

**Statement for the Record  
Submitted to the  
Subcommittee on Water Resources and Environment  
Committee on Transportation and Infrastructure  
US House of Representatives  
Hearing on “The Cost of Doing Nothing: Why Full Utilization of the Harbor Maintenance Trust Fund  
and Investment in Our Nation’s Waterways Matter”  
April 10, 2019**

Dear Chairwoman Napolitano and Ranking Member Westerman:

The Association of Equipment Manufacturers (AEM) appreciates the opportunity to submit a statement for the record on today’s hearing on “The Cost of Doing Nothing: Why Full Utilization of the Harbor Maintenance Trust Fund and Investment in Our Nation’s Waterways Matter.” AEM represents more than 1,000 equipment manufacturers in the construction, agriculture, forestry, and mining sectors who employ nearly 1.3 million individuals in the U.S. and contribute nearly \$159 billion to the country’s GDP.

Infrastructure matters to AEM members who not only use it to move product to market, but who also make the equipment that builds it and rely upon it to keep the economic sectors it is connected to strong. For example, the health of the equipment manufacturing industry is directly impacted by the health of the U.S. agriculture economy and the many factors that influence it, factors that include the inland waterways and ports that move commodities from farm to market. Our crumbling U.S. infrastructure threatens to undermine not only the important role the equipment manufacturing industry plays in the U.S. economy, but also to destabilize a key economic sector that our members’ products help sustain, the agricultural sector.

Our nation’s waterways and port infrastructure play a significant role in connecting goods and agricultural commodities with consumers domestically and globally. They represent one of the most cost-effective, fuel-efficient, and safe modes of freight transport domestically. U.S. farmers and ranchers depend heavily on water infrastructure to deliver the food and fiber they produce to the world. In fact, more than 70 percent of U.S. agricultural exports, valued at nearly \$130 billion, are conveyed by water.

However, this critical transportation network is severely outdated, in need of repair and prone to delays and inefficiencies that put the health of the U.S. agriculture sector at risk. For example, many of the locks and dams within the inland waterway system are obsolete and have long exceeded the period of use for which they were designed. U.S. harbors coast to coast are unable to accommodate the largest freight vessels leading to delayed shipments, increased costs, and diminished capacity to export products abroad. Patchwork repairs required over the past decade have led to a 700 percent increase in unplanned stoppages. The cost of doing nothing when it comes to repairing and modernizing our nation’s harbors and waterways is high.

In order to reclaim the U.S. infrastructure advantage that we once enjoyed, we need to ensure that the proper resources are being invested to not only meet a state of good repair but also build new infrastructure for the 21<sup>st</sup> century. This means that funds should be applied consistently to the projects for which they were raised. In the case of the Harbor Maintenance Trust Fund (HMTF), we have seen the

consequences of failing to apply funds for their designated purpose. The HMTF is meant to be used for dredging harbors and channels to maintain navigability and increase ship size capacity in a Post-Panamax era. Despite growing dredging needs at U.S. harbors, Congress has often diverted the HMTF to offset budget deficits allowing dredging projects to pile up and the U.S. to fall further behind in waterborne freight capacity. AEM supports past proposals from Chairman Peter DeFazio to ensure that funds meant for the HMTF remain designated and available for harbor maintenance projects – and those projects only. Further, AEM supports prioritizing funding for the current backlog of 25 critical inland waterways projects and maintaining water resource bills on a two-year cycle. Taking these steps will provide much needed certainty and predictability to the agricultural sector and by extension, the equipment manufacturing industry.

Our nation's harbors and inland waterways are vital to the success of the equipment manufacturing industry, the agricultural sector, and all sectors of the U.S. economy. We urge Congress to provide the funds necessary to maintain and upgrade crucial infrastructure projects and prevent future efforts to divert those funds to other government spending areas. Practical and pragmatic efforts will help ensure that we reclaim the infrastructure advantage we once had. AEM commends the Subcommittee on Water Resources and Environment for holding this important hearing and stands ready to work with the Subcommittee and full Committee to craft a comprehensive legislative package that addresses the needs of our harbors and waterways, and all of our nation's transportation and infrastructure assets.