

111TH CONGRESS
1ST SESSION

H. R. 2355

To establish a National Goods Movement Improvement Fund to provide funding for infrastructure projects that will improve the movement of goods, mitigate environmental damage caused by the movement of goods, and enhance the security of transported goods.

IN THE HOUSE OF REPRESENTATIVES

MAY 12, 2009

Ms. RICHARDSON (for herself, Mr. CUMMINGS, Mr. CONYERS, Mr. MEEK of Florida, Mr. McDERMOTT, Ms. LEE of California, Mr. ROHRABACHER, Mr. SCOTT of Virginia, and Mrs. TAUSCHER) introduced the following bill; which was referred to the Committee on Transportation and Infrastructure, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To establish a National Goods Movement Improvement Fund to provide funding for infrastructure projects that will improve the movement of goods, mitigate environmental damage caused by the movement of goods, and enhance the security of transported goods.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

2 (a) SHORT TITLE.—This Act may be cited as the
 3 “Making Opportunities Via Efficient and More Effective
 4 National Transportation Act of 2009” or the “MOVE-
 5 MENT Act of 2009”.

6 (b) TABLE OF CONTENTS.—

Sec. 1. Short title; table of contents.

TITLE I—NATIONAL GOODS MOVEMENT IMPROVEMENT

Sec. 101. Findings.

Sec. 102. Definitions.

Sec. 103. National Goods Movement Improvement Program.

Sec. 104. Administrative provisions.

Sec. 105. Reporting requirement.

Sec. 106. Sunset provision.

TITLE II—FUNDING PROVISIONS

Sec. 201. National Goods Movement Improvement Fund.

Sec. 202. Harbor maintenance tax.

7 **TITLE I—NATIONAL GOODS**
 8 **MOVEMENT IMPROVEMENT**

9 **SEC. 101. FINDINGS.**

10 Congress finds the following:

11 (1) The movement of goods is a form of inter-
 12 state commerce.

13 (2) Waterborne containerized shipments of im-
 14 ported products valued at approximately \$2 trillion
 15 entered the United States last year.

16 (3) According to the Maritime Administration,
 17 6,867 oceangoing-vessels made 63,804 calls at
 18 United States seaports. Of these ports of call, the

1 top 10 seaports handled 88 percent of imported
2 cargo units in 2007.

3 (4) According to the Maritime Administration,
4 the average size of vessels calling at United States
5 ports increased by 8 percent over the past 5 years.
6 Containerships were 13 percent larger over this pe-
7 riod, representing the need to enhance spending on
8 transportation infrastructure to support the in-
9 creased amounts of trade.

10 (5) The number of waterborne containerized
11 shipments of imported products into the United
12 States increased by 33 percent between fiscal years
13 2000 and 2006, from 23.5 million shipments to 31.3
14 million shipments.

15 (6) The number of waterborne containerized
16 shipments in the United States recently declined on
17 average by approximately 10 percent; however, it is
18 expected that the number of waterborne container-
19 ized shipments in the United States will increase by
20 as much as 350 percent by the year 2020.

21 (7) The California Air Resources Board, in its
22 2006 Emission Reduction Plan for Ports and Goods
23 Movement, calculated that in California alone port
24 and goods movement pollution contributed to 2,400
25 premature heart-related deaths, 62,000 cases of

1 asthma symptoms, and more than 1 million res-
2 piratory-related school absences every year.

3 (8) According to the National Surface Trans-
4 portation Policy and Revenue Study Commission,
5 congestion is disrupting household and business ac-
6 tivities from coast to coast and extracting a large
7 and expanding penalty on business productivity and
8 the quality of life of American families.

9 (9) According to the National Surface Trans-
10 portation Policy and Revenue Study Commission,
11 Highway Trust Fund revenues since 2003 have fall-
12 en by 4 percent a year when adjusted with inflation,
13 representing a drastic decrease in available funding
14 for transportation infrastructure.

15 **SEC. 102. DEFINITIONS.**

16 In this title, the following definitions apply:

17 (1) COVERED PORT.—The term “covered port”
18 means a seaport or land port of entry in the United
19 States at which taxes are collected under 4461 of
20 the Internal Revenue Code of 1986.

21 (2) ELIGIBLE GOODS MOVEMENT IMPROVEMENT
22 PROJECT.—The term “eligible goods movement im-
23 provement project” means—

24 (A) a project eligible for assistance under
25 title 23, United States Code, that has as its pri-

1 mary purpose improving the movement of goods
2 in interstate commerce, including projects that
3 relieve truck congestion leading into and out of
4 ports and invest in existing transportation tech-
5 nology;

6 (B) a project to enhance or expand freight
7 rail service; and

8 (C) other projects to improve the move-
9 ment of goods in interstate commerce as the
10 Secretary determines appropriate, including
11 projects located on the site of a covered port.

12 (3) ELIGIBLE ENVIRONMENTAL PROJECT.—The
13 term “eligible environmental project” means a
14 project that mitigates environmental damage to air,
15 water, and soil caused by the movement of goods, in-
16 cluding projects that promote diesel engine replace-
17 ment and the use of clean trucks, cold iron tech-
18 nology, and equipment that reduces smoke stack
19 emissions from vessels at a port.

20 (4) ELIGIBLE HOMELAND SECURITY
21 PROJECT.—The term “eligible homeland security
22 project” means a project to improve cargo inspec-
23 tion, screening, and security training for workers, in-
24 cluding projects to educate and train port employees
25 and workers on relevant security issues.

1 (5) ELIGIBLE PROJECT.—The term “eligible
2 project” means an eligible goods movement improve-
3 ment project, eligible environmental project, or eligi-
4 ble homeland security project.

5 (6) NATIONAL GOODS MOVEMENT IMPROVE-
6 MENT FUND.—The term “National Goods Movement
7 Improvement Fund” means the fund established
8 under section 9511 of the Internal Revenue Code of
9 1986.

10 (7) NATIONAL GOODS MOVEMENT IMPROVE-
11 MENT PROGRAM.—The term “National Goods Move-
12 ment Improvement Program” means the grant pro-
13 gram authorized by section 103.

14 (8) SECRETARY.—The term “Secretary” means
15 the Secretary of Transportation.

16 (9) STATE.—The term “State” means any of
17 the 50 States and the District of Columbia.

18 (10) STATE TRANSPORTATION DEPARTMENT.—
19 The term “State transportation department” has the
20 meaning such term has under section 101 of title
21 23, United States Code.

22 (11) UNITED STATES.—The term “United
23 States” means the 50 States and the District of Co-
24 lumbia.

1 **SEC. 103. NATIONAL GOODS MOVEMENT IMPROVEMENT**
2 **PROGRAM.**

3 (a) **GENERAL AUTHORITY.**—The Secretary shall
4 carry out a program, to be known as the “National Goods
5 Movement Improvement Program”, to provide funding in
6 accordance with the requirements of this section for eligi-
7 ble projects using amounts appropriated out of the Na-
8 tional Goods Movement Improvement Fund.

9 (b) **ADMINISTRATIVE EXPENSES.**—The Secretary
10 shall pay the administrative costs of the Secretary under
11 this section using amounts made available to the Secretary
12 under section 9511(e)(2) of the Internal Revenue Code of
13 1986, as added by this Act.

14 (c) **APPORTIONMENT OF FUNDS.**—

15 (1) **IN GENERAL.**—On October 1 of a fiscal
16 year, the Secretary shall apportion the funds (other
17 than the administrative expenses referred to in sub-
18 section (b)) appropriated out of the National Goods
19 Movement Improvement Fund for the fiscal year to
20 carry out this section among those States containing
21 one or more covered ports, in the form of grants, in
22 the ratio that—

23 (A) the aggregate amount of funds depos-
24 ited in the National Goods Movement Improve-
25 ment Fund during the preceding fiscal year

1 that is attributable to covered ports in each
2 such State; bears to

3 (B) the aggregate amount of funds depos-
4 ited in the National Goods Movement Improve-
5 ment Fund during the preceding fiscal year
6 that is attributable to covered ports in all such
7 States.

8 (2) AVAILABILITY OF AMOUNTS TO STATE
9 TRANSPORTATION DEPARTMENTS.—Amounts appor-
10 tioned to a State under this subsection shall be
11 made available to its State transportation depart-
12 ment. Such amounts may not be transferred, loaned,
13 or deferred to any other entity for any other pur-
14 pose.

15 (3) ELIGIBLE PROJECTS.—A State transpor-
16 tation department shall obligate funds apportioned
17 to the State under this subsection only for eligible
18 projects that have been approved by the Secretary in
19 accordance with such procedures as the Secretary
20 may require.

21 (d) ALLOCATIONS OF APPORTIONED FUNDS.—

22 (1) ALLOCATION AMONG COVERED PORTS.—A
23 State transportation department shall allocate funds
24 apportioned to the State under subsection (c) for a
25 fiscal year among the covered ports located in the

1 State, which generate revenue for the National
2 Goods Movement Improvement Fund, in the ratio
3 that—

4 (A) the aggregate amount of funds depos-
5 ited in the National Goods Movement Improve-
6 ment Fund during the preceding fiscal year
7 that is attributable to each covered port in the
8 State; bears to

9 (B) the aggregate amount of funds depos-
10 ited in the National Goods Movement Improve-
11 ment Fund during the preceding fiscal year
12 that is attributable to all covered ports in the
13 State.

14 (2) ALLOCATION AMONG TYPES OF
15 PROJECTS.—Of the amounts allocated to a covered
16 port under paragraph (1) for a fiscal year—

17 (A) 90 percent shall be available only for
18 eligible goods movement improvement projects;

19 (B) 7 percent shall be available only for el-
20 igible environmental projects; and

21 (C) 3 percent shall be available only for eli-
22 gible homeland security projects.

23 (e) PROJECT SELECTION.—

24 (1) IN GENERAL.—Amounts allocated by a
25 State department of transportation to a covered port

1 under subsection (d) shall be distributed by the
2 State department of transportation to projects
3 that—

4 (A) are selected by the State department
5 of transportation in consultation with the owner
6 or operator of the covered port and any applica-
7 ble regional planning commission; and

8 (B) except as provided by paragraph (3),
9 are physically located, in whole or in part, on
10 the site of the covered port or within a 40-mile
11 radius of such a site.

12 (2) PROJECT SELECTION GUIDELINES.—

13 (A) IN GENERAL.—Not later than 180
14 days after the date of enactment of this Act,
15 the Secretary shall establish guidelines for the
16 selection of projects for grant funding under
17 this section.

18 (B) AVAILABILITY OF GUIDELINES.—The
19 Secretary shall make the guidelines established
20 under this paragraph available to State depart-
21 ments of transportation, owners and operators
22 of covered ports, owners and operators of rail-
23 roads, and applicable regional planning commis-
24 sions.

1 (C) MINIMUM REQUIREMENTS.—In estab-
2 lishing the guidelines under this subsection, the
3 Secretary shall ensure that the State depart-
4 ment of transportation receiving grant funding
5 under this title can demonstrate—

6 (i) a financial need for the use of Fed-
7 eral funding for the project; and

8 (ii) a clear and definable purpose for
9 the project, including how the project will
10 promote one or more of the goals of—

11 (I) improving highway, rail, and
12 port goods movement;

13 (II) mitigating environmental
14 damage to air, water, and soil caused
15 by the movement of goods and pro-
16 moting the use of clean trucks or die-
17 sel replacement; and

18 (III) improving cargo inspection,
19 screening, and security training for
20 workers, including projects to educate
21 and train port employees and workers
22 on relevant security issues.

23 (D) PROJECTS ACCOMPLISHING MULTIPLE
24 GOALS.—In establishing the guidelines under
25 this paragraph, the Secretary shall ensure the

1 selection of projects that accomplish the max-
2 imum number of goals described in subpara-
3 graph (C)(ii).

4 (E) PLANNING REQUIREMENTS.—In estab-
5 lishing the guidelines under this paragraph, the
6 Secretary shall ensure that—

7 (i) eligible goods movement improve-
8 ment projects are selected in accordance
9 with applicable metropolitan, regional, and
10 statewide planning processes, including
11 sections 134 and 135 of title 23, United
12 States Code; and

13 (ii) all attempts are made by State de-
14 partments of transportation receiving
15 grant funding under this title to include
16 regional and State transportation organiza-
17 tions in the selection process.

18 (3) EXCEPTION TO PROJECT LOCATION RE-
19 QUIREMENT.—The Secretary may waive the applica-
20 tion of paragraph (1)(B) with respect to not to ex-
21 ceed 10 percent to the funds allocated to a covered
22 port for a fiscal year under subsection (d)(1) if—

23 (A) the State, in consultation with the
24 owner or operator of the covered port and the
25 appropriate planning commission, submits an

1 application for the waiver, at such time and in
2 such form as the Secretary may require;

3 (B) any project constructed pursuant to
4 the waiver—

5 (i) is located within a goods movement
6 chain that originates or ends at the cov-
7 ered port;

8 (ii) is designed to accomplish multiple
9 goals described in paragraph (2)(C)(ii);
10 and

11 (iii) is physically located, in whole or
12 in part, within a 150-mile radius of the
13 covered port.

14 (4) REPORTING REQUIREMENT.—The Secretary
15 shall transmit to the Committee on Transportation
16 and Infrastructure of the House of Representatives
17 and the Committee on Public Works and the Envi-
18 ronment of the Senate a written notice of each waiv-
19 er issued under paragraph (3), including an expla-
20 nation of the reasons for granting the waiver.

21 (f) PROJECT IMPLEMENTATION.—A State transpor-
22 tation department may carry out an eligible project using
23 grant funds made available under this title either directly
24 or by entering into appropriate arrangements with owners

1 and operators of covered ports, owners and operators of
2 railroads, and other entities.

3 (g) FREIGHT IMPACT STUDY.—The Secretary shall
4 require each State receiving funds under this section to
5 provide to the Secretary, on an annual basis, data on the
6 amount of cargo transported through the State by a sea-
7 port or inland port.

8 **SEC. 104. ADMINISTRATIVE PROVISIONS.**

9 (a) DATE AVAILABLE FOR OBLIGATION.—Authoriza-
10 tions from the National Goods Movement Improvement
11 Fund shall be available for obligation on the date of their
12 apportionment or on October 1 of the fiscal year for which
13 they are authorized, whichever occurs first.

14 (b) PERIOD OF AVAILABILITY.—Funds apportioned
15 to a State for a project shall remain available for obliga-
16 tion for such purpose for a period of 2 years after the
17 last day of the fiscal year for which the funds are author-
18 ized. Any funds so apportioned that remain unobligated
19 at the end of such period shall be reallocated among the
20 covered States at the discretion of the Secretary.

21 (c) GRANTS AS CONTRACTUAL OBLIGATIONS.—A
22 grant for a project under this title that is approved by
23 the Secretary is a contractual obligation of the Govern-
24 ment to pay the Federal share of the cost of the project.

1 (d) CONSTRUCTION STANDARDS.—A project to be
2 carried out with assistance under this title that is for a
3 highway that is on a Federal-aid system (as such terms
4 are defined in section 101 of title 23, United States Code)
5 shall be constructed to the same standards that would
6 apply if such project was being carried out with assistance
7 under chapter 1 of title 23, United States Code.

8 (e) PREVAILING RATE OF WAGE.—Section 113 of
9 title 23, United States Code, shall apply to a project being
10 carried out with assistance provided under this title in the
11 same manner and to the same extent as such section
12 would apply if such project was being carried out with as-
13 sistance provided under chapter 1 of title 23, United
14 States Code.

15 (f) FEDERAL SHARE.—

16 (1) IN GENERAL.—The Federal share of the
17 cost of a project for which a grant is made under
18 this title shall be 90 percent.

19 (2) NON-FEDERAL SHARE.—The non-Federal
20 share of the cost of a project for which a grant is
21 made under this title may not be provided from Fed-
22 eral funds made available under any other law (in-
23 cluding funds from the Highway Trust Fund).

24 (3) WAIVERS.—

1 (A) IN GENERAL.—If the Secretary deter-
2 mines that a project is a collaboration between
3 multiple counties and multiple regional plan-
4 ning commissions and has a national signifi-
5 cance in promoting goods movement, the Sec-
6 retary may waive the requirement for payment
7 of the non-Federal share of the cost of the
8 project under this subsection.

9 (B) WRITTEN JUSTIFICATIONS.—Before
10 issuing a waiver for a project under subpara-
11 graph (A), the Secretary shall submit to Con-
12 gress a written justification for the waiver, in-
13 cluding—

14 (i) a description of the project, includ-
15 ing its location and cost; and

16 (ii) a description of the national im-
17 pact the project will have in the United
18 States on enhancing the efficiency of the
19 movement of goods, mitigating environ-
20 mental damage caused by the movement of
21 goods and enhancing the security of the
22 movement of goods.

23 (C) LIMITATION.—The Secretary may
24 issue waivers under subparagraph (A) with re-
25 spect to not to exceed 20 percent to the grant

1 funds made available in a fiscal year under this
2 title.

3 (g) PROHIBITION.—No funds made available under
4 this section may be used by a grant recipient to conduct
5 a study related to a future project.

6 (h) USE OF EXISTING AND PROVEN TECHNOLOGY.—
7 All attempts should be made to use existing and proven
8 technology when carrying out eligible projects under this
9 title.

10 **SEC. 105. REPORTING REQUIREMENT.**

11 (a) REPORT TO CONGRESS.—Not later than Decem-
12 ber 31, 2011, and annually thereafter during the term of
13 the National Goods Movement Improvement Program (in
14 this section referred to as the “program”), the Secretary
15 shall submit to Congress a report on projects submitted,
16 projects approved for funding, and the results of the pro-
17 gram, including the effects of the program on mitigating
18 the environmental damage caused by the movement of
19 goods and enhancing the security of the movement of
20 goods.

21 (b) CONTENTS.—The report to be submitted under
22 subsection (a) shall include, at a minimum—

23 (1) a description of the impact that the pro-
24 gram has had in the United States on enhancing the
25 efficiency of goods movement;

1 (2) a list identifying each project selected for
2 funding under the program during the prior fiscal
3 year and the amount of funding provided under this
4 title for the project;

5 (3) a list identifying any projects that were sub-
6 mitted to receive funding but were denied;

7 (4) a description of the impact, if any, that the
8 program has had on the cost of imported consumer
9 goods in the United States;

10 (5) an assessment of the current condition of
11 the National Goods Movement Improvement Fund;

12 (6) the results of a study, to be conducted by
13 the Secretary using data obtained under section
14 103(g), detailing the amount of cargo that is trans-
15 ported through each State by a seaport or inland
16 port;

17 (7) recommendations regarding the potential
18 for expansion or other changes to the program, in-
19 cluding adjustments to the harbor maintenance tax
20 to ensure that the tax is producing sufficient fund-
21 ing for the program; and

22 (8) recommendations regarding whether the
23 program should be reauthorized by Congress and, if
24 so, whether the harbor maintenance tax should be

1 increased or decreased to support infrastructure
2 spending.

3 (c) CONSULTATION.—In developing the report to be
4 submitted under subsection (a), the Secretary shall con-
5 sult with the Secretary of Commerce, the Secretary of
6 Homeland Security, and the Administrator of the Envi-
7 ronmental Protection Agency.

8 **SEC. 106. SUNSET PROVISION.**

9 The authority of the Secretary to make grants under
10 this title shall continue in effect until October 1, 2019.

11 **TITLE II—FUNDING PROVISIONS**

12 **SEC. 201. NATIONAL GOODS MOVEMENT IMPROVEMENT**
13 **FUND.**

14 (a) IN GENERAL.—Subchapter A of chapter 98 of the
15 Internal Revenue Code of 1986 (relating to the trust fund
16 code) is amended by adding at the end thereof the fol-
17 lowing new section:

18 **“SEC. 9511. NATIONAL GOODS MOVEMENT IMPROVEMENT**
19 **FUND.**

20 “(a) CREATION OF FUND.—There is hereby estab-
21 lished in the Treasury of the United States a fund to be
22 known as the ‘National Goods Movement Improvement
23 Fund’, consisting of such amounts as may be—

1 “(1) appropriated to the National Goods Move-
2 ment Improvement Fund as provided in this section,
3 or

4 “(2) credited to the National Goods Movement
5 Improvement Fund as provided in section 9602(b).

6 “(b) TRANSFER TO NATIONAL GOODS MOVEMENT
7 IMPROVEMENT FUND OF AMOUNTS EQUIVALENT TO CER-
8 TAIN TAXES.—There are hereby appropriated to the Na-
9 tional Goods Movement Improvement Fund amounts
10 equivalent to 71.43 percent of the taxes received in the
11 Treasury under section 4461 (relating to harbor mainte-
12 nance tax).

13 “(c) EXPENDITURES FROM NATIONAL GOODS MOVE-
14 MENT IMPROVEMENT FUND.—Amounts in the National
15 Goods Movement Improvement Fund shall be available to
16 the Secretary of Transportation, as provided in advance
17 in appropriations Acts, for fiscal years beginning after the
18 second September 30th after the date of the enactment
19 of the Making Opportunities Via Efficient and More Ef-
20 fective National Transportation Act of 2009—

21 “(1) for making expenditures to carry out sec-
22 tion 103 of such Act, and

23 “(2) for the payment of all expenses of adminis-
24 tration incurred for any fiscal year by the Secretary
25 of Transportation related to the administration of

1 the program established by section 103 of such Act,
2 and by the Department of the Treasury, the Army
3 Corps of Engineers, and the Department of Com-
4 merce related to the administration of the tax im-
5 posed under section 4461(a)(2), but not in excess of
6 an amount equal to one percent of the total balance
7 of the fund on the last day of the preceding fiscal
8 year or \$10,000,000, whichever is less.”.

9 (b) CLERICAL AMENDMENT.—The table of sections
10 for such subchapter A is amended by adding at the end
11 thereof the following:

“Sec. 9511. National Goods Movement Improvement Fund.”.

12 (c) EFFECTIVE DATE.—The amendments made by
13 this section shall take effect on the date of the enactment
14 of this Act.

15 **SEC. 202. HARBOR MAINTENANCE TAX.**

16 (a) IMPOSITION OF TAX.—Section 4461 of the Inter-
17 nal Revenue Code of 1986 is amended to read as follows.

18 **“SEC. 4461. IMPOSITION OF TAX.**

19 “(a) GENERAL RULE.—There is hereby imposed a
20 tax on—

21 “(1) any port use, and

22 “(2) commercial cargo entering the customs
23 territory of the United States other than by port use
24 following foreign port use.

25 “(b) AMOUNT OF TAX.—

1 “(1) PORT USE.—The amount of the tax im-
2 posed by subsection (a)(1) shall be an amount equal
3 to 0.4375 percent of the value of the commercial
4 cargo involved.

5 “(2) COMMERCIAL CARGO ENTERING THE
6 UNITED STATES FOLLOWING FOREIGN PORT USE.—
7 The amount of the tax imposed by subsection (a)(2)
8 shall be an amount equal to 0.3125 percent of the
9 value of the commercial cargo involved.

10 “(c) LIABILITY AND TIME OF IMPOSITION OF TAX.—

11 “(1) LIABILITY.—The tax imposed by sub-
12 section (a) shall be paid by the importer of the cargo
13 with respect to which tax is imposed under sub-
14 section (a).

15 “(2) TIME OF IMPOSITION.—

16 “(A) PORT USE.—Except as provided by
17 regulations, the tax imposed by subsection
18 (a)(1) shall be imposed at the time of unload-
19 ing.

20 “(B) COMMERCIAL CARGO ENTERING THE
21 UNITED STATES FOLLOWING FOREIGN PORT
22 USE.—Except as provided by regulations, the
23 tax imposed by subsection (a)(2) shall be im-
24 posed at the time the commercial cargo enters
25 the customs territory of the United States.”.

1 (b) DEFINITIONS.—Subsection (a) of section 4462 of
2 such Code is amended by adding at the end thereof the
3 following:

4 “(6) FOREIGN PORT USE.—The term “foreign
5 port use” means the unloading of commercial cargo
6 from a commercial vessel at a foreign port.

7 “(7) FOREIGN PORT.—The term “foreign port”
8 means any channel or harbor (or component thereof)
9 in Mexico or Canada, which—

10 “(A) is not an inland waterway, and

11 “(B) is open to public navigation.”.

12 (c) EXCEPTIONS.—Subsection (g) of section 4462 of
13 such Code is amended by adding at the end the following
14 new paragraph:

15 “(4) GOODS ORIGINATING IN CANADA OR MEX-
16 ICO.—No tax shall be imposed under section
17 4461(a)(2) on any good, commodity, or product
18 which originated in Canada or Mexico.”.

19 (d) REDUCTION OF TAX IN CASES OF PORT USE
20 SUBJECT TO STATE OR LOCAL FEES.—Section 4462 of
21 such Code is amended—

22 (1) by redesignating subsection (i) as subsection
23 (j); and

24 (2) by inserting after subsection (h) the fol-
25 lowing:

1 “(i) PORT USE SUBJECT TO STATE OR LOCAL
2 FEES.—

3 “(1) REDUCTION OF TAX.—The Secretary may
4 reduce the amount of the tax imposed for port use
5 at an individual port under section 4461(a)(1) if—

6 “(A) the port use is subject to a State or
7 local fee, and

8 “(B) the revenues from the State or local
9 fee are reserved for projects and activities to
10 improve the movement of commercial cargo in
11 commerce, as determined by the Secretary in
12 consultation with the Secretary of Transpor-
13 tation.

14 “(2) AMOUNT OF REDUCTION.—The amount of
15 a reduction under paragraph (1) shall be lessor of—

16 “(A) the amount of the State or local fee
17 involved, and

18 “(B) an amount equal to 10 percent of the
19 tax that would otherwise apply to the port use
20 under section 4461(a)(1).”.

21 (e) CONFORMING AMENDMENTS RELATING TO HAR-
22 BOR MAINTENANCE TRUST FUND.—

23 (1) TRANSFER TO HARBOR MAINTENANCE
24 TRUST FUND OF AMOUNTS EQUIVALENT TO CERTAIN
25 TAXES.—Section 9505(b) of such Code is amended

1 by striking “amounts equivalent to the taxes re-
2 ceived” and inserting “amounts equivalent to 28.57
3 percent of the taxes received”.

4 (2) EXPENDITURES FROM HARBOR MAINTEN-
5 NANCE TRUST FUND FOR ADMINISTRATIVE EX-
6 PENSES.—Section 9505(c)(3) of such Code is
7 amended by striking “subchapter A of chapter 36
8 (relating to harbor maintenance tax)” and inserting
9 “the tax imposed under section 4461(a)(1)”.

10 (f) GUIDELINES FOR CARRYING OUT REDUCTION IN
11 TAX.—Not later than 90 days after the date of the enact-
12 ment of this Act, the Secretary of the Treasury shall es-
13 tablish guidelines for the approval or denial of a reduction
14 in tax under section 4462(i) of the Internal Revenue Code
15 of 1986 (as added by this section). Such guidelines shall
16 include procedures for States seeking such reduction to
17 inform the Secretary of Transportation in writing of their
18 request for a reduction.

19 (g) EFFECTIVE DATE.—The amendments made by
20 this section shall apply to port use and commercial cargo
21 entering the United States on or after on the 90th day
22 after the date of the enactment of this Act.

○