## ENGROSSED SENATE JOINT MEMORIAL 8008

State of Washington

65th Legislature 2017 Regular Session

By Senator Chase

Read first time 02/06/17. Referred to Committee on Agriculture, Water, Trade & Economic Development.

- TO THE HONORABLE DONALD TRUMP, PRESIDENT OF THE UNITED STATES, 1
- 2 AND TO THE PRESIDENT OF THE SENATE AND THE SPEAKER OF THE HOUSE OF
- 3 REPRESENTATIVES, AND TO THE SENATE AND HOUSE OF REPRESENTATIVES OF
- THE UNITED STATES, IN CONGRESS ASSEMBLED: 4
- 5 We, your Memorialists, the Senate and House of Representatives of
- in legislative 6 of Washington, session assembled,
- 7 respectfully represent and petition as follows:
- 8 WHEREAS, The federal harbor maintenance tax is assessed on the
- value of goods being shipped into United States ports; and 9
- WHEREAS, The harbor maintenance tax is not collected on trans-10
- 11 pacific cargo shipped to the United States via rail or roads from
- 12 ports in Mexico and Canada; and
- 13 WHEREAS, The ability to move trans-pacific cargo through Canadian
- 14 ports and avoid paying the harbor maintenance tax is an incentive to
- 15 divert cargo away from United States ports; and
- 16 WHEREAS, The federal maritime commission inquiry into the harbor
- maintenance tax found that up to half of United States bound 17
- 18 containers coming into Canada's west coast ports could revert to
- 19 using United States west coast ports if United States importers were
- 20 relieved from paying the tax; and
- WHEREAS, Current United States law does not require the revenues 21
- 22 raised through the harbor maintenance tax to be fully spent on harbor
- 23 maintenance related investments, collections have far exceeded fund

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appropriation and surplus collections will grow to over nine billion dollars this year; and

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WHEREAS, Revenue raised through the harbor maintenance tax pays for dredging and other maintenance costs, with significant amounts being spent for dredging at east coast, Gulf, and Columbia River ports; and

WHEREAS, Certain deep water ports on the west coast that require no or little dredging, including the new Northwest Seaport Alliance consisting of the ports of Seattle and Tacoma, receive just over a penny on every dollar of harbor maintenance tax paid by shippers who use their ports; and

12 WHEREAS, The Columbia river channel is critical to maintain 13 global trade and the port of Vancouver USA serves as the largest 14 wheat export gateway in the nation; and

15 WHEREAS, With the recent widening of the Panama Canal and 16 potential addition of a canal in Nicaragua, Washington ports face 17 increasing competition for maritime goods bound for the United 18 States; and

19 WHEREAS, Washington ports are ready to compete on a level playing 20 field to efficiently move goods to market;

NOW, THEREFORE, Your Memorialists respectfully pray that:

- 22 (1) Congress pass and the president sign legislation reforming 23 the harbor maintenance tax; and
- (2) Such legislation ensures that United States tax policy does not disadvantage United States ports and maritime cargo, strives to have all navigation channels including the Columbia River be fully maintained, and provides greater equity for harbor maintenance tax donor ports through expanded uses of the harbor maintenance revenues to meet all Northwest port needs.
- 30 BE IT RESOLVED, That copies of this Memorial be immediately 31 transmitted to the Honorable Donald Trump, President of the United 32 States, the President of the United States Senate, the Speaker of the 33 House of Representatives, and each member of Congress from the State 34 of Washington.

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