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**SENATE JOINT MEMORIAL 8016**

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**State of Washington 66th Legislature 2020 Regular Session**

**By** Senators Hasegawa, Mullet, and Zeiger

TO THE HONORABLE DONALD J. TRUMP, PRESIDENT OF THE UNITED STATES, AND TO THE PRESIDENT OF THE SENATE AND THE SPEAKER OF THE HOUSE OF REPRESENTATIVES, AND TO THE SENATE AND HOUSE OF REPRESENTATIVES OF THE UNITED STATES, IN CONGRESS ASSEMBLED:

We, your Memorialists, the Senate and House of Representatives of the State of Washington, in legislative session assembled, respectfully represent and petition as follows:

WHEREAS, The federal harbor maintenance tax is assessed on the value of goods being shipped into United States ports; and

WHEREAS, The harbor maintenance tax is not collected on transpacific and transatlantic cargo shipped to the United States via rail or roads from ports in Mexico and Canada; and

WHEREAS, The ability to move transpacific and transatlantic cargo through Canadian ports and avoid paying the harbor maintenance tax is an incentive to divert cargo away from United States ports; and

WHEREAS, The federal maritime commission inquiry into the harbor maintenance tax found that up to half of United States bound containers coming into Canada's west coast ports could revert to using United States west coast ports if United States importers were relieved from paying the tax; and

WHEREAS, Current United States law does not require the revenues raised through the harbor maintenance tax to be fully spent on harbor maintenance related investments, collections have far exceeded fund appropriation and surplus collections will grow to over nine billion three hundred million dollars this year; and

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 coast, 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

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

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

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

WHEREAS, The public port industry has coalesced in support of a framework for comprehensive harbor maintenance tax reform developed by the American Association of Port Authorities;

NOW, THEREFORE, Your Memorialists respectfully pray that:

(1) Congress pass and the President sign legislation reforming the harbor maintenance tax based on the framework developed by the American Association of Port Authorities; and

(2) Such legislation ensures:

(a) Mandatory full use of harbor maintenance tax revenues;

(b) Equitable distribution of harbor maintenance tax revenues, including for harbor maintenance tax donor ports that traditionally have received only minimal benefit from the harbor maintenance trust fund;

(c) Mitigation of the cost disadvantage that some donor ports face relative to non-United States ports because of the harbor maintenance tax; and

(d) Guaranteed funding for our nation's small ports.

BE IT RESOLVED, That copies of this Memorial be immediately transmitted to the Honorable Donald J. Trump, President of the United States, the President of the United States Senate, the Speaker of the House of Representatives, and each member of Congress from the State of Washington.