

May 3, 2013

Chairman Dianne Feinstein
Ranking Member Lamar Alexander
Senate Committee on Appropriations
Subcommittee on Energy and Water Development
SD-186 Dirksen Senate Office Building
Washington, D.C. 20510
c/o Professional Staff Member Roger_Cockrell@appro.senate.gov
c/o Professional Staff Member Tom_Craig@appro.senate.gov

Chairman Feinstein and Ranking Member Alexander:

I am writing on behalf of America's leading seaports to express our views on the Administration's proposed Army Corps of Engineers civil works program for Fiscal Year (FY) 2014. The President's budget request of \$4.8 billion falls far short of meeting the nation's water resources development needs in all three areas: planning studies, construction and maintenance. We are pleased that the Administration's Navigation program increased \$100 million over their FY 2013 budget. While this increase is positive, the maintenance budget would allocate only 56 percent of the \$1.6 billion in annual Harbor Maintenance Tax (HMT) revenue collected. The Administration came up far short of complying with the MAP-21 'Sense of Congress' request to budget for full use of HMT revenues. This emphasizes the need for Congressional legislation to apply the full HMT revenues to coastal navigation maintenance efforts.

AAPA strongly believes the HMT revenues should be fully utilized. Port and harbor users are paying for 100 percent of maintenance dredging and getting just over half in return. If fully applied, the annually collected HMT revenue (\$1.6 billion) should be adequate to maintain Federal channels to their constructed dimensions.

Two other areas of concern for AAPA continue to be the overall level of request and appropriation for port modernization as represented in the Corps' construction and investigations/planning programs. Coastal navigation construction declined from \$151 million in the FY 2013 request to \$108 million in the FY 2014 request – a 28 percent decrease. This budget funds channel improvements at only two projects in the Nation – unsustainable levels to keep U.S. ports and exports competitive in a global marketplace. Navigation planning, the process for identifying high-return channel investments, would decline from \$25 to \$23 million.

We appreciate your leadership in recognizing the nexus between water resources development and economic prosperity. Especially in these challenging fiscal times, Federal investments in port-related infrastructure are an essential, effective utilization of limited resources, paying dividends through increased trade and international competitiveness, sustainable job creation and more than \$200 billion annually in local, state and Federal tax revenues. We would like to work with you and members of the Subcommittee to guarantee full utilization of HMT revenues and a navigation construction and studies program to achieve efficient 21st century freight movement.

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
KJN/JW:lm