



**REALIZE AMERICA'S MARITIME PROMISE!**

**Save the Harbor Maintenance Trust Fund for  
Our Nation's Ports and Harbors!**

**Support H.R. 104 and S. 412**

## **Background**

The Harbor Maintenance Trust Fund (HMTF) and the Harbor Maintenance Tax (HMT) were authorized in the Water Resources Development Act of 1986, P.L. 99-662. The purpose of the HMT, a 0.125% *ad valorem* tax levied on cargo imported and domestically moved through federally maintained channels and harbors, is to pay for the U.S. Army Corps of Engineers operations and maintenance dredging. The HMT is collected by the Bureau of Customs and Border Protection and directed to the HMTF; however, the monies are not immediately eligible for dredging activities, but can only be spent if the funding is actually appropriated by Congress.

## ***The Problem***

The problem with the HMTF is that not enough annual revenues are being spent on harbor maintenance dredging, even though enough are being collected to do the job. In Fiscal Year 2010, for example, the Trust Fund collected \$1.36 billion, but only \$828 million was appropriated. ***The under-spending problem is so acute that the HMTF now has a surplus of more than \$5.6 billion.*** Unfortunately, this under-spending comes at a time when there is a desperate need for additional Federal operations and maintenance dredging. Due to inadequate appropriations from the HMTF, navigation channels are getting narrower and shallower due to sediment accumulation. The U.S. Army Corps of Engineers recently reported that almost 30 percent of commercial vessel calls at U.S. ports are constrained due to inadequate channel depths. This means vessels laden with American-made goods cannot carry all they are capable of holding because they cannot get through channels that are not being adequately maintained, nor can ships with imports for the U.S. market enter many ports fully laden due to the same concerns. This drives up the cost of our nation's exports and imports and increases the risk of vessel grounding and associated oil spills. It is also fundamentally unfair to tax commerce specifically to pay for the infrastructure necessary to maintain such commerce and then not spend that tax revenue for that purpose.

To ensure that HMT revenue entering the HMTF is spent annually for its intended purpose, bipartisan legislation has been introduced in both the House of Representatives and the Senate to require that future HMTF revenue is spent for its intended purpose.

## **Support H.R. 104 and S. 412**



***The National Waterways Conference, established in 1960, is dedicated to a greater understanding of the widespread public benefits of our nation's water resources infrastructure. Our mission is to effect common sense policies and programs, recognizing the public value of our nation's water resources and their contribution to public safety, a competitive economy, national security, environmental quality and energy conservation. Conference membership is comprised of the full spectrum of water resources stakeholders, including flood control associations, levee boards, waterways shippers and carriers, industry and regional associations, port authorities, shipyards, dredging contractors, regional water supply districts, engineering consultants, and state and local governments. [www.waterways.org](http://www.waterways.org)***