

**Realize America's Maritime Promise**  
***Harbor Maintenance Trust Fund Fairness Coalition***

***Presented by***

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# Harbor Maintenance Trust Fund

## What is the Harbor Maintenance Trust Fund?

- **The Harbor Maintenance Trust Fund was authorized in the Water Resources Development Act of 1986, P.L. 99-662, as a tax on channel users to pay for operations and maintenance costs on commercial waterways.**
- **It is an ad valorem tax equal to .125% on the declared value of imported commercial cargo and on passenger vessel tickets.**
- **This tax is collected by Customs on behalf of the Corps of Engineers.**
- **In FY 2010 this tax generated \$1.36 billion, yet only \$793 million was used for its intended purpose. The remaining \$573 million was deposited into the General Treasury to offset the deficit. FY 2011 revenues are \$1.48billion!**

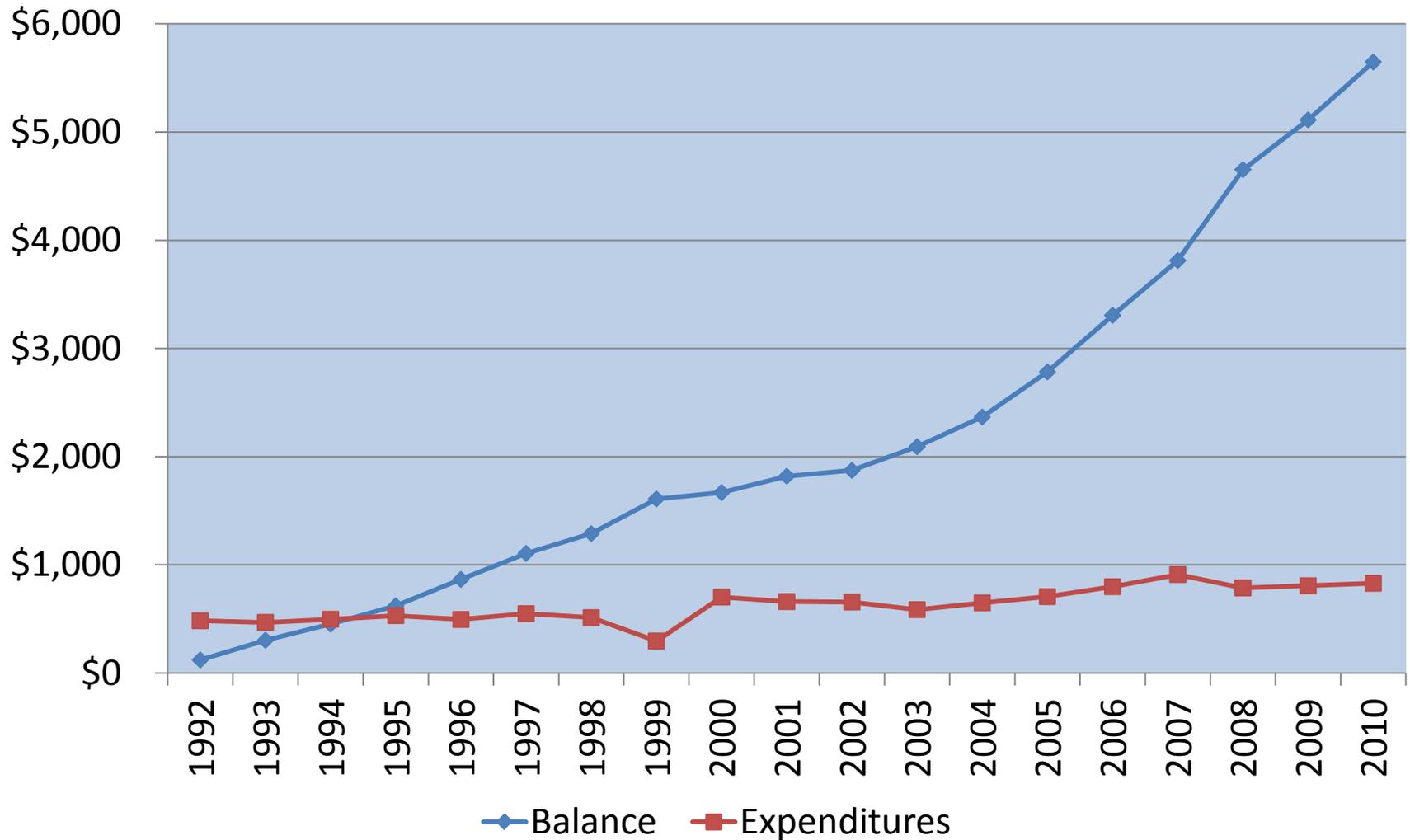
# Harbor Maintenance Trust Fund

- **The HMTF has been mislabeled over the years because the tax collected goes into the General Treasury. It is NOT dedicated or credited only to cover the costs of harbor maintenance as it was intended.**
- **The tax collections are accounted for in an HMTF “account,” and a certain amount of that is applied to the Corps’ budget every year--typically around \$700 to \$800 million—no matter how much tax is collected. The HMTF currently has a “balance” of over \$6 billion, and collections range from \$1.3 to \$1.5 billion per year.**
- **Monies collected under the Harbor Maintenance Tax should be used for their intended purpose--maintenance and dredging of our nation’s ports and harbors.**
- **The Corps’ budget has remained stagnant while dredging costs continue to increase.**

# HMTF Expenditures and Balance FY 1992 – FY 2010

## TRUST GAP

(millions \$)



# Harbor Maintenance Trust Fund

## Cash Flow

Year	Tax Receipts + Interest (millions)	Corps Transfers (millions)
2000	\$761	\$687
2001	\$811	\$644
2002	\$711	\$640
2003	\$804	\$569
2004	\$922	\$631
2005	\$1123	\$687
2006	\$1321	\$779
2007	\$1416	\$891
2008	\$1626	\$766
2009	\$1268	\$772
2010	\$1363	\$793

# **DREDGING COST DRIVERS**

- FUEL**
- STEEL**
- LABOR**
- LACK OF SUPPORT EQUIPMENT (e.g.,  
Tugs, Barges)**
- CONTINUING RESOLUTIONS**
- NO REPROGRAMMING**
- ENVIRONMENTAL REQUIREMENTS**

# IMPACTS

- **SHIPS LIGHT LOADED**
  - Tons Not Moved!
- **MORE OFFSHORE LIGHTERING OF OIL**
- **CHANNELS ARE NOT AT PROJECT DEPTH OR WIDTH, INCREASED TRANSIT RESTRICTIONS**
- **U.S. COMPETITION IN WORLD MARKETS CHALLENGED, JOBS ARE LOST!**

# WAITING FOR DREDGING \$\$ -- HOW LONG?



# LATEST STATUS

- HR 104 – 132 House cosponsors
  - Strong support from T&I Chairman Mica
  - Committed to inclusion in Transportation Bill
- S 412 – 26 Senate cosponsors
  - Strong support from EPW Chairperson Boxer
- Expanded support of both bills, working with Committee staff

# OUR GOAL

- To establish a legislative firewall around the Harbor Maintenance Trust Fund and insure it is used for its intended purpose—the operation and maintenance of federal ports and harbors.

