE:



\$378.1 Billion
in federal, state & local tax revenue



26%
of U.S. GDP

Ports also support millions of other jobs across the U.S.

501,555 Nationwide Jobs

- Office Supply
- Equipment & Parts Supply
- Maintenance & Repair
- Insurance
- Consulting & Business Services



1.1 Million Local Jobs

- Construction
- Retail
- Health Care
- Transportation
- Business Services



300,000
U.S. businesses make products for export



98%
are small and medium-sized business



25%
of U.S. agriculture products are exported annually



1 in 4
Manufacturing jobs rely on export activity

Each year, consumers spend
\$139.2 BILLION
on products that move through ports, including:

- TVs & stereos
- Jewelry & cosmetics
- Coffee, tea & juice
- Beer, wine & spirits
- Cars & trucks
- Toys, sporting goods
- Books
- Musical instruments
- Clothing & footwear
- Household appliances



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SEAPORTS DELIVER



COMBINING OFFENSIVE & DEFENSIVE TACTICS IN SUPPORT OF PORT-FOCUSED POLICYMAKING IS A ROADMAP TO SUCCESS.



AAPA ON OFFENSE: Advancing Port-Friendly Policy



Secured **423% increase in port infrastructure funding** over the last decade



Leading efforts to **reshore and procure next-gen cargo moving equipment** with quantitative study
U.S. Department of Transportation's Maritime Administration



Pushed for common sense **red tape-cutting reforms** to port infrastructure permitting
PIPE Act



Fought government cost shifting of customs and security at ports
CBP Space Act



Helped open lending window for novel **Make More in America Initiative** for port infrastructure
Export-Import Bank of the United States



Established **direct line to EPA administrator** rolling out zero emission port equipment grants



Ocean Shipping Reform Act
S.3580 - Senate Version

Protected ports ability to use fluidity charges

Increased FMC staffing and budget authority

Increased customer access to shipping system

Safeguarded prohibitive measures impeding carrier discrimination toward ports



Sped up mitigation bank consideration at USACE



Lobbied for passage of legislation authorizing **new coastal navigation studies and construction projects**

WRDA



Leading industry transition to digitization of freight movement
FLOW, MTDS



AAPA ON DEFENSE: Blocking Harmful Policy



Stopped expansion of BIL **'Buy America'** restrictions on construction aggregates
Bipartisan Infrastructure Law



Blocked ban on **foreign investment in U.S. ports** and terminal management in NDAA



Educated lawmakers on **safety and security of port equipment** made overseas
NDAA



Championed life and safety considerations for NOAA's vessel speed restrictions



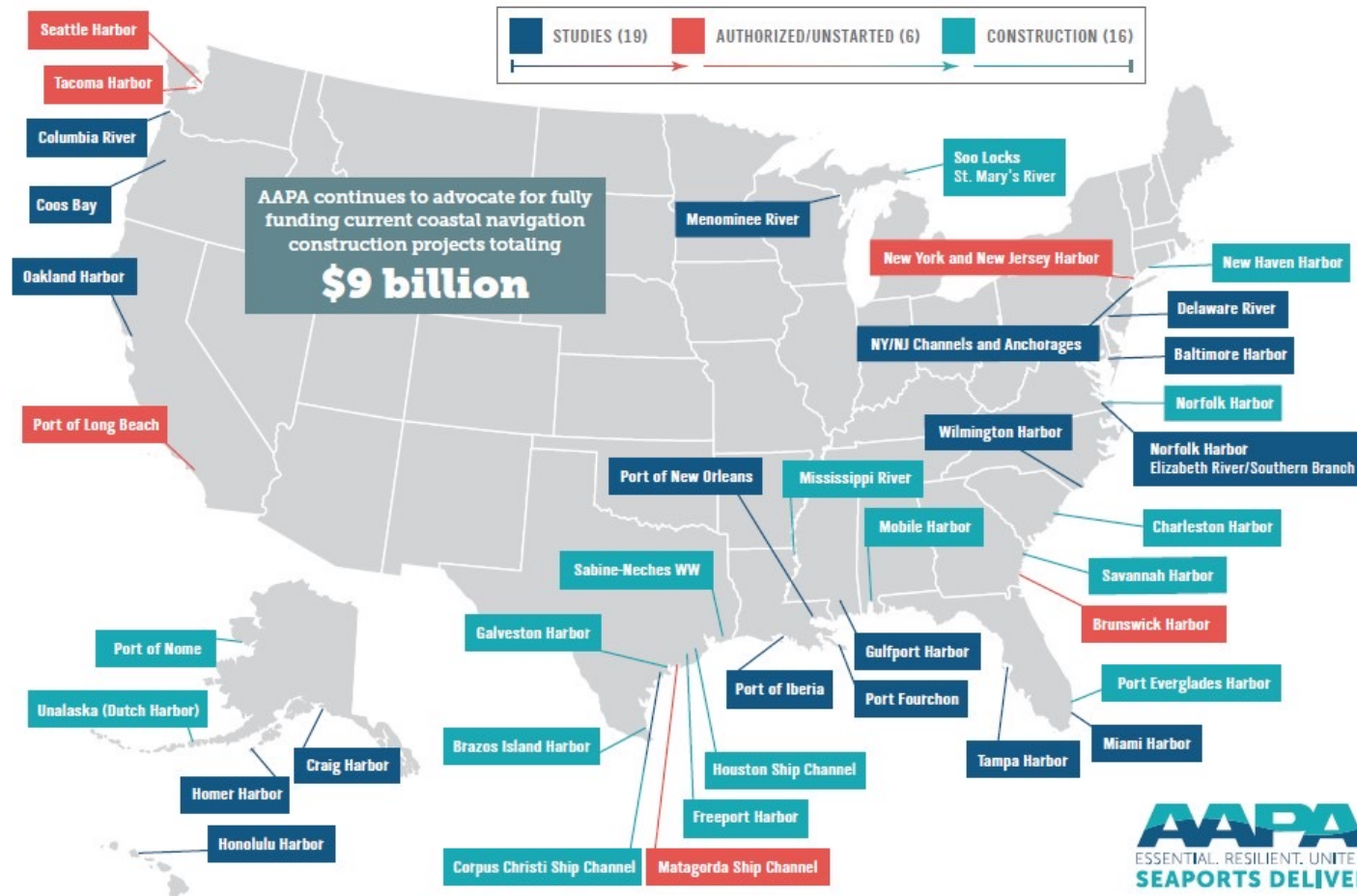
Defeated 25% taxes on mobile harbor cranes
Section 232 investigation



Prevented government overreach during supply chain crisis

2023 USACE/Ports Channel Improvement Efforts

AAPA's effective advocacy, united membership and a compelling message about the importance of ports to U.S. commerce and job-creation have led to decades of funding growth for the U.S. Army Corps of Engineers. Together, we can ensure that federal funding continues to reach vital improvement projects and builds a more resilient and competitive American port industry.



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AAPA: Uniting Ports for Modern Maritime Infrastructure Investment. Support full funding for the U.S. Army Corps of Engineers

Harbor Maintenance Trust Fund

- Full Use & Unlocking the Balance
- Donor, Energy, Great Lakes, Strategic Seaports, Emerging Harbors
- House vs. Senate Priorities.... (Emerging Harbors)
- We still operate without a National Strategy....



PREPARING FOR THE NEXT WAVE OF COASTAL NAVIGATION IMPROVEMENTS



America needs a national coastal navigation program strategy and a paradigm shift away from inconsistent annual funding.

A stylized illustration of a coastal scene. On the left, there are three wind turbines on a grassy hill. In the center, a lighthouse sits on a rocky point, with several buildings nearby. A large cargo ship is docked at a pier in the foreground. The ocean is depicted with dark blue waves, and a large, white-capped wave is crashing on the right side of the image. The sky is light blue with a few birds.

\$5.1 billion

New Coastal Navigation projects authorized in WRDA 2022

Since 2014, 33 new or modified coastal navigation projects were authorized in a WRDA bill totaling \$11.36B in new Federal spending needs

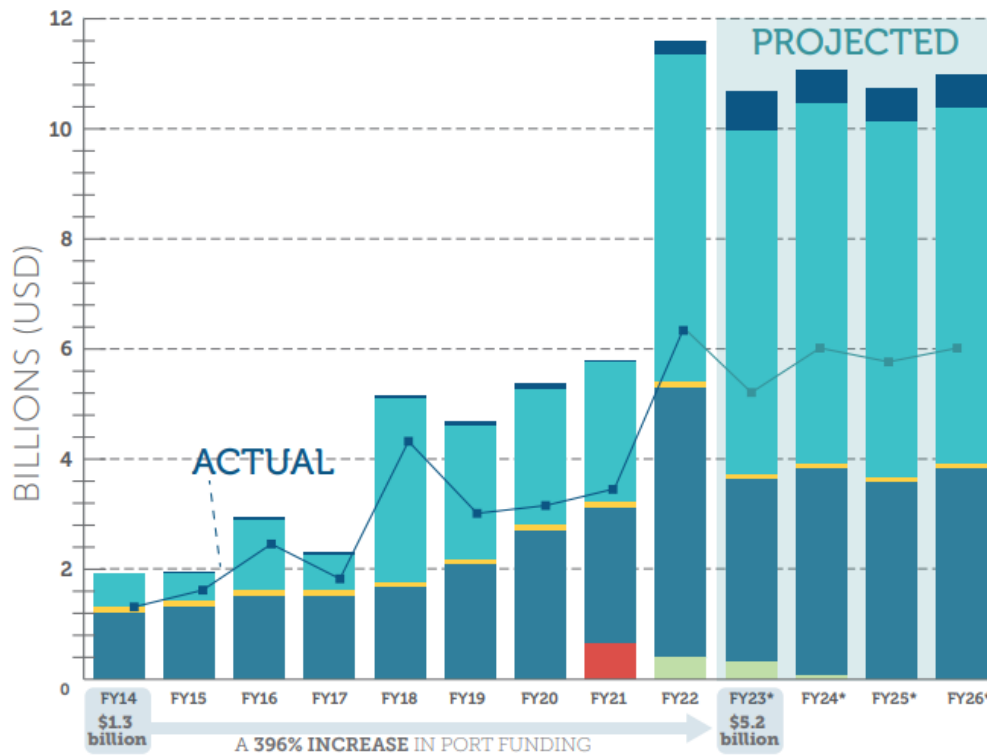
19

Ongoing studies and projects in design forecasts significant future needs

FEDERAL PORT FUNDING

Increased investment in ports & infrastructure

Thanks to the effective advocacy of AAPA members on historic infrastructure legislation, federal funding in FY23 will be 396% higher than in FY14.



TOTAL AVAILABLE FUNDS BY AGENCY

- Environmental Protection Agency**
 - Clean Ports Program
 - DERA
- U.S. Department of Transportation**
 - PROTECT
 - Reduction of Truck Emissions at Port Facilities
 - Marine Highway Program
 - CRISI
 - PIDP
 - INFRA/FASTLANE
 - RAISE/BUILD/TIGER
- Department of Homeland Security**
 - Port Security Grant Program
- U.S. Army Corps of Engineers**
 - Coastal Navigation
- American Rescue Plan**
- Earmarks**



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New Funding Coming On-Line

- Truck Emissions Reduction
- Port Electrification ('Clean Ports')
- Building Resilient Infrastructure Communities (BRIC)
- Marine Highways – *Canada-eligible
- Offshore Wind Revenues?



Port Infrastructure Permitting Empowerment Act

- It should never take 440 days between an award and a project agreement.
- Let's deliver projects timely and efficient!

Coalitions to reform

- Maritime Administration (MARAD)
- NOAA and Army Corps
- Federal Permitting Improvement Steering Council (FPISC)
- Build America Buy America (BABA)



Port Opportunities with Energy, Resilience, and Sustainability (POWERS Program)

5 Policy Pillars:

- **Energy trade and export** – infrastructure investments and prudent trade policy
- **Alternative fuels** – study w/ the government for offshore industry uses
- **Electrification** – new grant program
- **Energy and coastal resilience** – building back better
- **Offshore wind** – bringing in the revenues



Green Shipping Corridors

- US-Canada Green Shipping Corridor Network announced at COP27
- Ideal setting for a green corridor: short routes, cooperative governments, deep economic engagement
- Potential for biofuels and bio-feedstocks to create low and zero emission fuels





Alternative Fuel Bunkering SURVEY SUMMARY



AAPA members detail current and planned projects to deliver LNG and other alternative fuels to both marine vessels and land-side equipment.

Responses were received from 36 US ports, 1 MTO, and 2 international ports.
Note that some respondents included current or planned offerings of more than one fuel.

Do you plan to offer alternative fuel bunkering?



- 7 to offer LNG
- 3 to offer ammonia
- 1 to offer hydrogen
- 1 to offer methanol
- 1 to offer biodiesel

By what method are you delivering or plan to deliver the fuel?



- 10 barge
- 6 pipeline
- 5 truck
- 2 rail
- 2 ship to ship



VESSEL BUNKERING

Do you currently offer alternative fuel bunkering for marine vessels?

- 4 offer LNG
- 1 offers biofuel

What type of vessel are you bunkering or planning to?

- 8 container
- 8 bulk
- 7 harbor craft
- 5 tanker
- 4 cruise
- 1 breakbulk



LAND-SIDE FUELS

Do you currently offer alternative fuels for land-side equipment?

- 10 propane
- 4 LNG
- 3 renewable diesel
- 2 biofuel
- 2 hydrogen

Do you plan to provide alternative fuels for land-side equipment?

- 9 electricity
- 5 hydrogen
- 1 renewable diesel
- 1 CNG
- 1 LNG

How will you deliver fuel to land-side vehicles?

- 12 truck
- 4 pipeline
- 2 rail
- 1 propane tank

Changes to Mitigation Requirements for Port Maintenance

- NOAA Fisheries (NMFS) and the Corps of Engineers changing its definition of “environmental baseline” to exclude an existing structure when determining mitigation requirements for a maintenance action during the federal permitting process.
- Shocker: Delays and increases to costs.



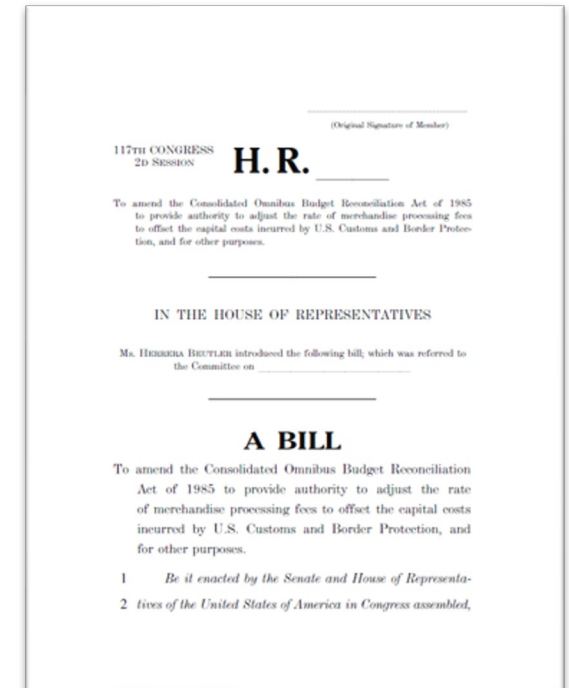
NOAA: Vessel Speed Restrictions

- Right, Whale.
- Rice's Whale, right?
- **AAPA will continue to advocate for solutions that balance conservation goals with the safe and efficient movement of cargo into and out of our nation's ports.**
- **Protecting Whales, Human Safety, and the Economy Act of 2023, and related draft legislative language.**



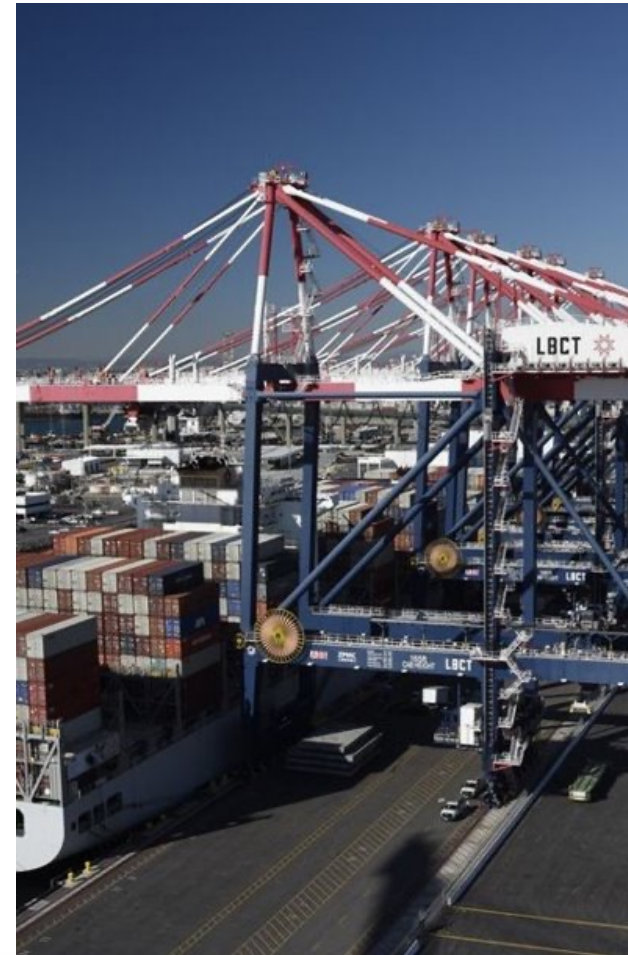
CBP's Demands for Space at Ports

- Bill text is drafted
 - Repurpose fraction of user fee proceeds to fund CBP facilities
 - Severely limit what CBP can demand from ports
 - CBP has reviewed text and has not rejected
- Democratic House co-sponsor secured, Rep. Marie Glusenkamp Perez (D-WA). 2 top prospects for lead Republican.
- Meeting weekly with Senate offices to secure lead sponsors
- Several offices in both houses prepared to co-sponsor once introduced



'Buy American' and the Need to Reshore Strategic Equipment Manufacturing

- Procurement restrictions on infrastructure grant funding are costly, and in many cases, impossible. Global waiver was denied.
 - Language in PIPE Act to make nonavailability waivers easier
- MARAD and AAPA have commissioned a study to determine demand for port equipment and manufacturing capacity
 - Study is in last stage of government review, set to begin this summer
- CRANES Act of 2023 – proposal to create a fund to stimulate U.S. manufacturing
 - Likely to be folded into comprehensive port security legislation





LEADING PORT INNOVATION



#AAPA2024   

Our innovative series of seminars and expositions are where port industry leaders shape the future of infrastructure, the supply chain, and global trade. Be part of this change. Register today.



POWERS SUMMIT & EXPO

January 21-24
Marriott Tampa Water Street
Tampa, FL



PORT & TERMINAL OPERATIONS MANAGEMENT TRAINING

April 8-11
Omni Hotels & Resorts
Corpus Christi, TX



SMART PORTS SEMINAR & EXPO

July 9-12
Grand Hyatt Seattle
Seattle, WA



LATIN AMERICAN CONVENTION OF PORTS

December 4-6, 2023
Barranquilla, Columbia



LEGISLATIVE SUMMIT

March 18-21
Salamander Hotel
Washington, DC



PORT ADMINISTRATION MANAGEMENT CONFERENCE

June 10-13
InterContinental Hotel Miami
Miami, FL



AAPA 2024 ANNUAL CONVENTION & EXPO

October 27-30
The Westin Boston
Boston, MA



LATIN AMERICAN CONVENTION OF PORTS

December 2024



REGISTRATION IS EASY ON AAPA'S WEBSITE:
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**Thank you.
Questions?**



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