AAPA Topics

Harbors and Navigation Committee Meeting

Susan Monteverde
Vice President, Government Relations

October 2, 2019
HMT surplus was $9.3 billion at the end of FY18
HMTF Annual Revenues & Funding, 2013 - 2020

Harbor Maintenance Trust Fund

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</thead>
<tbody>
<tr>
<td>Funding</td>
<td>809</td>
<td>1070</td>
<td>1112</td>
<td>1263</td>
<td>1300</td>
<td>1400</td>
<td>1540</td>
<td>1697</td>
</tr>
<tr>
<td>Prior Yr HMT est.</td>
<td>1691</td>
<td>1847</td>
<td>1792</td>
<td>1817</td>
<td>1662</td>
<td>1495</td>
<td>1687</td>
<td>1782</td>
</tr>
<tr>
<td>Percent</td>
<td>48%</td>
<td>58%</td>
<td>62%</td>
<td>70%</td>
<td>78%</td>
<td>94%</td>
<td>91%</td>
<td>95%</td>
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</table>
The Funding Process – Corps Coastal Navigation Program

- President’s FY20 Budget Request: $1.456 billion
- Congress Adds Programmatic Funds: +$1.022 billion (House)
- Corps Prepares Work Plan: $2.478 billion
Current Situation

• HMT Funding has significantly improved
• FY20 House is 95% of FY19 HMTF estimated revenue plus interest
• Is this sustainable?
• Education and advocacy with Congress has them ready to solve the HMTF problem
• Now is the time for a permanent solution!
2019 HMTF Highlights

- Sen. Richard Shelby, Appropriations Committee Chairman, proposed HMTF funding mechanism as part of Disaster Supplemental Appropriation
- Cong. Peter DeFazio introduced H.R. 2440, Full Utilization of the Harbor Maintenance Trust Fund Act
- AAPA focusing on a 2-step approach to use the Appropriations funding mechanism and WRDA legislated funds distribution
- AAPA’s legislative proposal has been briefed to House and Senate WRDA committees and Appropriations Committees
AAPA HMT Funds Distribution

AAPA’s ‘4 Pillars’

• Appropriation of full prior Fiscal Year’s HMTF full revenues, tax payments plus HMT interest, focused on channel maintenance
• Expanded permanent Donor and Energy Transfer program
• Emerging Harbor funding assurances
• Great Lakes funding assurances
HMT Funding Mechanism

‘Budget Cap Adjustment’

• Each Appropriations Subcommittee gets their spending allocation, the sum of which is within the budget cap

• Language developed that if the Committee appropriates the full prior year HMT revenues the amount is exempt from their spending cap.

• Budget Caps are controversial, but Sen Shelby is Approps Committee Chairman

• AAPA seeks linkage of Budget Cap Adjustment with funds distribution approach
WRDA Schedules

SENATE
• Moving out with WRDA development
• EPW Committee Member requests due Oct 4
• Other Senator requests due in early Nov

HOUSE
• Pushing for floor time for T&I Chairman DeFazio’s HMT bill this fall
• WRDA bill development anticipated in early 2020
Recruiting all Ports…

- HMT reform is highly likely in WRDA 2020
- We must have united support for the HMT proposal
- No waivers, no last minute changes
- Be ready for the big push!

Thanks for all you do!
## AAPA 2-Step HMT Summary

<table>
<thead>
<tr>
<th></th>
<th>Original Agreement</th>
<th>Revise in 2-step?</th>
<th>Revision</th>
<th>Reason</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Full use of HMT revenues</td>
<td>No*</td>
<td>*Funding mechanism is Budget cap adjustment in Approps bill</td>
<td>2-step: WRDA funds distribution; Approps funding mechanism</td>
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<tr>
<td>2</td>
<td>10% Regional funding floors</td>
<td>Yes</td>
<td>Great Lakes (GL) only</td>
<td>Approps objected to use this in all Regions. GL in existing law</td>
</tr>
<tr>
<td>3</td>
<td>10% Emerging Harbors</td>
<td>No</td>
<td></td>
<td></td>
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<tr>
<td>4</td>
<td>3-Phase, 10, 15 and 20%</td>
<td>Yes</td>
<td>Start w/15% based on HMT revenues, pursue 20% later</td>
<td>Approps and Authorizers had issues w/fully maintained, FACA, etc.</td>
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</tbody>
</table>
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<tr>
<td>5</td>
<td>Donor and Energy Transfer</td>
<td>No</td>
<td></td>
<td></td>
</tr>
<tr>
<td>a</td>
<td>Permanent Program</td>
<td>No</td>
<td></td>
<td></td>
</tr>
<tr>
<td>b</td>
<td>HMT eligible</td>
<td>No</td>
<td></td>
<td></td>
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<tr>
<td>c</td>
<td>Expand authorized uses</td>
<td>No</td>
<td></td>
<td></td>
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<tr>
<td>d</td>
<td>Full estimate of HMT – include imports, domestic and cruise</td>
<td>No</td>
<td></td>
<td></td>
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<tr>
<td>e</td>
<td>Qualify based on 3-year average</td>
<td>No</td>
<td></td>
<td></td>
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<tr>
<td>6</td>
<td>Simplify legislative changes</td>
<td>Yes</td>
<td>About 8 paragraphs; Easier to adopt; Original was 34 pages</td>
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</table>