

Water Resources

Responsible for over a quarter of the United States Gross Domestic Product (GDP) and nearly 31 million American jobs, a well-maintained port system is vital to the manufacturers, exporters, and farmers who count on U.S. ports to move their products to market and provide critical goods for their supply chain.

The Corps of Engineers' Navigation Budget supports the key federal program to modernize and maintain our nation's navigation channels that bring ships to our ports and are key to our nation's ability to import and export goods efficiently. Waterside investments are needed to meet the trade and safety needs of the 21st Century.

FOR FY 2022 AAPA URGES CONGRESS TO:

- Fund the Corps of Engineers Coastal Navigation Program at \$3.03 billion,
- Fund Corps of Engineers HMT related work at \$2.05 billion,
- Fund coastal navigation construction at \$905 million and authorize new construction starts, and
- Fund the Donor and Energy Transfer port funding at \$50 million.

FULLY USE THE HARBOR MAINTENANCE TAX

In 1986, our nation set up a system for users to pay 100 percent to maintain the channels into our harbors. The HMT is assessed on the value of imports and domestic cargo that moves through ports. It is collected but has not been fully appropriated each year by Congress, resulting in a balance of over \$9.3 billion in unspent tax collections.

Congress passed landmark legislation in 2020 to address HMT funding. First the CARES Act provided for appropriation of the full prior fiscal year's HMT revenues. This was followed by the Water Resources Development Act, WRDA of 2020, which provided the funding mechanism and a schedule for appropriation of the unspent HMT tax collections.

WRDA 2020 also includes a funds distribution framework endorsed by the American Association of Port Authorities, AAPA, as a comprehensive fix to

HMT problems. It makes maintenance the highest priority, provides protections to address small ports' and Great Lakes ports, provides increasing equity to large HMT donors that subsidize the system, and acknowledges Congress's priority to provide support to energy transfer ports. It also provides funding assurance to strategic Defense ports – members of the National Port Readiness Network. This framework is effective October 1, 2022 and AAPA urges support for this provision.

CHANNEL IMPROVEMENTS

WRDA authorized navigation construction projects are underway at 10 ports around the U.S. and 4 more await the start of federal cost-share funding to begin construction. The nation's economic growth and timely returns on its investments require robust construction funding and new start directives. AAPA supports robust funding for this program -

\$905 million in the FY 2022 Energy and Water appropriation.

CONGRESSIONAL ACTION ON THE FY 2022 BUDGET

INFRASTRUCTURE INVESTMENT

AAPA seeks \$4.5 billion in infrastructure investment or Covid economic recovery funding. \$2.5 billion would fully fund the Federal government share of the Corps coastal navigation channel improvement projects allowing a quicker completion, accelerated realization of benefit returns, and water transportation cost savings for decades. Additionally AAPA seeks \$2 billion of the HMT's \$9.3 billion in unspent tax collections to restore Federal navigation channels to a proper level of maintenance.

	2022 Stakeholders	2021 Omnibus
COASTAL NAV	\$3.03 B	\$2.479 B
Investigations	\$25 M	\$14 M
Construction	\$905 M	\$794 M
Oper & Maintenance	\$2.05 B	\$1.621 B
Donor & Energy Ports	\$50 M	\$50 M

First and foremost, Fiscal Year 2022 appropriations need to follow the 2020 HMT legislation – funding the full prior year revenues plus \$600 million from the unspent HMT tax collections.

AAPA leads a group of national and regional navigation program supporters that work collaboratively to identify funding needs for the Corps of Engineers' navigation program. The comparison chart shows the FY 2021 coastal navigation funding, along with the group's FY 2022 budget request. Congress has shown great understanding and leadership in providing programmatic funds to increase amounts for navigation improvement studies, 21st-century channel improvements, and operation and maintenance. AAPA urges Congress to build on the success of FY 2021's enactment in and pass an FY 2022 Energy and Water Appropriations bill in the first round of FY 2022 legislation.

FUNDING SUMMARY

AAPA calls on Congress to provide adequate funds for the Corps of Engineers to ensure Federal maritime infrastructure is maintained and modernized for the 21st century. This includes:

- Funding the annual HMT revenues and the scheduled portion of the \$10.1 billion in unspent HMT tax collections.
- Provide robust funding for cost-shared navigation channel improvement projects
- Fund donor equity through WRDA Section 2106 Donor and Energy Transfer ports program