

March 29, 2019

The Honorable Mitch McConnell
Senate Majority Leader
U.S. Senate
S-230 Capitol Building
Washington, DC 20510
c/o Terry Van Doren

The Honorable Richard C. Shelby
Chairman
Senate Committee on Appropriations
S-128 Capitol Building
Washington, DC 20510
c/o Shannon Hines

The Honorable Lamar Alexander
Chairman
Senate Committee on Appropriations
Subcommittee on Energy and Water Development
SD-142 Dirksen Senate Office Building
Washington, DC 20510
c/o Jen Armstrong

The Honorable Charles Schumer
Senate Minority Leader
U.S. Senate
S-221 Capitol Building
Washington, DC 20510
c/o Robert Hickman

The Honorable Patrick J. Leahy
Vice Chairman
Senate Committee on Appropriations
S-146A Capitol Building
Washington, DC 20510
c/o Jessica Berry

The Honorable Dianne Feinstein
Ranking Member
Senate Committee on Appropriations
Subcommittee on Energy and Water Development
SD-188 Dirksen Senate Office Building
Washington, DC 20510
c/o Samantha Nelson

Dear Majority Leader McConnell, Minority Leader Schumer, Chairman Shelby, Vice Chairman Leahy, Chairman Alexander and Ranking Member Feinstein,

On behalf of the U.S. Members of the American Association of Port Authorities (AAPA), I am writing regarding the Senate Appropriations Harbor Maintenance Tax (HMT) proposal in Senate Amendment 201 to H.R. 268, the Supplemental Appropriations Act of 2019. One of the biggest priorities of the AAPA is to permanently solve the decades old problems that plague the use of future Harbor Maintenance Tax revenues.

AAPA is very appreciative of the leadership Senator Shelby has shown in developing his provision for budget cap relief for spending future HMT revenues and by proposing a mechanism to encourage full use which will provide a sustainable long-term source of funding to maintain our nation's harbors. Additionally, we are also very pleased that Congress has made HMT spending a high priority over the last several years in the annual appropriations process. The AAPA membership values Congressional support, your leadership and the progress made in getting to full HMT use.

As you may know, early last year, the U.S. port members of the Association jointly issued their strong support for a broad reform of the HMT to address port members' concerns about HMT spending and ensure that the HMT provides value to all ports. The negotiations on Senate Amendment 201 presents a tremendous opportunity for

the collective U.S. port industry to achieve a victory with Congress on this critical infrastructure issue. I am writing to strongly encourage negotiators to fully address the four pillars of AAPA's proposed solution, as noted below.

The four pillars of the U.S. port industry's proposed HMT solution 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 any final Congressional agreement to incorporate are:

- Full use of the Harbor Maintenance Tax,
- 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 believes that an HMT victory can be achieved in this legislation, for all ports, assuring continued job growth and economic expansion for the nation. You can fix the HMT now, and AAPA believes the best way to address the HMT is to negotiate a single legislative solution as soon as possible. This could be a major bipartisan victory addressing our nation's maritime infrastructure needs. Therefore, 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,



Kurt J. Nagle
President and CEO

cc: Senate Committee on Appropriations, Subcommittee on Energy and Water Development