

Adopted on March 1, 2011

Resolution: Renewed Call for Reform of the Harbor Maintenance Tax and Harbor Maintenance Trust Fund

Whereas, the Harbor Maintenance Tax (HMT) and Harbor Maintenance Trust Fund (HMTF) were enacted in 1986 for the express purpose of funding the U.S. Army Corps of Engineers' operation and maintenance (O&M) of federally authorized commercial ports and navigation channels, including those in the Great Lakes-St. Lawrence Seaway system, through a tax on the value of imports and domestic cargo arriving at U.S. ports; and

Whereas, the fund currently generates about \$1.2 billion a year but only about \$800 million is spent nationally on harbor maintenance, creating a large fund surplus; and

Whereas, the fund surplus at the end of FY 2010 was \$5.65 billion, while ports across the U.S. and in the Great Lakes are suffering from inadequate maintenance; and

Whereas, there is a critical dredging backlog in the Great Lakes that will cost an estimated \$200 million to eliminate, with deferred maintenance at locks estimated at \$100 million and critical harbor structure repair needs estimated at an additional \$200 million; and

Whereas, the dredging backlog on the Great Lakes has caused cargo carriers on the lakes to reduce their loads by 50 to 270 tons per every inch of draft lost to inadequate dredging, thus diminishing their efficiency; and

Whereas, inadequate dredging of federally authorized recreational harbors on the Great Lakes has reduced and sometimes eliminated access to these harbors causing not only severe economic loss, but also significant threat to health and human safety; and

Whereas, Congress has addressed similar situations with the Highway Trust Fund and Airports and Airways Trust Fund by taking measures to require expenditures from the funds to more closely reflect revenues; and

Whereas, legislation has been introduced in the 112th Congress (HR 104) that would require expenditures from the Harbor Maintenance Trust Fund to match revenues.

Therefore, Be It Resolved, that the Great Lakes Commission calls upon Congress to reform the HMT and HMTF by requiring that expenditures from the HMTF in any given future year equal the amount of projected revenue generated by the HMT in that year, and that those expenditures be applied to the purpose for which they were originally intended: the operation and maintenance, to full authorized project specifications, through sustainable dredging and repair techniques, of federal ports, harbors and navigation channels and infrastructure serving commercial and recreational traffic.