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LAURA RICHARDSON
37TH DISTRICT, CALIFORNIA
1725 LONGWORTH BUILDING
WASHINGTON, DC 20515-0537
(202) 225-7924 - PHONE
(202) 225-7926 - FAX
100 WEST BROADWAY
WEST TOWER, SUITE 600
LONG BEACH, CA 90802
(562) 436-3828 - PHONE
(562) 437-6434 - FAX
<http://www.house.gov/richardson>



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

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EMERGENCY COMMUNICATIONS,
PREPAREDNESS, AND RESPONSE

September 28, 2011

The Honorable Richard A. Lidinsky, Jr., Chairman
Federal Maritime Commission
800 North Capitol St., N.W.
Washington, D.C. 20573-0001

Dear Chairman Lidinsky,

I understand that you recently announced your intention to request the Federal Maritime Commission to undertake an analysis of the impact 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. I applaud this initiative, as 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.

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 via 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. seaports based on the HMT alone. The results of this unfair disparity are 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 would 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.

Therefore, I urge the Commission to conduct an analysis of the extent to which the HMT and other disparities 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. I would appreciate if you would keep my office informed of your progress.

Thank you for your kind attention to this request.

Sincerely,

A handwritten signature in blue ink, appearing to read "Laura Richardson", with a long horizontal flourish extending to the right.

Laura Richardson
Member of Congress

CC: FMC Commissioner's