APPENDIX

STATEMENT OF PAUL A. AMUNDSEN, EXECUTIVE DIRECTOR, AMERICAN ASSOCIATION OF PORT AUTHORITIES

The public port industry of the United States, as represented by this Association, consists of some 70 deepwater port systems, on all coastlines under development by agencies of state or local governments. Within the 70 are numerous multi-port complexes involving State-wide port authorities.

This Association recognizes the problem before the Subcommittee on Economy in Government of the Joint Economic Committee in weighing a realistic and perhaps more uniform approach to the rate of return on the Federal dollar invested. We sense that the concern of the Committee lies in the general range of water resource projects identified with conservation, flood control, irrigation, and other humanitarian concepts wherein there is much latitude and few guideposts, so that realistic investment norms are sought as an aid to the policy-maker.

It is our general feeling as public agencies that the importance of water resources is such that the Federal government should not expect a rate of return on investment in them any higher than the actual average interest cost to the Treasury of funds it borrows on a long-term basis.

But specifically, we feel that the Committee should be aware of the rather spectacular economics of ship channels, which are also "waterway projects" and should exercise great caution in the use of arbitraries which might affect the more substantial local investment, and, indeed, the national economy to the extent it is dependent upon world trade, together with a major job market.

We would hope that through these hearings, the Committee, and, indeed, the Congress and various departments of the administration can be made more aware of a most attractive national investment.

The port authorities are responsible for the development of piers, wharves and docks over which flows the foreign trade of the United States. Port facilities of the country are provided, in the main, through local public funds under general obligation bond issues, or revenue bond issues, or operating revenues, or appropriations by State and local governments.

During the two decades following World War II approximately $2,127,464,000 has been invested by the local agencies in direct port facilities.

Correspondingly, the Federal government investment in the deepwater ports of the United States, mainly in the form of ship channels, has totalled about $1.2 billion during the same period of time.

Thus it may be seen that on a national average taken over two decades local government is putting into port facilities for foreign commerce very close to $2.00 for every $1.00 invested by the Federal government.

To complete this general picture, almost $55 billion in two-way foreign trade (1966 figures) flows through this port system annually.

More than $2.5 billion was collected by the Federal government in Customs for the fiscal year ending July 30, 1968 on imported goods flowing over these facilities.

According to a port by port survey, recently undertaken by The American Association of Port Authorities, approximately 600,000 jobs are directly involved in the ports in handling this export and import trade. These include such people as stevedores and longshore labor, towing, pilotage, freight forwarding and customs brokers, warehousing and packaging, banks and marine insurance, and the like.

In a broader sense, a study by the Marine Administration of the Department of Commerce several years ago reported that 2,500,000 workers were employed in export related industries in states having port facilities, with almost a million additional workers supported by activities connected with U.S. imports.