

Congress of the United States
Washington, DC 20515

September 30, 2011

The Honorable Richard A. Lidinsky, Jr., Chairman
Federal Maritime Commission
800 North Capitol St., NW
Washington, DC 20573

Dear Chairman Lidinsky:

We write to request that the Federal Maritime Commission undertake an analysis of the impact of the federal Harbor Maintenance Tax (HMT) may be having on the diversion of U.S.-bound cargo from U.S. ports to those in Canada or Mexico. It appears that the HMT may be a key factor causing U.S. ports to lose a growing share of imported container cargo from Asia to Canadian and Mexican ports. The HMT is increasingly becoming a significant competitiveness issue for U.S. ports.

A growing number of containerized U.S. imports from Asia are passing through west coast Canadian container ports (Vancouver and Prince Rupert) en route primarily to the U.S. Midwest (Chicago and Memphis, for example) through cross-border rail. Some additional volumes also enter through Mexican ports. Although other factors could impact ports of choice, it appears that non-U.S. ports can claim a substantial per-container cost advantage over U.S. ports based on the HMT alone. This disparity could result in increased cargo diversion and lost U.S. jobs. In addition, it is estimated that the Harbor Maintenance Trust Fund (HMTF) could lose between \$575 million and \$2.1 billion in revenue over the next ten years through diversion of cargo. As a consequence, our country's capacity to handle international trade growth could be adversely affected. It is imperative that we level the playing field between international ports and domestic ports so that the U.S. can continue to compete for cargo ultimately bound for the United States.

We urge the Commission to conduct an analysis of the extent to which the HMT and other U.S. government policies may affect container cargo diversion from U.S. west coast ports to west coast Canadian and Mexican ports and offer legislative and regulatory recommendations to address this concern. Thank you for your attention to this request.

Sincerely,



Rick Larsen
Member of Congress



Jay Inslee
Member of Congress



Norm Dicks
Member of Congress



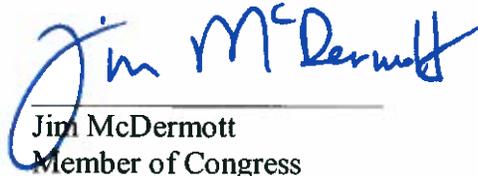
Adam Smith
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