

October 28, 2019

NTU urges all Representatives to vote "NO" on H.R. 2440, the Full Utilization of the Harbor Maintenance Trust Fund Act. This legislation would lead to higher federal spending, exempt the Harbor Maintenance Trust Fund (HMTF) from discretionary caps, and potentially draw down the \$9 billion surplus in the HMTF. Lawmakers should oppose this proposal, and pursue legislation that strengthens caps on discretionary spending rather than weakening them.

H.R. 2440 would add the HMTF to a special, narrow group of spending categories that are exempt from Budget Control Act (BCA) caps. Currently, that list is limited to emergency and overseas contingency operations (OCO) spending, disaster relief, continuing disability reviews and redeterminations, health care fraud and abuse control, reemployment services and eligibility assessments, and wildfire suppression. Despite the pending expiration of BCA caps on discretionary spending, the bill's supporters have failed to make the case that HMTF belongs in the same category of exempt spending as disaster relief and OCO.

CBO has scored H.R. 2440 as having no impact on direct spending, revenues, or the deficit, but this is a misleading analysis. As NTU Foundation <u>pointed out</u> in June, the sponsors of the legislation "wrote that it would provide for an additional \$34 billion in funds for harbors. Despite the obvious motivation to use HMTF as a vehicle for spending hikes, CBO's zero score reflects a myopic reading of the bill." This intention is also made clear in the House Transportation and Infrastructure Committee <u>report</u> on H.R. 2440, which states, "[t]his change would enable the investment of approximately \$34 billion over the next decade from the HMTF for the intended purpose of maintaining Federally-authorized harbors."

Policymakers should want strong surpluses in taxpayer-backed trust funds. At a time when the Social Security and Medicare Part A trust funds are facing insolvency, Congress should not be passing legislation that strains one of America's healthier trust funds. If lawmakers want to spend a higher portion of HMTF's annual revenues, they should do so by having harbor maintenance needs compete with other priorities considered by Congress each year, rather than carving out a caps exemption for HMTF. Passing this legislation will only encourage special interests to seek additional exemptions for their priorities.

NTU strongly urges Representatives to oppose H.R. 2440 in its current form.

Roll call votes on H.R. 2440 will be included in our annual Rating of Congress and a "NO" vote will be considered the pro-taxpayer position.