



**AMERICAN
GREAT LAKES PORTS
ASSOCIATION**

April 30, 2019

The Honorable Peter DeFazio
Chairman
The Honorable Sam Graves
Ranking Member
Committee on Transportation and Infrastructure
2165 Rayburn House Office Building
Washington, DC 20515

Dear Chairman DeFazio and Ranking Member Graves:

The American Great Lakes Ports Association (AGLPA) represents commercial ports and port users on the United States side of the Great Lakes. We are writing to share our support for H.R. 2396, the "Full Utilization of the Harbor Maintenance Trust Fund Act." This legislation will enhance federal investment in the nation's ports by providing special budgetary treatment for expenditures from the Harbor Maintenance Trust Fund (HMTF).

As you know, the Army Corps of Engineers is responsible for maintenance dredging of navigation channels at federally authorized harbors. These activities are supported by the Harbor Maintenance Tax (HMT), which is a fee assessed on companies moving cargo through the nation's ports. Receipts from the HMT are placed into the Harbor Maintenance Trust Fund (HMTF), from which Congress appropriates funds to support the Corps' various maintenance activities. In the Great Lakes these activities not only include channel dredging, but also rehabilitation of breakwaters and jetties, and operation and maintenance of locks.

While the HMT generates adequate revenue to maintain all the nation's ports, Congress has historically constrained spending due to budgetary pressure. This has resulted in a backlog of critical maintenance work and a surplus in the trust fund. In the Great Lakes region there is more than a half-billion dollars of unmet maintenance needs. These include a \$160 million dredging backlog, a \$320 million backlog of breakwater and jetty repairs, and \$75 million in repairs to the Soo Locks.

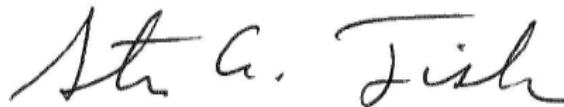
H.R. 2396 would provide a permanent exemption from discretionary budget caps for HMTF expenditures up to the balance of the HMTF two fiscal years prior. In doing so, it would

remove budgetary constraints that have hindered full appropriations for the Corps of Engineers' operation and maintenance activities. Further, it would enable Congress to spend down the surplus balance currently in the trust fund.

As the legislation advances, we urge that the Committee give strong consideration to a funding distribution framework agreed to by the nation's ports in 2018. This framework would guarantee that no less than 10 percent of annual appropriations go to projects in the Great Lakes region. It guarantees the same percentage for five other regions (North & South Atlantic, Gulf, and North & South Pacific). The framework also requires that no less than 10 percent be directed to so-called "emerging harbors," which are harbors that handle less than 1 million tons of cargo/year. Finally, the framework seeks to achieve program equity by ensuring that donor and energy transfer ports receive between 10-20 percent of the funds.

We are convinced that full use of the Harbor Maintenance Tax and an equitable funding distribution framework will ensure the continued health and efficiency of the nation's ports. We thank you for your leadership on this important issue and look forward to working with you.

Sincerely,

A handwritten signature in black ink that reads "St. A. Fisher". The signature is written in a cursive, flowing style.

Steven A. Fisher
Executive Director