

May 14, 2013

## **Support Reforms to Harbor Maintenance Investments in S. 601**

Dear Senator:

On behalf of the Transportation Trades Department, AFL-CIO (TTD), I ask that you support final passage of the Water Resources Development Act of 2013 (S. 601), and preserve the reforms to Harbor Maintenance Trust Fund expenditures included in the Boxer-Vitter substitute. Our nation's waterways have been critically underfunded, and these reforms would bring a much needed increase to harbor maintenance funding to help improve our ports and waterways and promote economic growth and good-paying jobs.

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 the full channel dimensions at the nation's 59 busiest ports are available less than 35 percent of the time. 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. This lack of investment in our maritime infrastructure is making America less competitive as our international competitors invest billions to boost their maritime transportation capabilities. 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.

Section 8003 of S. 601 creates a framework to bring harbor maintenance funding to a sustainable level. Specifically, this section would authorize a minimum of \$1 billion for harbor maintenance in FY 2014, with an increase of \$100 million each year from FY 2015-2019. Beginning in 2020, HMTF expenditures would be no less than the amount of revenue raised by the HMT, which in recent years has totaled about \$1.6 billion. In the immediate term, the \$1 billion authorization would provide an increase of \$174 million over 2011 funding levels for harbor maintenance. The incremental increases in subsequent years would help reduce the \$2.2 billion harbor maintenance backlog. Setting expenditures at the level of HMT revenue would give our ports and harbors the reliable funding source they need to keep our navigation channels open and our economy moving forward.

Real investment in harbor maintenance is vital to the health of an industry that supports 500,000 jobs, plays a critical role in expanding U.S. exports and is the gateway to international trade and humanitarian aid. S. 601 will help improve our maritime infrastructure and keep pace with our international competitors. I urge you to vote in favor of this important legislation.

Sincerely,

A handwritten signature in black ink, appearing to read 'Edward Wytkind', with a stylized, cursive flourish.

Edward Wytkind  
President