

PORT MODERNIZATION

Billions of dollars in economic opportunities could simply drift away if a long-term, comprehensive plan is not put in place to modernize the nation's aging and congested ports. With nearly 60 percent of American-made products being exported through those ports, the need could not be greater.

The MTD supports the work of organizations like Building America's Future Education Fund, which is calling for federal action on port modernization. Made of up a bipartisan coalition of elected officials, this organization is focused on ensuring the nation's ports remain reliable and able to handle expansion of the country's import and export of goods. The MTD takes that position as well.

As Building America's Future co-chair, former Pennsylvania Gov. Ed Rendell, said in a recent speech, the cost of inaction on this issue would be enormous. Without upgrades to the nation's ports, container traffic could be limited and potentially cost billions of dollars in economic activity.

"The bottom line is delays in freight movement impose real costs on business that reduce productivity, impede our competitiveness and increase prices for consumers," Rendell said.

According to the Society of Civil Engineers, there is a \$16 billion investment gap in meeting the needs of the nation's ports and inland waterways. Without investment, the country could find itself falling further and further behind in the world.

The toll of inaction is already being felt. In 2005, the World Economic Forum ranked the United States number one in infrastructure. This year, the United States is ranked 25th.

Even President Obama called for port modernization in this year's State of the Union address.

The problem facing inland waterways also was addressed in the most recent annual report by the Lake Carriers' Association. More than 17 million cubic yards of sediment currently is clogging Great Lakes ports and

shipping channels, meaning vessels are unable to carry full loads into these ports. Known as “lightloading,” vessels can’t operate at their peak efficiency and customers are denied the price savings that come with larger bulk shipments.

The federal government even has a fund set aside to deal with such issues, but is not using that money. Established with cargo taxes to fund port modernization, the Harbor Maintenance Trust Fund is sitting on a \$7 billion surplus that continues to grow every year. That money could, and should, go toward dredging and other port modernization projects.

NOW, THEREFORE BE IT RESOLVED that the Maritime Trades Department, AFL-CIO, its affiliates and Port Maritime Councils will support all efforts to publicize the growing need for long-term port modernization and dredging project plans and;

BE IT FURTHER RESOLVED that the MTD, its affiliates and Port Maritime Councils will continue to call upon the federal government to fill the \$16 billion investment gap in the nation’s ports and inland waterways and;

BE IT FURTHER RESOLVED that the MTD, its affiliates and Port Maritime Councils will continue working with our allies to call upon the federal government to use its \$7 billion Harbor Maintenance Fund surplus for the purpose of port modernization and dredging projects.