After years of underutilizing Harbor Maintenance Tax (HMT) collections, a comprehensive solution that dedicates full use of the annual revenues to the U.S. Army Corps of Engineers (Corps) will result in the long-term sustainability of our nation’s harbor maintenance needs.

The port industry has agreed on a fair and equitable framework that provides full use of the HMT by the Corps, ensures year-to-year funding sustainability and assures the most efficient use of collected harbor maintenance funds. Under this plan, the prior year’s HMT revenues would be appropriated to the Corps.

**FOR U.S. PORTS, MAINTENANCE IS THE HIGHEST PRIORITY.**

This plan will restore and fully maintain the nation’s water highways using existing revenues with NO NEW TAXES. It has four pillars: (1) Full use of HMT; (2) Donor and Energy (D&ET) Port spending expansion; and minimum floors for both (3) emerging ports and (4) the Great Lakes.

**FULL HMT COLLECTIONS**

(including taxes + HMT\(^\ddagger\) surplus interest)

**BUDGET CAP RELIEF PROVIDED TO CONGRESS FOR HMT PRIOR YEAR COLLECTIONS**

Effective after next WRDA\(^\ast\) enacted

- Makes all D&ET HMT eligible
- Makes D&ET program permanent and includes limited expansion for in-water uses

**HMT SPENDING FORMULA**

- Minimum floors - to protect minimum historic shares based on priorities identified in prior WRDAs
-10% Emerging ports (less than 1 million tons)
-10% Great Lakes region

- D&ET FUNDS
-10% donor ports (includes cruise and domestic cargo receipts)
-5% Energy Transfer
-eligibility based on latest three-year average

**2020 WRDA**

**FUTURE WRDA**

**FULLY MAINTAINED STAGE**

20% D&ET ports (10% Donor, 10% Energy Transfer)

\(^\ast\)Water Resources Development Act
\(^\ddagger\) Harbor Maintenance Trust Fund
FOR U.S. PORTS, MAINTENANCE IS THE HIGHEST PRIORITY

Responsible for over a quarter of United States GDP and nearly 31 million American jobs, a well-maintained port system is vital to the manufacturers, exporters and farmers who count on U.S. ports to move their products to market. Eliminating the diversion of Harbor Maintenance Tax (HMT) funds away from their intended purpose is important to ensure a steady flow of U.S. goods to international markets.

A PORT INDUSTRY SOLUTION TO FIX A BROKEN SYSTEM

After years of underutilizing the HMT, enabling all funds collected are used each year by the U.S. Army Corps of Engineers (Corps) will result in the long-term sustainability of our nation’s harbor maintenance needs.

The port industry has agreed on a fair and equitable framework that guarantees full use of the HMT by the Corps, ensures year-to-year funding sustainability and provides the most efficient use of collected harbor maintenance funds.

ENSURING TAX FAIRNESS

The port industry has agreed on a plan that creates a budget incentive to spend 100 percent of the tax paid by shippers to our ports, while providing no additional tax burden on the industry or taxpayers. It assures a fair, equitable and reliable way to ensure the health of this critical part of America’s transportation infrastructure. Under this plan, HMT yearly revenues would be appropriated to the Corps.

AAPA’S HARBOR MAINTENANCE FRAMEWORK

- A comprehensive solution that provides 100% of taxes collected from shippers to our nation’s seaport infrastructure and international competitiveness.
- A long-term solution that fixes an unfair system and addresses the health and wellbeing of our seaport water highways that are critical for delivering goods to Americans.
- All HMT collections to restore and maintain U.S. water highways complement the $155 billion in port-related capital investments planned to assure safe and efficient freight movement.
- A fair and equitable approach that enables water transportation cost savings to be fully realized by American consumers and U.S. exporters competing in the global marketplace.

FOUR PILLARS OF THE PLAN

- Full use of HMT revenues plus interest on the Harbor Maintenance Trust Fund
- Donor and Energy Transfer Port Funding

Protection for:
- Emerging ports funding
- Great Lakes System Funds

Support the AAPA plan to restore and fully maintain the nation’s water highways – with no new taxes!

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A Long-Term Funding Solution for Port Maintenance
GOOD FOR PORTS, GOOD FOR THE NATION

American Association of Port Authorities
1010 Duke Street • Alexandria, VA • 22314-3589
703.684.5700 • aapa-ports.org