

Water Resources

Responsible for over a quarter of the United States Gross Domestic Product (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 and provide critical goods for their supply chain.

The Corps of Engineers' Navigation Budget supports the key federal program to modernize and maintain our nation's navigation channels that bring ships to our ports and are key to our nation's ability to import and export goods efficiently. Waterside investments are needed to meet the trade and safety needs of the 21st Century.

FOR FY 2020 AAPA URGES CONGRESS TO:

- Pass AAPA Harbor Maintenance Tax (HMT) Agreement,
- Fund the Corps of Engineers Coastal Navigation Program at \$3.027 billion,
- Fund Corps of Engineers HMT related work at \$1.697 billion,
- Fund coastal navigation construction at \$1.327 billion and authorize new construction starts, and
- Fund Section 2106 Donor and Energy Transfer port funding at \$55 million.

FULLY USE THE HARBOR MAINTENANCE TAX

In 1986, our nation set up a system for users to pay 100 percent to maintain the channels into our harbors. The HMT is assessed on the value of imports and domestic cargo that moves through ports. It is collected but has not been fully appropriated each year by Congress, resulting in a surplus that exceeded \$9 billion at the end of FY 2018.

The current system maintaining our nation's ports is broken and must be fixed. A comprehensive solution must provide both full use of the annual HMT revenues, as well as address tax fairness and cargo diversion problems.

The American Association of Port Authorities has developed a comprehensive proposal to fix HMT problems. The agreement calls for full spending of the prior year's HMT revenues and interest on the

trust fund. This fair and equitable framework has been agreed upon by ports. It makes maintenance the highest priority, provides protections to address small ports' and regional ports' needs of the Great Lakes, provides increasing equity to large HMT donors that subsidize the system, and acknowledges Congress's priority to provide support to energy transfer ports.

This proposal could be included in the upcoming WRDA, appropriation legislation or a separate stand-alone bill.

CHANNEL IMPROVEMENTS

WRDA legislation in 2014, 2016, and 2018 has authorized a total of 18 navigation channel improvement projects. Eleven of these 18 projects presently await the initial federal cost-share funding to proceed. The nation's economic growth and timely returns on its investments require robust construction funding and new start directives.

	2020 Stakeholders	2020 Senate *estimated (Sep)	2020 House *estimated (Jul)	2019 Omnibus	2020 Pres Budget
COASTAL NAVIGATION					
Investigations	\$25.25 M	\$25.25 M	\$23.5 M	\$16 M	\$8 M
Construction	\$1.327 B	\$1.327 M	\$735 M	\$464 M	\$487 M
Oper & Maint	\$1.665 B	\$1.618 B	\$1.665 B	\$1.511 B	\$961 M
Donor & Energy	\$55 M	\$50 M	\$55 M	\$50 M	\$0 M
TOTAL	\$3.072 B	\$3.019 B	\$2.478 B	\$2.041 B	\$1.456 B

FUNDING SUMMARY

AAPA calls on Congress to provide adequate funds for the Corps of Engineers to ensure waterside infrastructure is maintained and modernized for the 21st century. This includes,

- continuing HMT funding increases towards full use of tax revenues,
- robust funding for cost-shared navigation channel improvement projects,
- fund donor equity through WRDA Section 2106 Donor and Energy Transfer ports, and
- enact the AAPA HMT legislative proposal for full spending of prior year HMT revenues according to a framework that ports agreed would be fair and equitable.

CONGRESSIONAL ACTION ON THE FY 2020 BUDGET

AAPA leads a group of national and regional navigation program supporters that work collaboratively to identify funding needs for the Corps of Engineers' navigation program. Below is a comparison chart that shows the House and

Senate funding for FY 2019 and FY 2020, along with the President's FY 2020 budget request. Congress has shown great understanding and leadership in providing programmatic funds to increase amounts for navigation improvement studies, 21st-century channel improvements, and operation and maintenance. AAPA urges Congress to build on the success of FY 2019's enactment in and pass an FY 2020 Energy and Water Appropriations bill in the first round of FY 2020 legislation.