

United States Senate

WASHINGTON, DC 20510

September 8, 2021

Honorable Charles Schumer
Majority Leader
United States Senate
Washington, DC 20515

Honorable Nancy Pelosi
Speaker
United States House of Representatives
Washington, DC 20515

Dear Majority Leader Schumer and Speaker Pelosi:

We write to urge your support for addressing port congestion through funding the Maritime Administration's (MARAD) Port Infrastructure Development Program (PIDP). We ask that you provide at least \$2.5 billion in reconciliation for MARAD's PIDP to fund port infrastructure needed to improve freight mobility, address port congestion, and improve port competitiveness.

Our nation's ports provide critical connections between waterways, highways, pipelines, and railroads. Waterborne vessels moved 41 percent of freight value in 2019, over \$1.7 trillion. Cargo activities at U.S. ports on our coasts and Great Lakes account for 26 percent of the U.S. economy, generating nearly \$5.4 trillion in total economic activity and more than \$378 billion in federal, state and local taxes in 2018. U.S. ports also generate 30,770,769 jobs.

Further, U.S. ports are currently extremely congested due to the COVID-19 pandemic and a resulting surge in e-commerce. As of August 26, 2021, 41 vessels are anchored outside the Ports of Los Angeles and Long Beach waiting for berth space, despite the fact the ports are showing record breaking productivity. In 2021, the Port of Los Angeles became the first port in the Western Hemisphere to ever handle 10 million containers in a calendar year. In May 2021, the Port of Los Angeles handled 1 million containers in month, a record in its 114-year history. The Northwest Seaport Alliance (Ports of Tacoma and Ports of Seattle) reported that in June 2021, they had a 19.9% increase in cargo. For inland states, like Michigan, we are also seeing an increase in volumes. The Great Lakes Seaway Partnership saw a 4.64% increase in cargo from 2020 to 2021.

Investments to modernize ports so they can handle bigger ships and address congestion at ports is critical to the American economy. \$66 billion is needed over the next decade for port-related infrastructure to ensure U.S. job creation, economic growth, and tax fairness. By 2037, the United States is projected to export more than 52 million shipping containers through U.S. seaports each year. Further, by 2045 port infrastructure investments could produce economy-wide returns of between \$2 and \$3 per every \$1 spent, after adjusting for inflation.

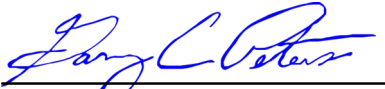
The costs of not investing in U.S. port infrastructure is staggering. They include:

- \$4 trillion potential GDP loss by 2025;
- \$575 billion cost to American businesses and households by 2025;
- \$14 billion added cost of traded products due to shallow harbors by 2040;
- \$3,400 loss per household by 2025; and
- Supporting the \$155 billion that ports and their private sector partners were projected to invest between 2016 and 2020.

The forthcoming reconciliation package provides a unique opportunity to revitalize and modernize our ports to handle the increasing volumes of cargo that is crucial as e-commerce continues to grow. The MARAD PIDP is the infrastructure grant program to help fund projects and improve the movement of goods and services at our ports. PIDP also has existing Davis Bacon and automation protections, which make it the priority funding mechanism to boost investment in port infrastructure.

Thank you for your consideration.

Sincerely,



Gary C. Peters
United States Senator



Maria Cantwell
United States Senator



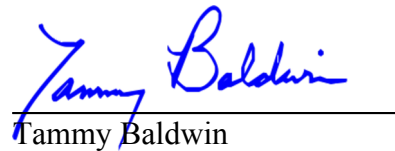
Mazie K. Hirono
United States Senator



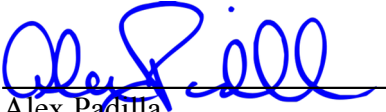
Dianne Feinstein
United States Senator



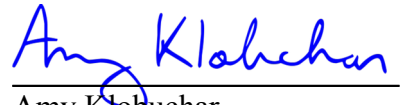
Jack Reed
United States Senator



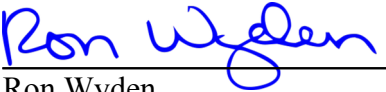
Tammy Baldwin
United States Senator



Alex Padilla
United States Senator



Amy Klobuchar
United States Senator



Ron Wyden
United States Senator