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February 21, 2020

The Honorable Elaine L. Chao
Secretary of Transportation
U.S. Department of Transportation
1200 New Jersey Ave SE
Washington, DC 20590

Dear Secretary Chao:

On behalf of The American Waterways Operators (AWO), I am pleased to offer our support for the Washington State Department of Transportation's (WSDOT) Infrastructure for Rebuilding America grant application for the Puget Sound Gateway Program.

The U.S. tugboat, towboat and barge industry is a vital segment of America's transportation system. The industry safely and efficiently moves more than 760 million tons of cargo each year, including more than 60 percent of U.S. export grain; energy sources; and other bulk commodities that are the building blocks of the U.S. economy. The fleet consists of nearly 5,500 tugboats and towboats, and over 31,000 barges. These vessels transit 25,000 miles of inland and intracoastal waterways; the Great Lakes; and the Atlantic, Pacific and Gulf coasts. Tugboats also provide essential services including ship docking, tanker escort and bunkering in ports and harbors around the country.

Sixteen AWO member companies are headquartered in Washington, and more than a dozen others operate tugboats and barges on Washington waters. In 2017, US companies exported nearly \$17 billion worth of goods through the Northwest Seaport Alliance (NWSA), a partnership between the ports of Seattle and Tacoma. AWO members are a critical part of this economic engine. Towing vessels serve the entire region by transporting commodities, supporting construction projects, and assisting ships.

The Puget Sound Gateway Program consists of the completion of SR-509 to Seattle and SR-167 to Tacoma. These two highways serve as the "last mile" connection for export products grown and manufactured in the Pacific Northwest and the docks of our public ports on Puget Sound. These two highways also provide a direct link to the Green River Valley, home to the second largest distribution center on the West Coast; 44% of regional truck trips by NWSA are destined for this area.

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This interconnectivity offers the prospect of attracting both more cargo and the jobs associated with cargo movement. The NWSA is currently responsible for 58,400 jobs, more than \$12.4 billion in business output and \$4 billion in labor income. A completed SR-509 and SR-167 would fuel further job growth and the expansion of international cargo and other operations at the NWSA — an expansion contingent on good transportation connections to move freight to and from the docks.

It is with this value proposition in mind that AWO strongly endorses the Puget Sound Gateway Program and urges your support for WSDOT's INFRA grant application.

Sincerely,



Charles P. Costanzo
General Counsel & Vice President – Pacific Region