

Congress of the United States
Washington, DC 20515

March 7, 2012

The Honorable Paul Ryan
Chairman
U.S. House Committee on the Budget
207 Cannon House Office Building
Washington, D.C. 20515

The Honorable Chris Van Hollen
Ranking Member
U.S. House Committee on the Budget
B-71 Cannon House Office Building
Washington, D.C. 20515

Dear Chairman Ryan and Ranking Member Van Hollen:

Our nation's ports and harbors are economic cornerstones and serve as gateways to domestic and international trade. They support hundreds of thousands of American jobs, allow exports to reach foreign markets and provide the most energy efficient means of transportation for commerce.

However, these ports and harbors, and the critical federally-maintained waterways they depend upon, have not been adequately dredged, accumulating sediment on a continual basis. Regular maintenance dredging is required to maintain authorized depth and width to facilitate vessel navigation in order to facilitate domestic and international commerce. As a result of deferred, underfunded maintenance, ships carrying American exports are forced to "light load" at less than maximum capacity, costing hundreds of thousands, and sometimes millions, of dollars per ship of reduced cargo. To not maintain these harbors and ports impacts regional and national commerce, reduces our economic competitiveness, and increases the risk of vessel groundings, collisions, and pollution incidents.

The Harbor Maintenance Tax (HMT) and Harbor Maintenance Trust Fund (HMTF) were established in 1986 to specifically fund and expedite operations and maintenance of federal ports and harbors. The HMT is charged against the value of imports and domestic cargo arriving at U.S. ports that have federally maintained harbors and channels and deposited into the HMTF. The U.S. Treasury reported the HMT collected \$1.47 billion in Fiscal Year 2011, yet only \$791.4 million was distributed to the Corps of Engineers for maintenance dredging. At the beginning of Fiscal Year 2012, the HMTF had a surplus of approximately \$6.2 billion; yet this funding is not being used to address the backlog of necessary maintenance dredging needed to sustain our vital infrastructure. Similarly, the President's Fiscal Year 2013 budget assumes a level of revenue \$1.66 billion in the HMTF, while utilizing \$839 million, or 51 percent, of the fund's revenue. At the end of 2013, the budget projects a balance in the fund of about \$7 billion.

During this period of economic turmoil, we cannot afford to threaten these water highways that are so important to our nation's economic recovery. Similar problems with the Highway Trust Fund and Airports and Airways Trust Fund were addressed by past Congresses by enacting legislation to more closely tie trust funds to expenditures. To do the same for the HMTF, we have introduced H.R. 104 – The Realize America's Maritime Promise (RAMP) Act. This

legislation will restore congressional intent of the HMTF and adequately maintain American harbors and waterways in order to reach President Obama's goal of doubling domestic exports by 2015, create American jobs and strengthen the nation's economy. Supported by more than 180 bipartisan Members of Congress, a large coalition of ports, exporters, agriculture groups, manufacturers, maritime businesses, and labor organizations (including the Maritime Trades Department of the AFL-CIO), the bill addresses program-wide funding, not specific projects, and is not considered earmark legislation.

As we work with great bipartisan, nationwide support to ensure a permanent fix to this critical problem, we ask that the Committee address this situation in the Fiscal Year 2013 budget resolution by allowing all HMT revenue projected to be collected by the Administration to be fully utilized for authorized operations and maintenance of federally maintained ports and harbors. Your attention to this matter is greatly appreciated.

Sincerely,



Charles W. Boustany, Jr.
Member of Congress



Joe Courtney
Member of Congress