

Marine Transportation Infrastructure Investment/National Port Initiative

ISSUE: International trade is vital to the functioning of the national economy, and increases in freight volumes have closely coincided with increases in productivity and the gross domestic product (GDP). The U.S. is increasingly reliant on suppliers from around the world and is finding global markets increasingly profitable for the sale of their products. Although foreign trade accounted for only 13 percent of U.S. GDP in 1990, it grew to nearly 22 percent by 2006. Recent projections indicate that foreign trade will be equivalent to 35 percent of our GDP by 2020 and may grow to 60 percent in 2030. We have to be sure that our Marine Transportation System and trade corridors can accommodate the expected growth in trade over the coming years.

ACTION NEEDED: None – For Information Only.

BACKGROUND:

The trade growth that has recently occurred, along with the projections for the future, highlight the important role marine infrastructure will play in the near to distant future. This global pattern among trading nations has clearly brought benefits. A recent study reported by the American Association of Port Authorities (AAPA) found that in the year 2006, United States deep-draft seaports and seaport-related businesses generated approximately 8.4 million American jobs and added nearly \$2 trillion to the economy. However, rising levels of international waterborne trade has also placed additional demands on our ports and the freight system. It has reduced the velocity of freight shipments at some major gateways, due in part to inadequate infrastructure.

At the same time, it is clear that the traditional model of funding marine transportation system infrastructure improvements is not adequate to maintain and enhance our transportation system. It is in the Federal interest to focus on projects of national significance that contribute to the Nation's economic and national security. This focus would allow the federal government to use its limited funding to specifically address the inadequate infrastructure at our ports and along the Nation's freight corridors to improve the velocity of freight shipments. Because of the complexity of these projects of national significance, it will be critical for the full spectrum of transportation stakeholders to develop a systemic viewpoint and collaborate thoroughly and intensely to select an optimum mix of investment tools to finance each project.

Furthermore, 18 Federal departments and agencies play a role in the Marine Transportation System, with no single entity designated as the lead agency. Essentially, Federal management ends at each agency's organizational boundary – whether this is most effective or not, or if it makes good sense or not. This situation presents challenges in both policy formulation and the coordination and delivery of the broad range of Federal Government services. As the Marine Transportation System grows ever closer to reaching capacity, stakeholders are increasingly calling for the Federal Government to play more of a leadership role in dealing with the many challenges we face and improve the efficiency and quantity of the services it delivers.

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