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January 30, 2012

The Honorable Charles Boustany  
The Honorable Pat Tiberi  
House Ways and Means  
1100 Longworth Bldg.  
Washington, DC

Dear Congressmen Boustany and Tiberi,

I am writing to submit my comments regarding the hearing on February 1, 2012 regarding the Harbor Maintenance Funding and Maritime Tax Issues.

Currently, I am the Port Director at Port Freeport, Texas. Port Freeport is the 16<sup>th</sup> busiest port in the U.S. It is a deepwater port of 45 ft. We are in the final stages of pre-construction, engineering and design on a channel improvement project to widen and deepen our port. Our project, which has been deemed a “priority” project by both the Bush and Obama administrations, will allow two-way traffic in our busy channel and will prepare us for the influx of shipments as a result of the improvements to the Panama Canal, scheduled for completion in 2014.

As the immediate past Chairman of the American Association of Port Authorities, I can speak with certainty on the effect of insufficient dredging of all ports in our great Nation. Having been in the position of port director for over 20 years, I can assure you that maintenance dredging has become a nightmare for our ports. In times past, we were able to rely on the federal government to keep our federal channels to authorized depths. Those times are gone. Each year, our ports must fight each other for the little funds available for maintenance dredging. A large part of the problem with the lack of funding has been the robbing of the Harbor Maintenance Trust Fund (HMTF) for uses other than the intended purpose of the fund.

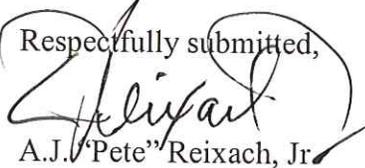
The HMTF was created to provide funds for the United States Army Corps of Engineers to dredge federally maintained harbors to their authorized depths and widths. The tax was intended to provide a sufficient, stable and long-term source of funding. In recent years, HMTF expenditures have been utilized by the Treasury as an offset to the

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federal budget. The fund has not been utilized for its intended purpose or in its entirety. Many U.S. harbors are under-maintained, resulting in the full channel dimensions of America's busiest ports available less than 35 percent of the time. The result of this inability to keep our ports dredged is the loss of cargo and resulting jobs.

At a time when our economy is suffering, we can ill afford to lose business to ports outside of the U.S, particularly when there is an obvious and easy solution.

The Harbor Maintenance Trust Fund must be kept in tack and must be utilized in its entirety and for its intended purpose only. I urge this subcommittee to carefully review the bill submitted by Congressman Boustany – the RAMP Act- and correct this misuse of the fund. We must keep our federal harbors open for business. We appreciate your focus on the issue and trust that you will support your partners in keeping our channels competitive in the world marketplace.

Respectfully submitted,  
  
A.J. "Pete" Reixach, Jr.  
Executive Port Director/CEO

/mab

cc: Barry Holliday, Dredging Contractors of America  
Kurt Nagle, AAPA