Harbor Maintenance Trust Fund Reform

Great Lakes Dredging Team

May 19, 2011
History and evolution

- Created in WRDA 1986 as .04 % ad valorem “fee” on cargo
- Tripled in 1990 to .125 %
- Ruled in 1998 as not a true user fee
Harbor Maintenance Trust Fund
Expenditures and Balance, 1992-2007

Projected for 2007 Based on Conf Rpt.
HMTF Reform Measures

H.R. 104 and S.412 “…ensure that amounts credited to the HMTF are used for harbor maintenance.”

Supported by Lake Carriers’ Association, Great Lakes Maritime Task Force, Great Lakes Commission, Great Lakes Small Harbors Coalition.
H.R. 104

- Nationwide: 94 Co-Sponsors
- Letter of support signed by 36 Reps.

S. 412

- Sen. Levin is the Sponsor
- 19 Co-Sponsors
- Letter of support signed by 10 Senators

WRDA 2011?
LaTourette bill could end tax on Great Lakes shipping

U.S. Reps. Steven C. LaTourette (R-OH), Pat Tiberi (R-OH) and Brian Higgins (D-NY) today introduced legislation that will exempt the Great Lakes from the onerous Harbor Maintenance Tax (HMT) that is thwarting efforts to establish a ferry that would move cargo across Lake Erie to Canada from a NE Ohio port.

"The Harbor Maintenance Tax is the main obstacle to establishing a cargo ferry to transport goods to and from NE Ohio and Canada," LaTourette said, adding that Canadian ports have no incentive to finalize ferry service across Lake Erie if the costly HMT remains in place. He said cargo ferry proposals are in limbo in Ashtabula, Cleveland, Grand River and Conneaut.
Amends the Internal Revenue Code to exempt from the harbor maintenance tax commercial cargo (other than bulk cargo) loaded or unloaded at U.S. ports in the Great Lakes Saint Lawrence Seaway System. Defines the "Great Lakes Saint Lawrence Seaway System" as the waterway between Duluth, Minnesota and Sept-Iles, Quebec, Canada, encompassing the five Great Lakes, their connecting channels, and the Saint Lawrence River.