



**THE NORTHWEST**  
SEAPORT ALLIANCE

Gateway to Solutions

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December 4, 2020

The Honorable Mitch McConnell  
Majority Leader  
United States Senate  
S-230 United States Capitol  
Washington, DC 20510

The Honorable Nancy Pelosi  
Speaker  
House of Representatives  
H-222 United States Capitol  
Washington, DC 20510

The Honorable Charles E. Schumer  
Minority Leader  
United States Senate  
S-221 United States Capitol  
Washington, DC 20510

The Honorable Kevin McCarthy  
Minority Leader  
House of Representatives  
H-204 United States Capitol  
Washington, DC 20510

Dear Majority Leader McConnell, Minority Leader Schumer, Speaker Pelosi, and Minority Leader McCarthy:

On behalf of The Northwest Seaport Alliance (NWSA), a partnership of the ports of Seattle and Tacoma, we would like to thank you for your support of seaports and the U.S. transportation system and your leadership in improving the infrastructure that supports goods movement and trade.

We are writing to urge you to enact Water Resources Development Act (WRDA) legislation that includes Harbor Maintenance Tax (HMT) reform before Congress completes its work this session. The HMT reform provisions have broad support within the U.S. port industry, and WRDA conference committee negotiators reached agreement on including them in the WRDA bill. It is essential that this legislation is passed this year.

HMT reform is the NWSA's top federal priority. While the HMT is a critical tool for maintaining the nation's infrastructure, the current law has several shortcomings, and U.S. ports view HMT reform as one of the most significant steps our nation can take to help U.S. seaports. In particular, the American Association of Port Authorities and U.S. port industry support a distribution formula to provide funding assurances to donor and energy transfer ports, emerging harbors and ports of the Great Lakes region.

The highest priority for the NWSA are the provisions in the bill that achieve greater equity for HMT donor ports. Imports through donor ports generated 51% of national HMT revenues in 2019. Yet historically these ports have received only 3% of appropriations from the Harbor Maintenance Trust Fund because their naturally deep harbors require minimal maintenance dredging, the primary purpose for which HMT funds are used. This translates into only pennies for the ports of Seattle and Tacoma for every HMT dollar we generate.

A further challenge for the NWSA is that because the tax is not assessed on importers who route cargo through non-US ports and afterwards move the cargo into U.S. markets by land, the HMT creates an incentive to divert cargo from Puget Sound ports to ports in Canada. For Northwest ports and others near our nation's borders, this represents a growing competitive disadvantage and threat to our economy. In addition to putting transportation sector jobs at risk, it also reduces the vessel capacity, supply of containers and other services that U.S. farmers and manufacturers depend on to export their products overseas.

In closing, we urge you to pass a WRDA bill that includes HMT reform before the end of session. Thank you again for your leadership.

Sincerely,



John McCarthy  
Commission President, Port of Tacoma  
Co-chair, The Northwest Seaport Alliance



Peter Steinbrueck  
Commission President, Port of Seattle  
Co-chair, The Northwest Seaport Alliance



John Wolfe  
Chief Executive Officer  
The Northwest Seaport Alliance