

TO: U.S. AND CANADIAN GREAT LAKES PORT DIRECTORS
FROM: STEVE FISHER
RE: SHORT SEA SHIPPING LEGISLATION

Earlier today, the Senate Finance Committee approved the Great Lakes Short Sea Shipping Enhancement Act of 2007 (S. 1683). This legislation will exempt non-bulk commercial cargo shipped between U.S. ports on the Great Lakes, or between Canadian and U.S. ports on the Great Lakes, from the Harbor Maintenance Tax.

The Senate Finance Committee agreed to incorporate the provisions of S. 1683 into another bill reauthorizing aviation user fees. While this might seem like an odd decision, it is actually a fortunate development. The current system of taxes and fees supporting the Airport and Airways Trust Fund expires on September 30, 2007. For this reason, the aviation legislation is considered "must pass." Consequently, the Harbor Maintenance Tax provision has been attached to a legislative "vehicle" that has a strong chance of moving through the Congress and being enacted.

What's next?

The transportation tax package approved by the Senate Finance Committee (including our Harbor Maintenance Tax language) will now proceed to the Senate floor for approval. There, it will likely be "married" with legislation restructuring FAA programs. The latter was approved by the Senate Commerce Committee last month.

The House of Representatives has already enacted legislation restructuring FAA programs; however, it has yet to approve aviation tax legislation.

Timing:

It is already apparent that Congress will not complete the aviation legislation by the September 30th deadline. Thus, to avoid shut down of the FAA, Congress will likely pass "stop gap" legislation extending current federal aviation programs for a few months. This will give the Senate and House time to complete work on comprehensive FAA reauthorization legislation.

Thanks:

Many thanks go to the Senate sponsors of our legislation: Sen. Debbie Stabenow (D-MI), Sen. Carl Levin (D-MI), and Sen. George Voinovich (R-OH). All three offices have worked closely together to ensure progress on S. 1683.

PARTICULAR THANKS GO TO SEN. DEBBIE STABENOW (D-MI) AND HER STAFF FOR SPEARHEADING THIS EFFORT WITHIN THE SENATE FINANCE COMMITTEE. SENATOR STABENOW HAS BEEN A STRONG SUPPORTER OF THE GREAT LAKES MARITIME INDUSTRY.

Many thanks also go to Curtis Hertel and Steve Olinek of the Port of Detroit for working with Sen. Stabenow's office to demonstrate local support for the short sea shipping legislation.

Should you have any questions regarding these developments, please do not hesitate to contact me.

Steven A. Fisher
Executive Director
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