

Funding port authorities could create spending chain reaction

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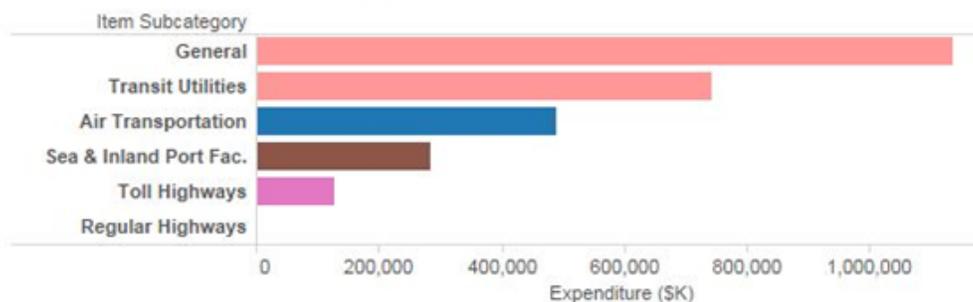
On January 29, the American Association of Port Authorities (AAPA) [held an event](#) in Tampa Bay, Fla., on shifting international trade routes. One major topic of discussion was the need for more federal funding for the nation's ports. The infrastructure at ports is reliant on funding to assist with improvements including security, equipment and general components such as roads and entrance facilities.

While the majority of port traffic is goods imported into the United States, exports rely on a long line of infrastructure to move goods to those ports. Approximately 78 percent of all U.S.-made goods are shipped via container. If port authorities receive more funding from the federal level, spending will inevitably increase at the local level. Farms, local factories and other consumer industries rely on ports to ship goods overseas, and if the infrastructure at ports around the country were capable of handling more goods and offering quicker shipping, industry may look to increase production.

This chain reaction is a two-way street. Improvements to ports would be felt throughout the architecture, engineering and construction (AEC) industry, as local roads, bridges and other infrastructure will need to be capable of handling large trucks carrying shipping containers. Certain regions have roads designed for trucks, such as the New Jersey Turnpike, which provides access to the third largest port in the U.S. (Port of New York and New Jersey/Port Newark). In the other direction, transportation infrastructure across the country (not just in areas near one of the 149 major U.S. ports) is in dire need of improvements. If state transportation departments can move forward with improvements via federal funds, there will be greater access and safer routes to ports.

Keep an eye out for future analysis on specific port authorities and construction spending as Deltek continues to expand reporting on the state and local AEC market. The graph below highlights construction expenditures within the Port Authority of New York and New Jersey (PANYNJ). While general construction topped \$1.1 billion in 2014, spending has remained generally flat within the PANYNJ. Federal funding could provide the much-needed AEC boost to the nation's ports.

Top 10 Expenditure Subcategories (\$K) (Most Recent Year)



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