

**Congress of the United States**  
**Washington, DC 20515**

April 1, 2011

The Honorable Paul Ryan  
Chairman  
U.S. House Committee on the Budget  
207 Cannon House Office Building  
Washington, D.C. 20515

The Honorable Chris Van Hollen  
Ranking Member  
U.S. House Committee on the Budget  
B-71 Cannon House Office Building  
Washington, D.C. 20515

Dear Chairman Ryan and Ranking Member Van Hollen:

As you formulate the Budget for Fiscal Year (FY) 2012, we respectfully request that you apportion all proceeds derived from the Harbor Maintenance Tax (HMT) to allow appropriation in the amount equal to the Administration's projected amount of collections for FY 2012 to assure that the HMT is fully used for its intended purpose—maintenance dredging of our Nation's ports and harbors. Additionally, we request the Committee refrain from including the Administration's proposal to divert HMT dollars to uses outside those prescribed in the Water Resources Development Act of 1986 (WRDA86), as amended, and section 9505 of the Internal Revenue Code.

As you know, WRDA86 established the HMTF to provide a reliable stream of funding for maintenance dredging of our nation's ports, harbors and related navigation channels. The fund is financed through a 0.125 percent *ad valorem* tax on imports and domestic cargo which utilize these waterways.

Unfortunately, in recent years, the appropriations from the HMTF have lagged behind the fund's revenues and the system's needs so a surplus of more than \$6 billion has accumulated. The President's Request continues this trend, estimating that the tax will take in almost \$1.5 billion while only allocating \$789 million to harbor and channel dredging and other authorized fund uses.

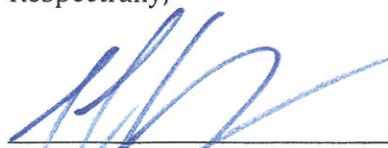
Meanwhile, the vast majority of our nation's harbors, including eight of the top 10 largest ports, are not being maintained to their fully authorized width and depth, thus constricting our ability to export products, engage in international trade and create jobs.

The Administration's budget actually proposes to worsen the situation by "significantly expanding" authorized uses of the HMTF in order to finance additional functions other than dredging. Overall, maritime commerce already pays more than \$20 billion in fees and tariffs (not including income taxes) and receives only one-tenth of that back in the form of federal navigation services.

At a time when the Unemployment Rate continues to hover around nine percent, we believe the best way to utilize the revenue in the HMTF is by fully committing these resources to activities which increase U.S. job-producing international trade, namely, dredging of our nations harbors. On a more basic level, it is fundamentally wrong for the government to impose a tax for one purpose, only to utilize the proceeds from this tax to fund an entirely different program.

We thank you in advance for your time and attention to this important issue.

Respectfully,

  
\_\_\_\_\_  
Jeff Landry  
Member of Congress

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Candice Miller  
Member of Congress



Steve Scalise  
Member of Congress



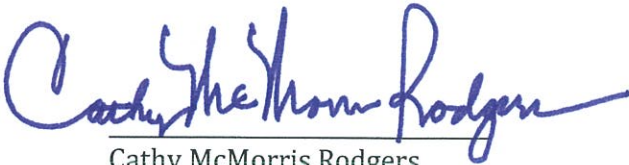
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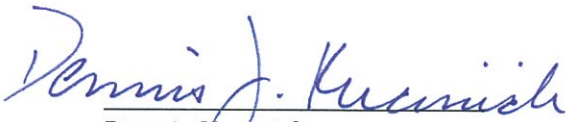
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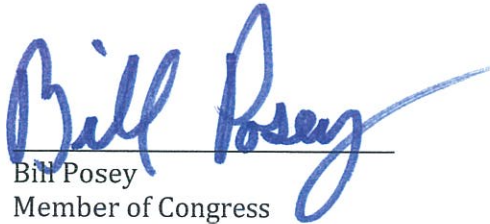
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Dennis Kucinich  
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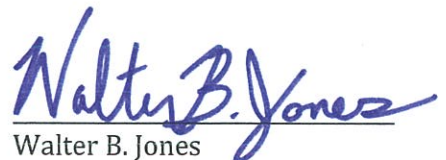
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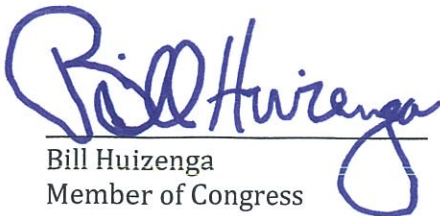
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