

COMMITTEE ON HOMELAND SECURITY
SUBCOMMITTEE:
TRANSPORTATION SECURITY, *RANKING MEMBER*

COMMITTEE ON THE JUDICIARY
SUBCOMMITTEES:
CRIME, TERRORISM, HOMELAND SECURITY
AND INVESTIGATIONS

COURTS, INTELLECTUAL PROPERTY AND
THE INTERNET

SENIOR WHIP

Congress of the United States
House of Representatives
Washington, DC 20515-1802

May 20, 2013

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Sylvia Mathews Burwell
Director
The Office of Management and Budget
725 17th Street, NW
Washington, DC 20503

Dear Director Burwell,

We write in response to the Statement of Administration Policy (SAP) recently issued for S. 601, the Water Resources Development Act of 2013. As Representatives from states that rely on our waterways to transport cargo to and from domestic and international markets, we understand the need to adequately dredge and maintain our nation's shipping channels. We are concerned with the Administration's reluctance to fully allocate the Harbor Maintenance Tax for its intended purposes.

Shippers have paid billions of tax dollars into the Harbor Maintenance Trust Fund (HMTF) specifically for the purpose of keeping channels dredged to authorized dimensions (width and depth). The HMTF is estimated to have a surplus of \$8.09 billion at the start of Fiscal Year 2014. Unfortunately, much of this funding has been siphoned off for other uses and, as a result, the U.S. Army Corps of Engineers (Corps) estimates that the nation's busiest ports are dredged to authorized dimensions less than 35% of the time. This increases the cost of shipping, as vessels are forced to carry less cargo in order to reduce their draft. Inadequate channel maintenance also increases the risk of a ship grounding or collision, possibly resulting in a pollution event.

In January 2010, President Obama announced his intent to double exports by 2015. By letter dated March 11, 2011, the President's Export Council identified the need for increased investments in port infrastructure and channel maintenance in order to maximize exports. The President reiterated his support for "modern ports to move our goods" in his 2013 State of the Union address. However, without proper maintenance of these shipping super-highways, we are concerned that the goal of doubling trade by 2015 will become an impossible promise to keep.

It has been well documented that the maintenance of deep-draft channels offers strong return on investment to the taxpayer. Numerous studies have found that each foot of lost depth increases the cost to ship those goods. This increase unfairly penalizes those already paying into the HMTF; makes U.S. products shipped overseas more costly and less competitive; and increases the cost of products for American consumers.

In addition, the United States is not doing enough to take advantage of the Panama Canal expansion. The country of Panama has financed nearly \$6 billion in infrastructure improvements so that the canal can be utilized by ships with draft of 50 feet. Unfortunately, there isn't a single port in the Gulf of Mexico and only a handful on the East Coast that can accept the larger vessels that will be traveling through the expanded Panama Canal.

We understand that the current fiscal environment makes it very difficult to maintain federally regulated channels. However, we must reemphasize the importance of waterways to local and national economies and we look forward to working closely with you to ensure that sufficient resources are provided to maintain America's trade super-highways.

Sincerely,



Cedric Richmond
Member of Congress



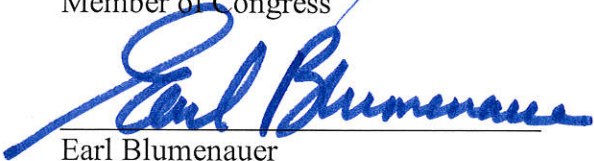
Michael Grimm
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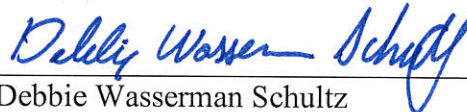
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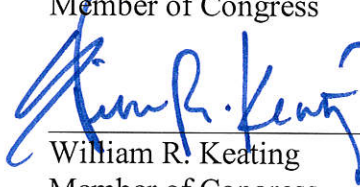
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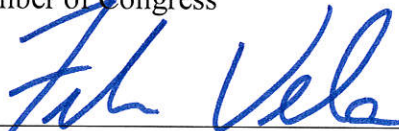
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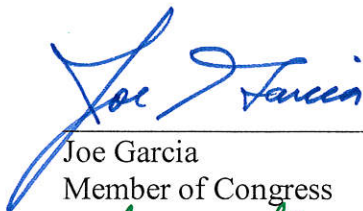
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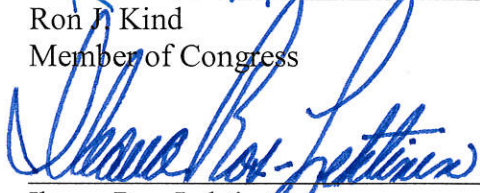


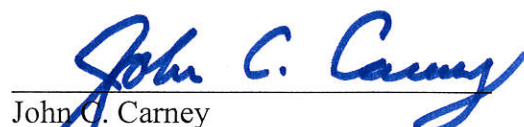
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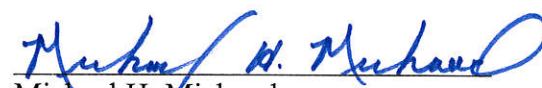

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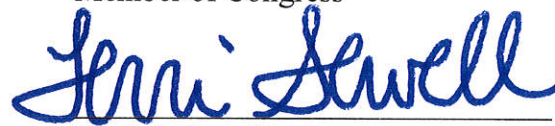

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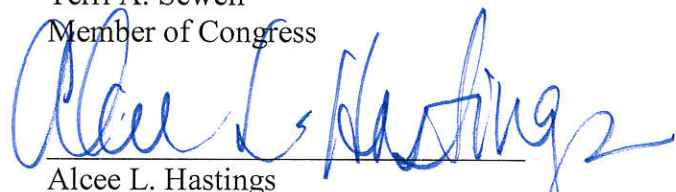

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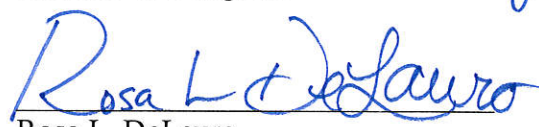

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