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Congress of the United States
House of Representatives
Washington, DC 20515-4710

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Chair Grace Napolitano
House Transportation and Infrastructure Committee
Subcommittee on Water Resources and Environment
2165 Rayburn House Office Building
Washington, DC 20515

Dear Chair Napolitano and Ranking Member Westerman,

Thank you for the opportunity to share with you my priorities in this year's Water Resources Development Act, otherwise known as WRDA.

Let me start by saying that I represent a portion of the Puget Sound region in Washington state, where we have two major U.S. ports: The Port of Tacoma and the Port of Seattle (who operate as the Northwest Seaport Alliance (NWSA) as it relates to international maritime cargo). As the trade gateway to Asia, these two ports represent the fourth largest load center in the United States—supporting 58,000 jobs and contributing nearly \$12.5 billion dollars in business output in 2017. NWSA is an integral part of the ongoing economic success of both Washington state and our entire country.

I am writing you today about an extremely important issue facing our two major ports in Washington state: the need for structural reforms to the Harbor Maintenance Trust Fund.

I'll first say that the Harbor Maintenance Trust Fund remains a vital tool in ensuring that America's ports remain competitive in the global economy. As you all already know, the Trust Fund is funded by a tax of \$1.25 for every \$1,000 worth of cargo from importers and domestic shippers using inland or coastal ports. With that tax, the Trust Fund is able to collect literally billions of dollars to fund important harbor projects and keep our federal channels open and available for commerce.

But the Trust Fund is not without its problems. For years, Congress has under-utilized the Fund by appropriating less for harbor maintenance projects than has been collected. As a result, U.S. navigation channels have degraded well past acceptable levels. So let me say that I'm pleased the committee has come together in a bipartisan fashion to address this issue through the Full Utilization of the Harbor Maintenance Trust Fund Act, which I understand may be included in some form in this year's WRDA. Let me lend my support to this effort—but only as a part of an HMT reform package.

That is because without comprehensive reform, there will continue to be issues with “donor ports.” In 2017, six ports were responsible for generating 53% of total collections that year. Since the Port of Tacoma and Port of Seattle have naturally deep harbors and require minimal maintenance, they receive pennies on the dollar compared to what they provide to the fund. With two major Canadian Ports to the north, the Trust Fund tax also competitively disadvantages Tacoma and Seattle—it simply is cheaper for importers to drop cargo off at Canadian ports and haul it across the border than to pay the tax.

Let me reiterate that I support of full utilization of the Harbor Maintenance Trust Fund. But I also believe it is long past time to make the Trust Fund work for *all* ports. I’d like to see 10% of the Harbor Maintenance Trust Fund be allocated to donor ports like the Port of Tacoma and Port of Seattle so they can have the opportunity to issue meaningful rebates to shippers. This would allow our ports to offset the tax when necessary and ensure that any competitive disadvantage created by the Trust Fund be reduced.

It is my firm belief that a fix like this will go a long way to addressing the outstanding issues of the Harbor Maintenance Trust Fund. Thank you again for the opportunity to submit my thoughts on this year’s WRDA.

Sincerely,



Denny Heck
Member of Congress