

Coastwise Coalition

February 1, 2012

The Honorable Patrick Tiberi, Chairman
Subcommittee on Select Revenues
The Honorable Charles Boustany, Chairman
Subcommittee on Oversight

Committee on Ways and Means
1102 Longworth Office Building
U.S. House of Representatives
Washington, D.C. 20515

Dear Chairmen Boustany and Tiberi:

On behalf of the Coastwise Coalition I want to thank you for undertaking the hearing today on maritime related tax issues. Our Coalition consists largely of public and private sector entities and persons who are oriented to marine and freight transportation. We see the economic and public benefits to be realized by making greater use of coastal and inland shipping in our transportation system.

The subject of the Harbor Maintenance Tax is one that we have considered for some time as problematic to the advancement of domestic marine transportation, including within the Great Lakes system. Specifically, little in the way of intermodal cargo and other non-bulk freight moves in the contiguous U.S. trade in contrast to various bulk commodities that are able to take great advantage of the efficiencies inherent in waterborne transportation.

Congress should take steps beyond the Energy Independence and Security Act of 2007 to encourage the use of the intermodal marine mode. Most immediately we urge, as stated in our letter to the Committee on October 4, 2011, that legislation to exempt non-bulk cargo from the Harbor Maintenance Tax be approved by the Committee.

H.R. 1533, Chairman Tiberi's Short Sea Shipping Act of 2011, is co-sponsored by thirty-nine of your colleagues. Chairman John Mica has indicated he would include an HMT exemption with the new American Energy and Infrastructure Jobs Act. That makes eminent sense. The Harbor Maintenance Tax exemption would further the intent of the 2007 act to encourage use of efficient, intermodal transportation services on water corridors "as an extension of the surface transportation system."

We appreciate your support for the American Marine Highway and the American maritime sector. We ask that this and our October letter, which is attached for your reference, be placed in the record of today's hearing.

Sincerely,



Paul H. Bea Jr., Chairman
Coastwise Coalition