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44TH DISTRICT, CALIFORNIA



TRANSPORTATION AND INFRASTRUCTURE

SMALL BUSINESS
RANKING MEMBER – HEALTH AND TECHNOLOGY

PORTS CAUCUS
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Congress of the United States
House of Representatives
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July 31, 2014

The Honorable Barbara A. Mikulski
Chairman
Committee on Appropriations
United States Senate
Washington, DC 20510

The Honorable Richard C. Shelby
Ranking Member
Committee on Appropriations
United States Senate
Washington, DC 20510

Dear Chairman Mikulski and Ranking Member Shelby,

We, the undersigned members of the Congressional PORTS Caucus, with 90 members in Congress, were disappointed to learn in the most recent Senate Energy and Water Appropriations bill that your Committee failed meet two targets set into law just seven weeks ago. The Water Resources and Reform Development Act (WRRDA) set a utilization target for the Harbor Maintenance Trust Fund and created the Donor and Energy Transfer Ports Program, but the draft released today failed to fund either at the levels needed by our ports.

It is crucial for our nation's ports that we fully utilize the Harbor Maintenance Trust by meeting the \$1.2 billion figure agreed upon in WRRDA. Funding for the HMTF would increase the nation's economic efficiency, create jobs, increase trade, and make the United States more globally competitive.

Currently, waterways and harbors are filling with sediment due to a lack of regular dredging, and a recent Army Corps of Engineers report stated that 30 percent of commercial vessels are constrained due to excessive sediment deposits. Therefore, large ships with heavy cargo cannot pass through the harbor or canal, and leads to cargo ships traveling with empty space on their decks, or causes shipping companies to send smaller-than-optimal ships, both of which are economically inefficient. In addition, thousands of good-paying, middle-class jobs would be created in funding for HMTF would increase.

Jobs could finally be added to the construction and dock-working industries, both of which have suffered disproportionately compared to other industries due to the Great Recession. Finally, investing further in ports and harbors would create two dollars of economic activity for every one dollar spent, which would spill-over to help local manufacturing, give workers more income and assist in the economic development of port and harbor communities. Investing in America's ports is not only a wise economic decision, it is key to creating a stronger America and restoring our reputation for having first-class infrastructure.

Further, failing to meet WRRDA targets in year one does not bode well for the years that follow. For this reason, the House strongly supported the Hahn / Huizenga amendment, which fully funded HTMF at the WRRDA target of 67 percent, earlier this month with a vote of 281-137.

In addition to meeting our HMTF targets, we urge you to fully fund the Donor and Energy Transfer Ports Program at its authorized level of \$50 million. This program was created by the Senate and included in the WRRDA conference agreement as Section 2106, which was signed into public law just seven weeks ago.

Donor and Energy Transfer ports are crucial for our nation's economy. There are currently six donor ports: Long Beach, Los Angeles, Miami, New York/New Jersey, Seattle, and Tacoma, and twelve additional energy transfer ports: S. Louisiana, Houston, New Orleans, Beaumont, Corpus Christi, Baton Rouge, Texas City, Plaquemines Parish, Mobile, Lake Charles, Norfolk Harbor, and Baltimore.

Donor ports are those that collect over \$15 million in Harbor Maintenance Taxes and receive less than 25 percent of those taxes back. For example, the Port of Los Angeles receives less than a penny for every dollar it collects. These ports are the gateways into and out of the United States for trade and are crucial for moving our agriculture products and U.S. made goods to other countries. Energy Transfer Ports are ports that move over 40 million tons of cargo and at least 25 percent of this cargo was energy related. These ports are crucial for transporting our nation's energy supply. For example, the Port of South Louisiana is our largest port in terms of tonnage and over one-third of that movement is energy related.

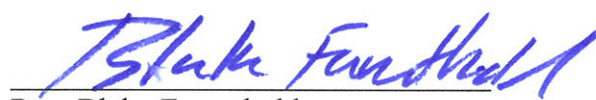
We understand that these are difficult budget times. However, our ports need Congress to act and invest in our infrastructure to stay globally competitive in the 21st century. Light loaded ships due to channel restrictions raises transportation costs, impacting the competitiveness of US exports and the cost of imports to US consumers. The Panama Canal expansion will demand new improvements from ports across the nation, and if our ports are not prepared we will fall behind.

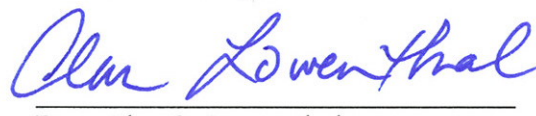
Thank you for your consideration. Please let us know if you need more information.

Sincerely,


Rep. Janice Hahn
Member of Congress

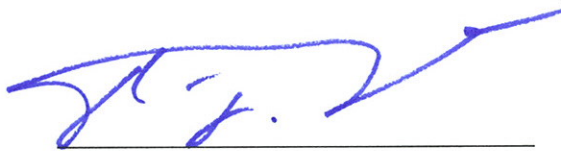

Rep. Ted Poe
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Rep. Blake Farenthold
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Rep. Alan S. Lowenthal
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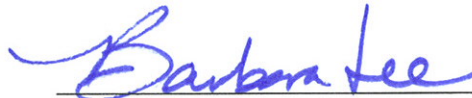
Rep. Gene Green
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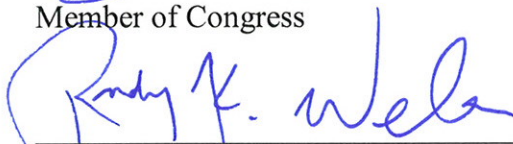
Rep. Barbara Lee
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Rep. Steve Stockman
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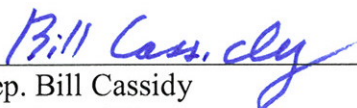
Rep. Scott Peters
Member of Congress



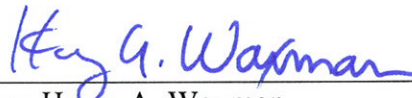
Rep. Randy Weber
Member of Congress



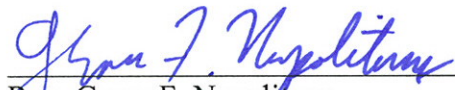
Rep. David N. Cicilline
Member of Congress



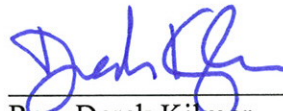
Rep. Bill Cassidy
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Rep. Henry A. Waxman
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Rep. Derek Kilmer
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Rep. David G. Reichert
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