

Rep. Boustany

Wisely, Congress created the Harbor Maintenance Trust Fund which businesses contribute to for the sole purpose of channel maintenance - primarily dredging. However, Washington bureaucrats for years have held hostage monies in the Trust Fund while critical waterways are being neglected. The backlog of unmet maintenance dredging grows each year. With \$1.3 billion collected in FY10, only about half of the funds are currently being used by the Army Corps of Engineers for maintenance dredging. The President's FY12 Budget proposes that only \$758 million dollars be distributed from the Harbor Maintenance Trust Fund for operations and maintenance purposes. Vessels lose millions of dollars each time they are forced to "light load" cargo because of inadequate dredging, and these extra costs will make it harder for American companies to compete in a global market.

How do you justify spending about half the fees collected each year and leaving a \$5.6 Billion dollar surplus in the fund when our nation's major exporting channels are becoming less competitive?

Don't you think we should be using the full amount in the Fund for its intended purpose?

Isn't this just a budget gimmick?

The President's FY 2012 Budget includes \$758 million from the Harbor Maintenance Trust Fund for the Army Corps of Engineers civil works program (Corps) to support the maintenance of coastal harbors and their channels and related work, including maintenance dredging. This is an \$8 million increase over the enacted FY 2010 level for the Corps, in a year in which its overall budget is 15 percent lower and funding for many programs government-wide are being reduced in order to put the Nation on a sustainable fiscal path.

The Corps budget includes \$1.6 billion for the Corps commercial navigation program, roughly 34 percent of the total Corps request. In allocating this \$1.6 billion, the Corps has given priority to maintaining major coastal harbors and their channels and inland waterways with the most commercial use, constructing inland and coastal navigation projects with high economic returns, and completing four ongoing feasibility studies. Most of this \$1.6 billion will reduce transportation costs for commercial goods moved by water, including exports.

The balance in the Harbor Maintenance Trust Fund, which has grown over a period of many years, reflects multiple factors, principally the value of goods subject to the harbor maintenance tax, the tax rate, the enacted spending levels, and the limitation in current law on the authorized uses of these receipts. The President's Budget proposes to expand the authorized uses of these receipts so that they are available both for harbor maintenance and to finance the Federal share of other Federal support of commercial navigation through our ports. This reform will support investments that contribute to the strength of the American economy.