

October 31, 2016

The Honorable Jim Inhofe
Chairman
Committee on Environment and Public Works
U.S. Senate
Washington, DC 20510

The Honorable Barbara Boxer
Ranking Member
Committee on Environment and Public Works
U.S. Senate
Washington, DC 20510

The Honorable Bill Shuster
Chairman
Committee on Transportation and Infrastructure
U.S. House of Representatives
Washington, DC 20515

The Honorable Peter DeFazio
Ranking Member
Committee on Transportation and Infrastructure
U.S. House of Representatives
Washington, DC 20515

Dear Chairmen Inhofe and Shuster and Ranking Members Boxer and DeFazio:

The undersigned organizations applaud your commitment to U.S. waterway and port infrastructure and your success in gaining approval in each chamber of your respective Water Resources Development Acts of 2016. In particular, we would like to highlight our support for Section 2003 of S. 2848, the Water Resources Development Act, a provision that demonstrates continued commitment to the health of our nation's ports and harbors.

Ports serve a critical function in the maritime infrastructure. They are the primary embarkation and entry points for more than 95% (by volume) of overseas trade produced or consumed by the U.S. Physical impediments to the movement of goods through ports, such as shallow depths that limit the size of ships, the lack of access to interconnecting modes of transportation, or the narrowing of channels that increase the risk of ship collisions can cause significant delays and impose tremendous costs on shipping. Therefore, funding for the adequate maintenance of the waterway systems in the U.S. is critical to ensuring that products that consumers want and need can continue to safely and efficiently be delivered without incident, and is paramount to maintaining and enhancing U.S. competitiveness in the global marketplace.

For many years, waterways users paid a tax into the HMTF based on the value of their cargo, but the funds were underutilized for the intended purpose of paying for the maintenance and dredging of critical waterways. The U.S. Army Corps of Engineers has reported that almost 30 percent of commercial vessel calls at U.S. ports are constrained due to inadequate channel depths, and yet the HMTF currently has a surplus of \$9 billion of unreachable funds.

We applaud your leadership to pass WRRDA 2014, in which you made great progress towards correcting this long-standing issue by including a schedule that increases yearly the percentage of HMTF authorized funds to be appropriated from total payments into the fund. These percentages increase until 2025, when 100 percent of the payments made into the fund are to be appropriated. S. 2848 takes the next step to address an unintended consequence of a percentage-based allocation. The Administration's estimate of HMT revenues can change significantly, as it did this year, resulting in a funding target that was less than the FY 2016 appropriation. This could result in funding reductions and then large jumps in the HMT target when revenue estimates increase, making the target harder to achieve. Section 2003 corrects for this unintended result to ensure appropriations from the fund continue on pace.

The undersigned organizations strongly support your leadership to improve our nation's infrastructure, and we urge you to include Section 2003 in the final conferenced WRDA agreement.

Sincerely,

American Association of Port Authorities
American Chemistry Council
American Farm Bureau Federation
American Forest and Paper Association
American Fuel and Petrochemical Manufacturers
American Great Lakes Ports Association
American Iron and Steel Institute
American Petroleum Institute
American Society of Civil Engineers
American Waterways Operators
Big River Coalition

Dredging Contractors of America
Great Lakes Metro Chambers Coalition
Lake Carriers' Association
National Association of Manufacturers
National Grain and Feed Association
National Mining Association
National Retail Federation
National Stone, Sand and Gravel Association
Portland Cement Association
The Fertilizer Institute
Waterways Council, Inc.
U.S. Chamber of Commerce