

Journal of Commerce

US ports urge Trump, Congress to keep funds in place but tariffs at bay



Ports have used the Biden administration's clean energy funding for switching out diesel-powered infrastructure for electric charging infrastructure. Photo credit: Port of Los Angeles.

Michael Angell, Senior Editor | Jan 15, 2025, 3:05 PM EST

US ports on Wednesday laid out legislative priorities for the incoming Trump administration and new Congress that include continued federal spending for maritime transportation and navigation. While many of the priorities of the American Association of Port Authorities (AAPA) align with the president-elect's campaign pledges, issues such as tariffs and clean energy funding at ports may face more challenges.

AAPA said it met with Trump's transition team and <u>US Department of Transportation</u> nominee Sean Duffy to discuss its policy agenda for 2025. Among the group's asks are permitting reform, easing restrictions on liquefied natural gas (LNG) development and reducing restrictions on vessel speed.

AAPA said one of its top priorities is infrastructure spending. It asked Congress "not [to] rescind infrastructure spending" from the Inflation Reduction Act and the Bipartisan Infrastructure Law (BIL), two hallmark pieces of legislation from the outgoing Biden administration.

BIL earmarked \$17 billion specifically for ports through 2026, with the largest portion of that going to the US Army Corps of Engineers for maintenance of coastal and inland waterways. Some \$2.25 billion of that law was funneled into the Port Infrastructure Development Program (PIDP), which has already issued \$2 billion in grants since the BIL's passage.

The AAPA also asked that <u>other funding programs for ports</u>, <u>intermodal rail</u>, and <u>roads</u> be maintained.

While Trump has not specifically addressed the BIL he has targeted the \$3.5 trillion Inflation Reduction Act (IRA), saying in September he would "rescind all unspent funds" from the law.

Offshore wind, and breakbulk ports by extension, expect to take the biggest hit from any change in the IRA. But container ports also availed themselves of IRA funding, chiefly for replacing diesel yard equipment with electric-powered machinery and installing charging stations for electric trucks.

The IRA is also expected to help fund the Biden administration's \$20 billion push to establish a US-based manufacturer of ship-to-shore cranes. The program is bolstering electric vehicle battery and auto manufacturing, which is expected to boost cargo volumes through Southeast and Gulf ports.

Trump's ability to roll back the IRA, though, remains unclear. Funds that have already been pledged to ports and others are considered safe. Additionally, rescinding unspent IRA funds would require an act of Congress. Although no Republicans voted for the IRA, 18 Republican representatives sent a letter last year to Speaker Mike Johnson asking that IRA tax credits for clean energy projects remain intact.

The AAPA also joined many other business groups in opposing Trump's plans for fresh import tariffs, arguing that higher import duties may reduce cargo volumes and affect port revenues.

"[But] any existing and expanded tariff revenue should be used to fund port infrastructure, which would strengthen our supply chains and have a deflationary effect on the economy," the AAPA said.

Contact Michael Angell at michael.angell@spglobal.com.

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