

Legislative Proposal
Crane Reshoring and National Enforcement of Supply Chain Security (CRANES Act)
118th Congress

Background

Seaports are gateways of international trade and are the backbones of our national supply chain. Waterborne commerce makes up 26% of U.S. GDP and is responsible for 28.5 million direct and indirect jobs. In order to move cargo, ports require heavy equipment like cranes. These cranes are made almost exclusively overseas, with China making up a majority of the market share. The current shortage of semiconductors clearly shows how reliance on Chinese manufacturing can be detrimental to our national security and economic stability.

Creating domestic manufacturing for these heavy equipment is a priority for the seaport industry. In partnership with the Maritime Administration (MARAD), we are conducting an in depth demand study for these equipment at U.S. ports. AAPA and MARAD will use the data collected to build a business case for U.S. manufacturing, but it is highly likely that other incentives will be necessary. AAPA is also developing a proposal for a ‘pooled procurement’ model which would allow groups of ports to purchase equipment together, thereby giving a potential manufacturer greater order guarantees. This model has been used to great success in the transit rail industry, who faced similar domestic production issues. AAPA will be devoting significant time to port equipment reshoring at our annual Legislative Summit later this month, bringing together government officials, manufacturers, ports, and experts from other industries who have successfully built manufacturing bases.

In the meantime, the maritime industry understands the potential risks that come with operating Chinese-made equipment and have taken steps to mitigate that risk. Ports routinely work with the U.S. Coast Guard, Federal Bureau of Investigation, and other agencies to inspect foreign equipment. Many ports have also opted to replace the Chinese-made operating software and hardware on these cranes with technology produced in an allied country. AAPA and our members will also be cooperating with MARAD and the Department of Defense as they conduct a study of the threats posed by these equipment as mandated by the National Defense Authorization Act of 2023.

Just as Congress recognized the threats posed by limited domestic semiconductor production through the CHIPS and Science Act, port equipment manufacturing needs similar attention.

Proposal

Following the example set in the CHIPS and Science Act, establish a CRANES for America Defense Fund in the U.S. Treasury, which would allow the Commerce, Justice, Science Appropriations Subcommittees, and the President, to make allocations of funding to U.S. manufacturers producing cargo handling equipment for ports. These allocations should be a mix of direct funding and loan guarantees.



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