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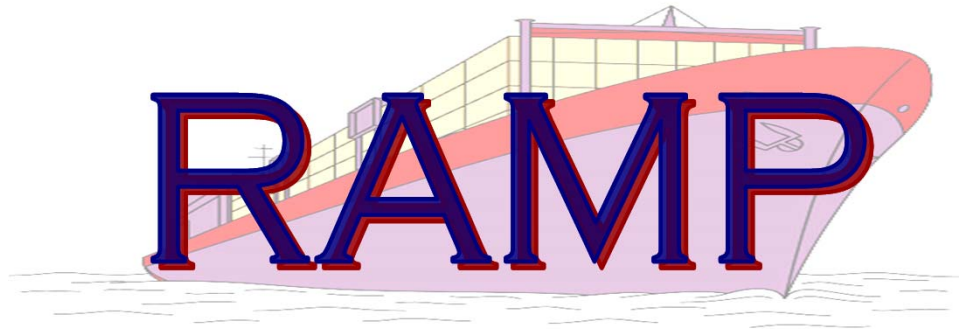
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Outlook for Transportation Risks

Challenges for Maintaining Navigable Waterways

Presented by
Barry Holliday
Dredging Contractors of America
February 2013



Realize America's Maritime Promise
Harbor Maintenance Trust Fund Fairness Coalition

www.ramphmtf.org

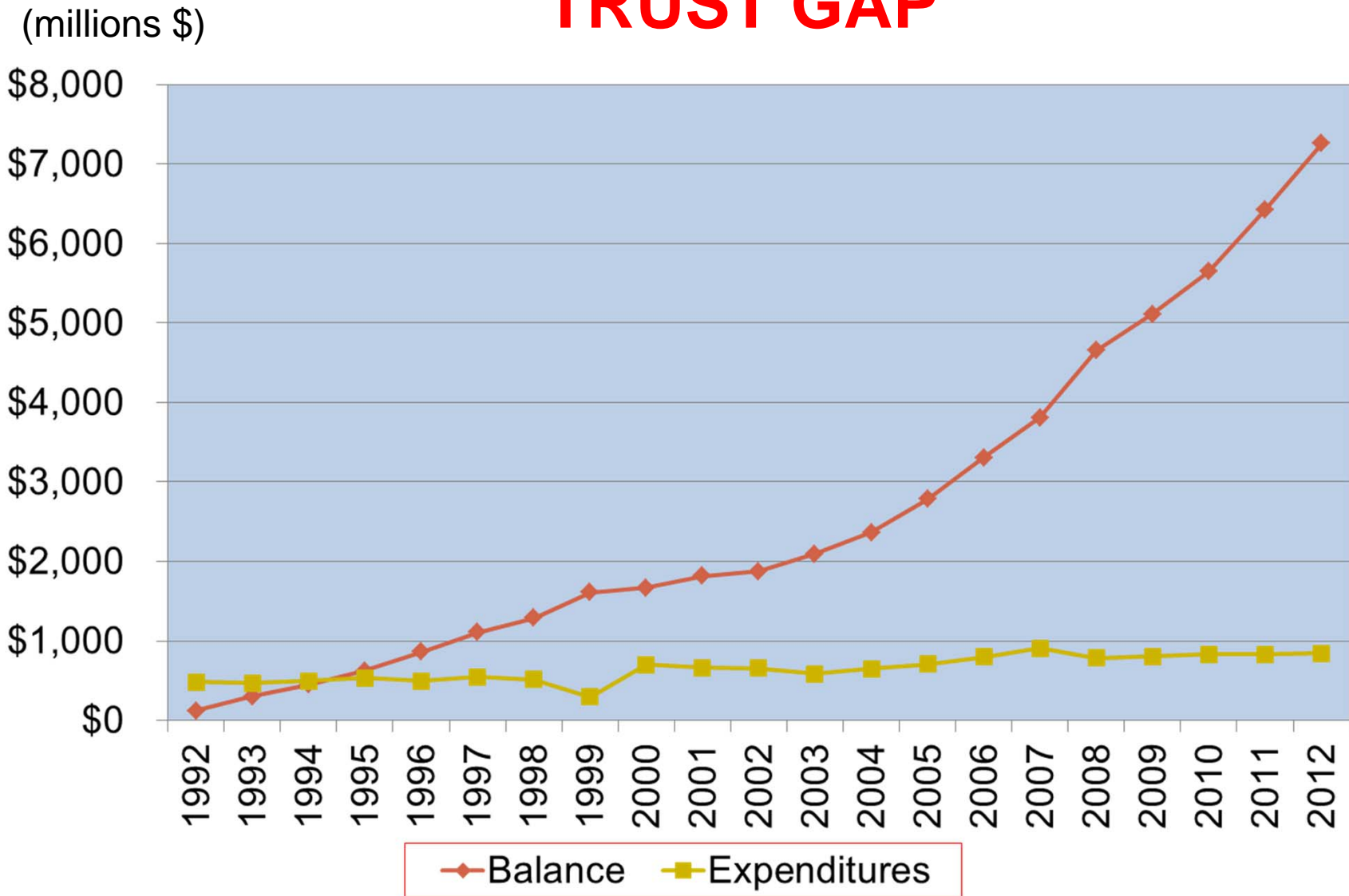
Harbor Maintenance Trust Fund

What is the Harbor Maintenance Trust Fund?

- The Harbor Maintenance Trust Fund was authorized in the Water Resources Development Act of 1986, P.L. 99-662, as a tax on channel users to pay for operations and maintenance costs on commercial waterways.
- It is an ad valorem tax equal to .125% on the declared value of imported commercial cargo and on passenger vessel tickets.
- This tax is collected by Customs on behalf of the Corps of Engineers.
- In FY 2012, this tax generated \$1.54 billion, yet only \$844 million was used for its intended purpose. The remaining \$700 million was deposited into the General Treasury to offset the deficit. FY 2013 revenues are expected to be \$1.8 billion!

HMTF Expenditures and Balance FY 1992 – FY 2011

TRUST GAP



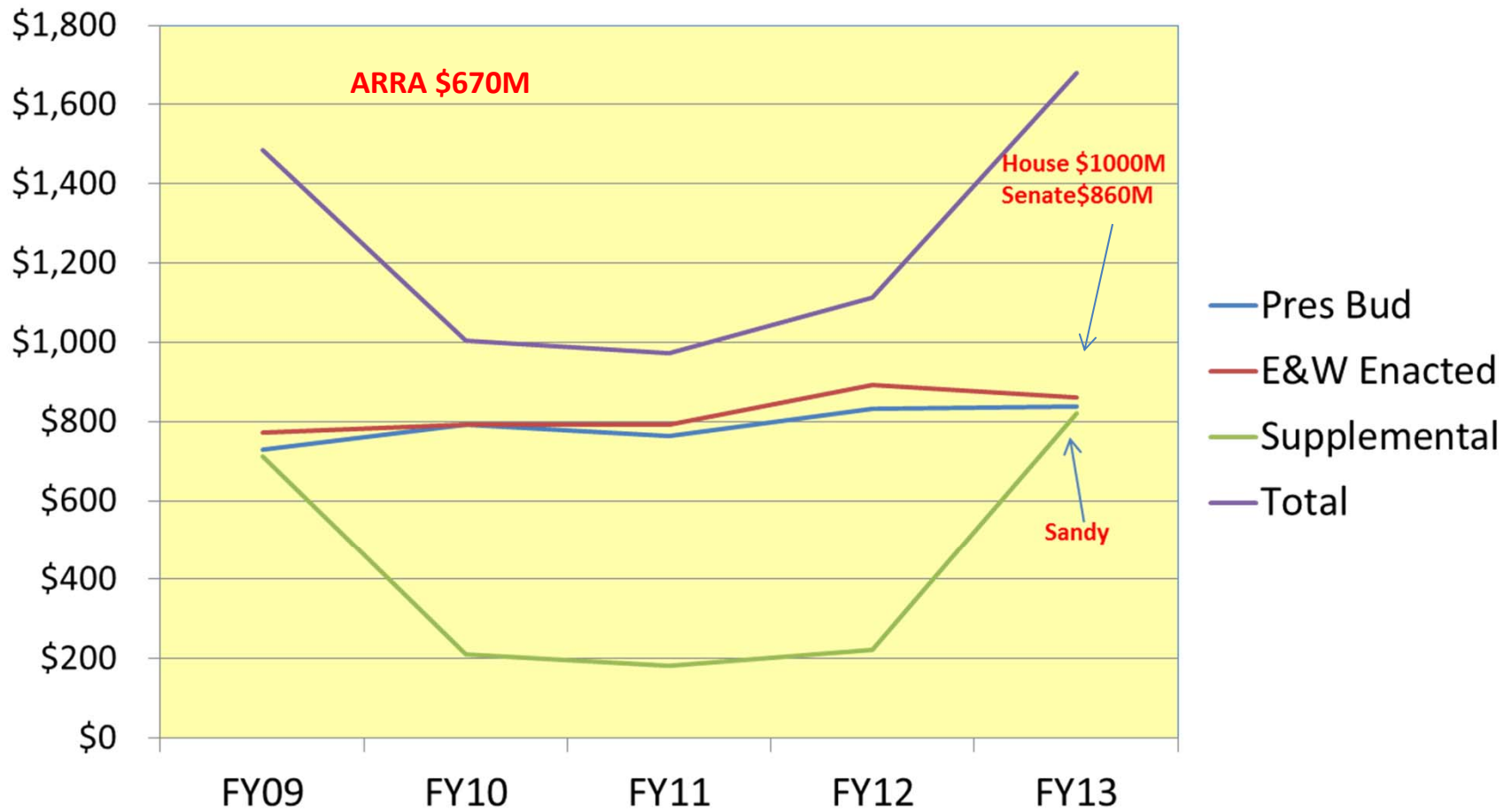
Harbor Maintenance Trust Fund

Cash Flow

Year	Tax Receipts + Interest (millions)	Corps Transfers (millions)
2000	\$761	\$687
2001	\$811	\$644
2002	\$711	\$640
2003	\$804	\$569
2004	\$922	\$631
2005	\$1123	\$687
2006	\$1321	\$779
2007	\$1416	\$891
2008	\$1626	\$766
2009	\$1268	\$772
2010	\$1363	\$793
2011	\$1599	\$791
2012	\$1690	\$844

Corps HMTF Funding

(Millions)



Navigation Coastal Funding Needs

- **Estimated \$1.5 B needed annually over 5 years to restore authorized dimensions for high and moderate commercial use coastal channels and harbors**
- **Additional \$500 M needed annually for low commercial use projects**
- **Estimated \$1.2 B needed annually after that to maintain authorized dimensions for high and moderate commercial use coastal channels and harbors**
- **Additional \$300 M needed annually for low commercial use projects**



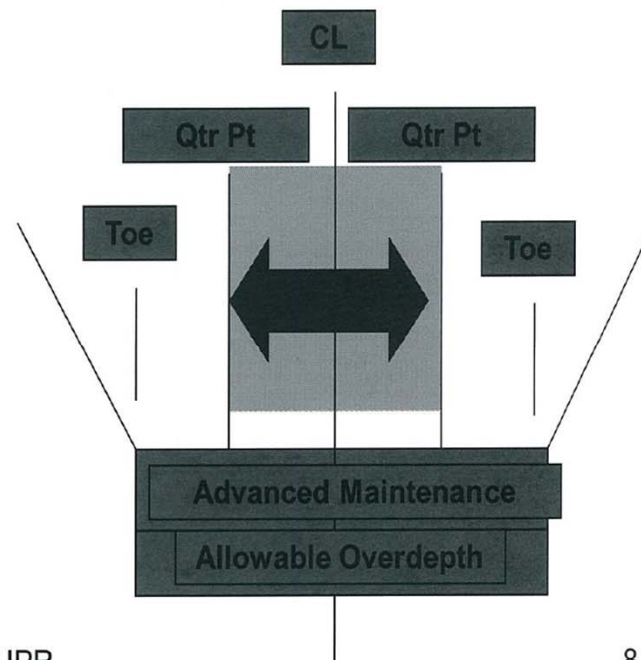
IMPACTS

- **SHIPS LIGHT LOADED**
 - Tons Not Moved!
- **MORE OFFSHORE LIGHTERING OF OIL**
- **CHANNELS NOT AT PROJECT DEPTH OR WIDTH**
- **U.S. COMPETITION IN WORLD MARKETS CHALLENGED, JOBS ARE LOST!**



Coastal Navigation Performance Standard

- Standard
 - Full project depth
 - Half project width, 95% of the time
- Trend
 - FY 2005: 38%
 - FY 2006: 35%
 - FY 2007: 32%
 - FY 2009 – 2013:
FYDP get to 95%



Why should farmers care about transportation?

Because our international competitiveness depends on it.

Costs of transporting soybeans: U.S. vs. Brazil
(per metric ton; 4th quarter, 2010)

	Davenport to Shanghai	Sioux Falls to Shanghai	N. Mato Grosso to Shanghai
Land: Truck	\$8.94	\$8.94	\$120.12
Land: Barge/Rail	\$31.85 (Barge)	\$50.31 (Rail)	-----
Ocean	\$55.46	\$29.25	\$31.67
Total Transport	\$96.25	\$88.50	\$151.79
Farm Value	\$399.16	\$385.56	\$413.46
Landed Cost	\$495.41	\$474.06	\$566.25
Transport as % of Landed Cost	19.4%	18.7%	26.9%

Source: USDA



LATEST STATUS

- **HR 335 – 87 House cosponsors**
 - Support from T&I in a WRDA
- **S 218 – 31 Senate cosponsors**
 - Support from EPW in a WRDA
- **No funding guarantee!!**

OUR GOAL

- To establish legislation that guarantees Harbor Maintenance Trust Fund annual tax revenues are used for their intended purpose—the operation and maintenance of Federal ports and harbors.

