



June 11, 2019

Ambassador Robert E. Lighthizer
United States Trade Representative
600 17th Street NW
Washington, DC 20508

RE: Docket No. USTR-2019-0004 – Request for Comments Concerning Proposed Modification of Action Pursuant to Section 301: China’s Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation

Dear Ambassador Lighthizer:

The Port of Seattle and The Northwest Seaport Alliance have submitted several tariff-related comment letters over the last few years – on Section 232 steel and aluminum tariffs, on Section 301 tariffs on Chinese imports and on proposed Section 232 tariffs on automotive imports. Our core message in each of these communications has been the same: we support a balanced trading relationship with our global partners but are deeply concerned that the imposition of tariffs leads only to increased costs on U.S. businesses and consumers without any long-term strategic benefit. **This newest request for comment on proposed 25 percent tariffs on these additional Chinese imports compels us to be clearer and more direct: the imposition of tariffs on essentially all Chinese imports will create economic harm to our state’s employers, workers, residents and international partnerships.**

The Northwest Seaport Alliance (NWSA) is a marine cargo operating partnership of the ports of Tacoma and Seattle, which together represent the fourth-largest container gateway in the United States. The two ports are special purpose governments representing Pierce County and King County, Washington residents, respectively. In addition, the Port of Seattle is also responsible for the operation of Seattle-Tacoma International Airport (Sea-Tac), including a substantial air cargo business. As a large gateway for two-way trade by both water and air, we are deeply invested in U.S. trade policy discussions because they impact our core business, the success of our customers and the lives of our local residents – all in direct and tangible ways.

In particular, our success as an airport and seaport gateway is inextricably linked to our relationship with China, which is the top source of imports to and destination for exports from The Northwest Seaport Alliance and the top destination for exports through Sea-Tac. In fact, a full 49.5 percent of all seaport imports through our gateway come from China, while 20 percent of seaport exports and 21 percent of Sea-Tac exports go to China. These figures do not include international passenger travel through our airport; in the past five years, Sea-Tac has seen the travel to and from mainland China increase by 123 percent, to more than 330,000 travelers.

Our data shows us that the impact of tariffs on Chinese imports to-date – and the resulting retaliatory tariffs – has fallen mainly on our exporters. While imports from China through our seaport gateway were actually up 11 percent in 2018 compared to the prior year, exports to China during that same period were down 32 percent and are down 21 percent so far in 2019 (though end of March). The story of specific commodities using our seaport is even more stark: a 69 percent decline in soy exports, a 36 percent decline in seafood exports, a 41 percent decline in dairy exports and a 26 percent decline in apple exports, just to name a few. Similarly, cherry exports through Sea-Tac to China were 38 percent lower in 2018 than in 2017.

We appreciate that you are working toward long-term structural reforms in the U.S.-China trade relationship, and we support that concept. Creating a fair and level playing field for U.S. exporters to compete successfully in the global economy is one of the most important goals of U.S. trade policy; we all win when American businesses and entrepreneurs can sell more goods to more people throughout the world. There are justifiable concerns about how China’s current trade practices are preventing that vision from being fully realized.

However, we are troubled by the news coverage that seems to indicate direct negotiations with China are falling short. If tariffs were a short-term pain that lead to long-term gain, they may continue to be justified. **But without any clear indication that additional tariffs will lead to productive outcomes, the United States is simply throwing good money after bad by imposing these increased costs on domestic businesses and consumers.** Our farmers, ranchers, fishing industry and others are already deeply harmed, and spreading the impact will make that problem worse.

The impact to our exporters will go well beyond the current tariffs because they cannot easily find new customers if existing ones are lost. While short term remedies to provide payments to impacted farmers are helpful, the only effective long-term strategy is embracing efforts to open new market access opportunities throughout the globe, especially by negotiating trade agreements that create level playing fields while protecting U.S. workers and the environment.

Thank you for the chance to comment, and do not hesitate to contact us if you would like additional information. We look forward to continuing to work with you on this issue and other trade policies.

Sincerely,



Commissioner Stephanie Bowman
President, Port of Seattle Commission
Co-Chair, Northwest Seaport Alliance Managing
Members



Commissioner Clare Petrich
President, Port of Tacoma Commission
Co-Chair, Northwest Seaport Alliance Managing
Members