

April 25, 2019

The Honorable Peter DeFazio
Chairman
House Committee on Transportation and
Infrastructure
2165 Rayburn House Office Building
Washington, DC 20515
c/o Kathy Dedrick

The Honorable Grace Napolitano
Chairwoman
House Committee on Transportation and
Infrastructure
Subcommittee on Water Resources and the
Environment
H2-585 Ford House Office Building
Washington, D.C. 20515
c/o Ryan Seiger

Dear Chairman DeFazio and Chairwoman Napolitano,

Thank you for the opportunity to comment on your proposed “Full Utilization of the Harbor Maintenance Trust Fund Act.” On behalf of the U.S. Members of the American Association of Port Authorities (AAPA), we recognize and appreciate your leadership in building and maintaining America’s maritime infrastructure. This includes your commitment to fixing the problems with the Harbor Maintenance Tax (HMT) that has helped to keep this issue at the forefront of Congress. AAPA has long advocated for full use of the HMT, including spending down the Harbor Maintenance Trust Fund (HMTF) surplus, and has also called on Congress to fix other problems with HMT spending policy.

You have an historic opportunity to permanently solve the decades old problems associated with the HMT by expanding your legislation to address other key issues with the HMT. As you may know, early last year the U.S. port members of the Association jointly issued their strong support for broad HMT reform to address port members’ concerns about HMT spending and ensure that the HMT provides value to all ports. Your legislation presents a tremendous opportunity for the collective port industry to achieve a victory with Congress on this critical infrastructure issue if it was expanded to provide comprehensive reform.

There are four pillars of the U.S. port industry’s proposed HMT solution that reflect the broad interests of the port system, as well as those in Congress. AAPA believes these principles are the foundation of a fair and equitable framework that strongly benefits U.S. ports, which are vital economic engines and strong job creators.

The pillars we ask your bill to incorporate are:

- Full use of the Harbor Maintenance Tax (which is addressed in your legislation);
- A funds distribution framework that makes permanent and expands donor and energy transfer port funding, as well as expands the in-water use of these funds;
- Regional funding assurances; and
- Emerging harbors funding assurances.

AAPA's proposal only addresses a funding structure to reflect prior year HMT collections, while your draft legislation is broader, allowing for spending over that level providing there are funds in the HMTF. We fully support utilizing the trust fund surplus. AAPA encourages further discussion on what allocation structure should be tied to those additional funds and stands ready to partner with you on a funding structure for those additional funds.

AAPA believes that an HMT victory can be achieved this year, for all ports, assuring continued job growth and economic expansion for the nation. You can fix the HMT problems now and AAPA respectfully asks that this pending legislation includes language that addresses all four of the pillars noted above.

AAPA stands ready to work closely with you in finding a Congressional agreement. We look forward to celebrating enactment of a long-term broad solution that provides value for all ports and our nation.

Sincerely,

A handwritten signature in black ink, appearing to read "Kurt J. Nagle", with a long horizontal flourish extending to the right.

Kurt J. Nagle
President and CEO