
Adopted Feb. 24, 2009

Resolution: 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 \$1.4 billion a year, but only about \$700 million is spent on harbor maintenance resulting in a current surplus of \$4.7 billion in the fund while ports suffer from inadequate maintenance, including those in the Great Lakes where there is a critical dredging backlog that will cost an estimated \$230 million to eliminate; 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, the Great Lakes Commission has previously gone on record (*Resolution adopted May 16, 2001*) criticizing the HMT and HMTF for their injurious effect on Great Lakes maritime commerce.

Therefore, Be It Resolved, that the Great Lakes Commission calls upon Congress to reform the HMT and HMTF by acting on legislation requiring that expenditures from the HMTF in any given future year equal the amount of 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 techniques, of federal ports, harbors and navigation channels serving commercial and recreational traffic.