



PNWA supports fully spending annual Harbor Maintenance Tax receipts for navigation



Harbor Maintenance Trust Fund

PNWA's membership has adopted the following policies regarding the Harbor Maintenance Trust Fund (HMTF):

- Protect trust funds to ensure that all transportation user fees collected are dedicated and used for their stated transportation infrastructure maintenance and development purposes;
- Harbor Maintenance Trust Fund: Support spending from the Trust Fund to fully maintain the nation's ports, waterways and harbors. Ensure that the existing Harbor Maintenance Tax (HMT) is fully spent for navigation purposes;
- Close the land border loophole in the Harbor Maintenance Tax: Cargo entering the US by land via non-US seaports should be subject to a user fee that 1) ensures equal treatment of all US-bound marine containers regardless of mode of arrival and 2) contributes to the improvement of US transportation infrastructure on which that cargo depends.
- Freight Transportation Fund: Create a dedicated national Freight Trust Fund (FTF) in the next Highway bill to meet port intermodal, rail and highway needs that is funded by sources other than existing navigation user taxes.

PNWA supports H.R. 104/S.412 to allow full utilization of the Harbor Maintenance Trust Fund

Background

The Harbor Maintenance Tax is meant to fund navigation infrastructure. In 1986, Congress established a user fee for deep draft coastal ports and harbors - the Harbor Maintenance Tax (HMT). The HMT was designed to provide 100% of the cost of operations and maintenance, primarily dredging, of the nation's deep draft and coastal ports and harbors.

Harbor Maintenance Tax revenue is not being fully spent. Since 2003, HMT collections have far exceeded funds appropriated for harbor maintenance, resulting in a large and growing surplus in the trust fund (GAO, 2008). In 2008, over \$1.6 billion was collected and symbolically placed in the Harbor Maintenance Trust Fund (HMTF), but only \$766 million was expended. Currently, the surplus of collections over expenditures is over \$4.7 billion. The GAO reports that the surplus is expected to grow to \$8 billion by 2011. Rather than being used for their intended purpose, these user fees are instead used to balance the federal budget each year.

Critical navigation infrastructure maintenance needs are going unfunded. Despite collections far exceeding expenditures, the Administration does not propose sufficient funding to maintain the existing navigation system or to meet future needs. For example, PNWA requested nearly \$8 million in additional FY2010 funding for Northwest deep and shallow draft navigation projects.

PNWA supports fully spending HMT revenue for its intended purpose. PNWA's membership supports fully spending HMT revenue on navigation infrastructure operations and maintenance. PNWA does not support any effort to divert HMT revenue for alternate purposes.

PNWA supports the creation of a Freight Trust Fund to meet port intermodal needs. PNWA's membership includes ports that do not have significant dredging or jetty maintenance needs, but instead have substantial intermodal (rail/highway) needs. PNWA supports the creation of a national Freight Trust Fund (FTF) in the next Highway bill to address port intermodal funding needs. This FTF should be structured such that funding is not derived from the HMTF.

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