



A bold voice for transportation workers

October 22, 2013

Vote YES on WRRDA and Support Reforms to Harbor Maintenance Investments

Dear Representative:

On behalf of the Transportation Trades Department, AFL-CIO (TTD), I urge you to vote for the Water Resources Reform and Development Act of 2013 (H.R. 3080), and reject any amendments that would undermine this bipartisan legislation or weaken the harbor maintenance funding reforms in Title II. Our nation's maritime system has been critically underfunded, and the reforms in this bill would bring a much needed increase to harbor maintenance funding to help improve our ports and waterways and create middle class maritime and construction 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 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 201 of H.R. 3080 creates a framework to bring harbor maintenance funding to a sustainable level. Specifically, this section sets appropriations targets where, beginning in FY 2014, HMTF spending must meet or exceed 65% of the HMT tax received in the previous fiscal year. This percentage increases each year until FY 2020 when 80% of HMT receipts must be used for harbor maintenance. With HMT bringing in about \$1.6 billion in recent years, these reforms would bring a meaningful and immediate increase to HMTF spending. The incremental increases in subsequent years would further help reduce the \$2.2 billion harbor maintenance backlog. Furthermore, the legislation provides an incentive to meet these targeted appropriations levels by allowing some flexibility for use of HMTF funds when the targets are met.

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Edward Wytkind, President / Larry I. Willis, Secretary-Treasurer



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. H.R. 3080 will help improve our maritime infrastructure and keep pace with our international competitors, and will also create thousands of good-paying construction and maritime jobs during what remains a slow economic recovery. I urge you to vote in favor of this important legislation.

Sincerely,

A handwritten signature in black ink, appearing to read "Edward Wytkind". The signature is fluid and somewhat abstract, with several loops and a long horizontal stroke at the bottom.

Edward Wytkind
President