

THE VITAL ROLE OF MARITIME TRANSPORTATION IN OUR ECONOMY

A strong and viable maritime industry and U.S.-flag fleet is critical to America's economic and national security interests. America's longshoremen and mariners serve a unique role acting as an economic driver in transporting domestic and international cargo, while providing safe and secure transport of humanitarian food aid and military supplies and personnel during times of war or national emergencies. It is critical that federal policies embrace maritime transportation as a vital component of our nation's transportation system, and make significant investments in the U.S. maritime industry and port infrastructure.

Unfortunately, neither the House nor the Senate surface transportation reauthorization bill included a substantial maritime title. This is a missed opportunity to acknowledge the importance of maritime to the nation and address the needs of America's waterborne transportation system and its employees. More delay of important port and maritime policy actions is not an option as our world competitors invest billions to boost their maritime transportation capabilities in the global economy. For instance, China plans to invest over \$40 billion dollars in their ports over the next five years, more than the U.S. has invested over the past 50 years. Failing to invest in ports and harbors will jeopardize an industry that supports over 500,000 jobs and will put us further behind our international competitors.

In 1986 the Harbor Maintenance Tax (HMT) and the Harbor Maintenance Trust Fund (HMTF) were established to provide a dedicated revenue stream funded through user fees to provide for the operation and maintenance of channels in ports and harbors. The HMT is charged on the value of cargo arriving in U.S. ports, and the money collected is then deposited into the HMTF. However, in recent years Congress has often diverted money from the HMTF to purposes other than harbor maintenance. In FY 2011, for instance, barely half of the funds collected by the HMT were used for its intended purpose, creating a backlog of critical maintenance projects in our nation's harbors and coastal waterways. This neglect of maintenance projects has a direct and damaging economic impact. The Army Corps of Engineers estimates that almost 30 percent of vessels traveling through U.S. ports are constrained due to the inadequate conditions of our navigation channels, resulting in billions of dollars in lost economic activity and job growth opportunities foregone.

Common sense legislative solutions exist to address these problems. Last year Representatives Charles Boustany (R-LA) and Joe Courtney (D-CT) introduced the RAMP Act (H.R. 104) – bipartisan legislation that would ensure the funds collected under the HMT are in fact used for their intended purpose. A companion bill, the Harbor Maintenance Act (S. 412), has been introduced by Senators Carl Levin (D-MI) and Kay Bailey Hutchinson (R-TX). We support these bills and urge Congress to include them in the pending surface transportation reauthorization or to find another path forward toward enacting these reforms into law. Without adequate harbor maintenance and channel depths, vessels containing American exports are



unable to carry full capacity loads lest they run aground. This prevents the efficient shipment of goods, slows our economic growth and undermines the execution of President Obama's ambitious agenda to grow American exports.

In addition to increasing investment in harbor maintenance, TTD supports freight infrastructure grant programs that leverage federal investments to improve the intermodal movement of goods in and out of our ports and harbors. We specifically support including a provision in the surface transportation reauthorization that provides a reliable stream of funding for the upgrade of our vital freight corridors. Grants issued to ports and harbors would help improve the mobility of imports and exports and promote efficient goods movements, especially as the national economy rebounds from the depths of the recession.

Finally, Congress should further expand on the intermodal principles established under previous surface transportation bills, such as the Ferry Boat Discretionary Program. In order to provide for the future growth of ferry systems throughout the country, transportation labor supports increased funding for the construction of ferries and ferry terminal facilities. This will provide for additional transportation alternatives and create high quality transportation and construction jobs for American workers that cannot be outsourced.

It is in our nation's long-term interest to embrace a more comprehensive approach to the movement of cargo and the development of new multimodal capacity. With the Obama Administration's export initiatives and renewed focus on manufacturing, a new generation of large ships with greater vessel capacity is expected to transport an increasing amount of containerized goods. This will require significant investments in maritime infrastructure and multimodal projects to grow capacity, reduce congestion and streamline the movement of goods to market.

Moving forward, TTD will advocate for policies that boost investment in harbor maintenance, freight infrastructure grants and the Ferry Boat Discretionary Program, and support their inclusion in broader surface transportation legislation. These strategic federal investments, which will help strengthen the U.S. maritime industry, create good jobs and improve economic development, should be embraced by Congress and the Administration. With a comprehensive approach to transportation that includes substantial investment in maritime infrastructure we can ensure that our economy and manufacturing thrive in a global marketplace.

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