



*A bold voice for transportation workers*

January 13, 2020

## **Support Domestic Maritime Transportation and Good Jobs**

Dear Representative:

On behalf of the Transportation Trades Department, AFL-CIO (TTD), I urge you to cosponsor H.R. 5351, introduced by Representatives Brian Higgins (D-NY) and Mike Kelly (R-PA) that would facilitate the use of domestic waterborne transportation and create good jobs in the maritime, longshore and shipbuilding sectors. Specifically, this bill would end the unfair and unnecessary double taxation imposed on cargo that arrives via ocean vessels and then uses domestic ships or barges for delivery to another U.S. port or harbor.

As TTD [testified](#) at a House hearing on unlocking the benefits of the [U.S. short sea shipping industry](#), policy makers must consider and adopt measures that will provide waterborne transportation a fair opportunity to move the massive amount of freight that is critical to our economy. Today, goods arrive at large U.S. ports aboard massive deep sea vessels, are unloaded, and cargo is then primarily transferred to trucks and rail carriers. The domestic movement of goods via ship or through inland waterways to less congested and smaller ports is rarely considered and generally thought to be economically unfeasible. These calculations are often based on a misguided aspect of U.S. tax law that would be reformed under H.R. 5351.

Cargo entering the U.S. through a seaport is subject to the Harbor Maintenance Tax (HMT). If that same cargo is moved via a commercial vessel, it is then taxed a second time under the HMT when it arrives at the next port. However, if that cargo is transported by rail or truck to another U.S. destination, it avoids a duplicative HMT charge. This inequitable double taxation creates a significant economic disadvantage for shippers to use what could be a viable transportation option.

By making short sea shipping a more viable transportation option, Congress can create new jobs in the maritime industry by increasing the need for qualified U.S. mariners to operate short sea vessels. Increased cargo volumes would also create jobs for longshoremen who load and unload these newly waterborne shipments, particularly at smaller ports and harbors with underutilized capacity. Finally, widespread adoption of short sea shipping would require the construction of additional suitable short-sea vessels, bringing badly-needed business to domestic shipyards at a time when facilities across the country face closures.

**Transportation Trades Department, AFL-CIO**

815 16<sup>th</sup> Street NW / 4<sup>th</sup> Floor / Washington DC 20006

Tel: 202.628.9262 / Fax: 202.628.0391 / [www.ttd.org](http://www.ttd.org)

Larry I. Willis, President / Greg Regan, Secretary-Treasurer



H.R. 5351 offers a simple solution that provides immediate benefits to both working people and businesses seeking innovative ways to move their products, and we urge you to cosponsor this legislation.

Sincerely,

A handwritten signature in black ink that reads "Larry I. Willis". The signature is written in a cursive, flowing style.

Larry I. Willis  
President