



THE HMT DRUM BEAT CONTINUES

There is optimism and support for the legislation

With the start of the 112th Congress, there is a renewed effort to secure long-awaited relief from the imposition of the Harbor Maintenance Tax (HMT) on non-bulk cargo moving through the Seaway and along our coastlines. The line-up of the new Congress presents a reason to hope that a legislative fix will be put in place to jump-start moving containers via our waterways.

For a number of years, and over the life-span of several Congresses, the dedicated efforts of numerous port and maritime industry representatives and entrepreneurs have kept the HMT proposal in front of our lawmakers. The rationale for the limited exemption from the HMT is sound: stimulate container shipping, create jobs, bolster regional economies, alleviate congestion on our roadways, decrease pollution, utilize the most environmentally friendly method of transporting goods—and do all this without substantially decreasing revenue to the U.S. Treasury.

In the last Congress, there were 52 bipartisan cosponsors of Congressman Brian Higgins' (D-NY) bill, H.R. 3486, the Short Sea Shipping Act of 2009. Among those cosponsoring were the Chairman and Ranking Member of the Ways and Means Committee, the Ranking Member (now Chairman) of the Transportation and Infrastructure Committee and numerous Congressmen and Congresswomen from both political parties who represented port cities. This was the largest number of Congresspeople ever garnered to sign onto the HMT bill. Unfortunately, with the adjournment of the 111th Congress, all bills that hadn't been enacted, including H.R. 3486, were taken off the calendar.

I am glad to report that in April we witnessed the rebirth of this legislation as Congressman Pat Tiberi (R-OH), together with Congressman Higgins and Congressman Steven LaTourette (R-OH), introduced a bill identical to the prior legislation. The new bill is H.R. 1533, the Short Sea Ship-

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ping Act of 2011. Already, the Ranking Member of the House Ways and Means Committee, Congressman Sander Levin (D-MI), has agreed to cosponsor. The House Ways and Means Committee has jurisdiction over the legislation and will ultimately have to approve it before it goes before the entire House of Representatives.

The bill would exempt coastwise, river and Great Lakes maritime transportation from the 0.125 percent ad valorem tax that is levied on vessels arriving at a U.S. port. It would also exempt cargo moving between the U.S. and Canada in the Great Lakes and St. Lawrence Seaway. The tax must be paid each time a vessel calls at a U.S. port. This has put the marine mode at a competitive disadvantage with other, non-shipping, transportation providers that do not have to pay it. Right now, there is little to no short sea shipping on the Great Lakes because the tax makes it too costly. By exempting this cargo from the HMT, jobs will be created as the burden on shippers moving cargo by water in the U.S. is removed. In particular, entrepreneurs are poised to begin ferry service across the Great Lakes if the HMT is lifted and many have indicated that we are likely to see a flood of new investment in the Great Lakes region.

This time around, there is reason to be optimistic. The groundswell of support for this legislation has been growing steadily. Major national maritime trade associations, ports and labor organizations are on board

with the effort and are working hard to grow the number of cosponsors. Significantly, the chief sponsor of the new bill, Congressman Tiberi, is the Chairman of the Select Revenue Measures Subcommittee of the Ways and Means Committee. His subcommittee will undertake the initial consideration of the bill and he will be able to help steer it through the legislative procedures and processes to keep it moving forward. This alone should help the legislation get more attention than it has in the past. In addition, there appears to be an intense focus in the current Congress on economic development and promoting job creation by the private sector. Most importantly, the fact that this legislation is essentially revenue-neutral alleviates any concerns from the cost conscious 112th Congress.

The support of the maritime transportation industry will continue to be essential to keeping our lawmakers focused on the need for this legislation. The slow, steady drumbeat that has been maintained over the years on this issue can help turn this proposal into law if there is collective engagement by all its proponents. ■

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