



THE NATIONAL ASSOCIATION OF WATERFRONT EMPLOYERS

February 12, 2024

The Honorable Neera Tanden  
Domestic Policy Advisor to the President  
Director, Domestic Policy Council  
Eisenhower Executive Office Building  
Room 469  
Washington, DC 20502

**Re: The State of United States Marine Terminal Operations**

*Dear Director Tanden:*

*In advance of President Biden’s upcoming State of the Union Address, the National Association of Waterfront Employers (“NAWE”) wishes to provide an update on the current state of the United States maritime supply chain. We are grateful for the Biden Administration’s efforts to work in partnership with U.S. longshore unions and the marine terminal operating industry to resolve recent supply chain challenges while expediting the flow of cargo through U.S. ports in support of America’s recent economic growth.*

*By way of background, NAWE is a non-profit trade association whose member companies are privately-owned marine terminal operators (“MTOs”), stevedores, and other U.S. waterfront employers. NAWE’s member companies oversee cargo movement at all major U.S. ports on the Atlantic and Pacific coasts, the Gulf of Mexico, the Great Lakes, and Puerto Rico. Accordingly, NAWE’s members operate the critical connection between global commerce and our Nation’s economy and, as such, are committed to keeping America’s international trade and commerce flowing. In addition, MTOs provide high-paying jobs to hundreds of thousands of American union employees throughout the country, represented by the International Longshoremen’s Association (“ILA”), International Longshore and Warehouse Union (“ILWU”), and Seafarers International Union (“SIU”). Accordingly, in their roles as both maritime port operators and employers, MTOs are key economic drivers, helping to grow the U.S. economy from the middle out and bottom up, embodying the spirit of Bidenomics.*

*As you are no doubt aware, our Nation’s emergence from the COVID-19 pandemic created unprecedented challenges for the maritime supply chain, driven by historic levels of consumer demand. This demand created congestion throughout the international supply chain, leading to inland warehouse shortages, stretching the availability of truck drivers to its breaking point, and requiring the use of every available inch of*

*marine terminal space. MTOs responded, working in close coordination with the White House, to create operational efficiencies and extend gate hours to expedite the flow of cargo through U.S. ports. The unionized waterfront workforce was key to this solution, dedicating countless overtime hours to relieve supply chain congestion issues. The ultimate result is that the congestion issues experienced in 2020 through late 2022 were overcome in the last year and the supply chain has normalized. Having fully implemented the lessons from recent years, MTOs stand at the ready to address future supply chain challenges, including those that may result from maritime operational disruptions in the Red Sea.*

*In addition, with the success of reducing supply congestion issues, MTOs now look to the future, making critical investments to establish a safer, cleaner, and healthier working environment at U.S. ports. In the coming months and years, MTOs will invest billions in private capital to fund the purchase of next-generation zero and near-zero emission cargo handling equipment. These private investments are the foundation to achieving President Biden's goal of reducing carbon emissions at U.S. ports. NAWE members are working closely with U.S. manufacturers to develop this next generation of cargo handling equipment, investing in critical research and development. We are tremendously appreciative of the Biden Administration's support for the \$3 billion that was included in the Inflation Reduction Act to fund maritime decarbonization projects; however, more support from the federal government will be necessary to achieve the Administration's lofty emission reduction goals and to prepare for the increased volume of containerized trade volume that is anticipated to approach 100 million TEUs by 2040. Indeed, it will likely take an investment of tens (or even hundreds) of billions of dollars to replace current diesel cargo handling equipment with electric and hydrogen internal combustion engine ("H2ICE") equipment.*

*To meet these private funding challenges and achieve the President's environmental goals, NAWE is focused on developing new strategies, including an extension of the Maritime Administration's Capital Construction Fund, to allow the use of tax-deferred funds to purchase next-generation U.S.-manufactured cargo handling equipment. We are also working with Congress and the Executive Branch to explore permitting efficiencies for port projects, to ensure that carbon reduction advancements can be brought into operation as quickly as possible. We look forward to working with the White House, including the Domestic Policy Council, as these concepts and supporting legislation continue to develop throughout the upcoming year.*

*Thank you for your support of the MTO community. Please know that NAWE and its members are here as a resource for you, so do not hesitate to contact me if I can be of assistance.*

*Sincerely,*

A handwritten signature in blue ink, appearing to read "R. Murray".

*Robert W. Murray  
President*

CC: The Honorable Pete Buttigieg, Secretary  
U.S. Department of Transportation

The Honorable Polly E. Trottenberg, Deputy Secretary  
U.S. Department of Transportation

The Honorable Carlos Monje, Jr., Under Secretary of Transportation Policy  
U.S. Department of Transportation

Michael Halle, Senior Advisor to the U.S. Secretary of Transportation  
U.S. Department of Transportation

The Honorable Ann C. Phillips, RDML USN (Ret.), Maritime Administrator  
U.S. Department of Transportation