



For the
Hearing on Harbor Dredging and Infrastructure
September 27, 2012

My name is Chuck May and I am a private citizen from Portage Lake Harbor, Onkama, Michigan. I am also a recreational boater, a member of the Portage Lake Harbor Commission, and since February, 2008 the Chair Pro Tem of the Great Lakes Small Harbors Coalition (GLHSC). The Coalition was established in early 2008, initially among Michigan harbors, to advocate for sufficient resources to maintain navigational access to federally authorized recreational harbors through adequate dredging. It later expanded to invite the collective voices of citizens from harbors throughout the Great Lakes states and now represents over 100 Great Lakes coastal communities and advocate organizations in five states (totaling over 3 million citizens) that have passed official resolutions in support of our mission.

This grass roots organization was borne from a singular, urgent need: the fact that our harbors are silting in due to a chronic pattern of inadequate maintenance dredging, thus creating serious economic hardship, and significant threats to human health and safety. We can document actual loss of life and property resulting from inadequately dredged recreational harbors in Michigan. We can also document the economic impact to our states and communities. According to a recent study, the over 900,000 recreational boaters using these Great Lakes harbors generate an annual economic impact of \$5.5 billion--\$2.35 billion annually on boating trips, another \$1.4 billion to purchase and maintain their watercraft, and support 60,000 jobs in the region generating \$1.7 billion in annual personal income. For a region in economic transition, and one seeking to maximize a globally unmatched freshwater resource, this is an industry we must grow, not abandon.

The crisis facing our harbors and the one I wish to bring to the attention of this hearing can be attributed to:

- 1.) National policy that de-emphasizes the importance of both shallow draft and commercial harbors with less than one million tons of cargo movement annually; resulting in all shallow draft and many lower use commercial harbors being a low priority within the Corps' annual Operations and Maintenance (O&M) budget, and forcing harbor interests to seek Congressional earmarks, and;
- 2.) A long standing shortfall in the Corps' Great Lakes O&M budget that has created a dredging backlog among all Great Lakes harbors both commercial and recreational.

In essence, the Michigan and Great Lakes Federal Harbors and their communities have been sustained by an “IV drip” of earmarks for the past 15 years. Now even that IV drip has been shut-off, cutting adrift some 98 harbors of the Great Lakes and 50 harbors in Michigan—the only Michigan harbors considered now for Federal maintenance funding are Grand Haven, Muskegon, Charlevoix, Alpena, Marquette, and Presque Isle. The Great Lakes Small Harbors Coalition has joined with other associations representing the commercial interests throughout the Great Lakes to correct this wrong of taxing for a specific purpose, then misappropriating such taxes for other purposes. Federal receipts from the Harbor Maintenance Tax (HMT), paid on the value of the Nation’s cargo, amount to some \$1.5 billion annually. However, only some 50% of this HMT is spent annually for its intended purpose—the other \$750 million is used as an off-set for deficit reduction. The accumulation of “mis-spent HMT” has now reached \$8 billion as identified in the Harbor Maintenance Trust Fund.

Collectively, the GLSHC, commercial organizations, our Senators and Representatives are working to correct this wrong in D.C. and to mandate the 100% use of the HMT for its original intended purpose. We respectfully request that the Michigan legislature and the Governor’s office act to support this critical effort by signing a Resolution and engaging with the President’s Administration, Army Corps Generals, Congress, and GLSHC to correct this wrong of taxing, then misappropriating the needed funds.

From a budgetary perspective, our needs are relatively modest. The Corps of Engineers estimates that as little \$10 million a year (\$5 million for Michigan) could support a dredging program to adequately maintain the 75 shallow draft, recreational harbors in the Great Lakes. Compare this investment to the over \$5 billion return cited above. Further, the 37 commercial harbors handling less than one million tons that are no longer included in the Corps’ dredging budget could be adequately dredged for another \$10 million, and our infrastructure could be brought back to acceptable condition for some \$20 million annually. Again a small outlay compared to the economic impact to the region and the nation. But more importantly, please consider the lives that will be saved and casualties prevented by assuring boaters that harbors entrances are as deep as their charts indicate particularly at times when they are in harm’s way. In short, the overall quality of life of the 350,000 citizens in these Michigan small harbor communities and the 2.5 million in the counties these harbors anchor is truly at risk if we do not correct this crisis situation.

We appreciate your interest in this issue and consideration of this resolution. I will be happy to supply any additional information needed. Please feel free to contact me at cmay08@charter.net or (231) 889-5607.

Chuck May, Chair Pro Tem
Great Lakes Small Harbors Coalition