

2021 State Legislative Session Review and Federal Affairs Look Ahead

Briefing to Port of Seattle Commission
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Eric ffitch, Manager, State Government Relations, Port of Seattle

Eric Schinfeld, Senior Manager, Federal and International Government Relations, Port of Seattle

Trent House, Contract Lobbyist

Dennis McLerran, Contract Consultant

Overview

- High-level recap of 2021 Legislative Session, which adjourned on Sunday, April 25th
 - Adopted three budgets: transportation, operating, and capital.
 - LCFS and Operating Budget pass in final hours of session
- Port priority items – Big successes! But more work to be done
 - Finally successful in push for low carbon fuel standard
 - Secured state funding partnership for Quiet Sound program
 - Swift passage of technical correction to airline catering legislation passed in 2020
- Additional items of interest
 - Juneteenth
 - Tourism funding
 - Environmental cleanup projects

Priority Agenda Items

Low Carbon Fuel Standard: In final hours of the 2021 session, this long-held Port of Seattle priority was negotiated and passed and sent to the Governor for his signature. Major step forward in Washington's– and the Port's– efforts to fight climate change and reduce air pollution in communities.



Airline catering workers: With only a few days till session, the Port brought a technical issue to Senator Keiser, and asked her to help clarify that the Port had the authority to implement minimum labor standards for certain employees. The bill sailed through with little opposition and will be big for our flight kitchen employees.



Quiet Sound funding: In spite of not being included in Governor Inslee's budget request, the Port led a coalition of maritime industry leaders, environmental advocates, and more to push for \$250,000 in annual funding for each of the next two years to implement the Quiet Sound voluntary vessel noise reduction program.

Additional Port Priorities

- Cap-and-invest (SB 5126)
- Streamlined sales tax mitigation
- Model Toxics Control Act funding
- Juneteenth
- CPARB reauthorization
- Port districts retail broadband authority
- HEAL Act

More Work to be Done

- Transportation revenue package
- 2:1 match for local improvement projects
- Tax increment financing bill



Next Steps

- Funding and other follow ups: LCFS next steps; Quiet Sound implementation; transportation special session?
- Interim meetings with lawmakers (July-December 2021)
- Potential small group tours with legislative stakeholders (July-September 2021)
- 2022 Legislative Agenda Development (now through November 2021)

Federal Political Context

- President Biden has prioritized infrastructure and climate action as a main focus of his Administration
 - American Jobs Plan
 - Regulatory actions and executive orders
 - Negotiations with Senate Republicans
- Additional Port priorities with potential for action this year:
 - Policing reform
 - Equity
 - COVID recovery (i.e. – travel & tourism)
- 50-50 Senate split creates major challenges for legislative action
 - “Budget Reconciliation” is a potential path for major progress, but limited to issues with a fiscal nexus

American Jobs Plan (& American Families Plan) the path forward

There are not 60 votes for a \$2.3B infrastructure & climate bill (plus \$1.8B for family policies) in the US Senate. Therefore, to enact some or all of these policies:

Either

- 50-vote budget reconciliation process (only Democratic votes)
 - Limits inclusion of policy, all aspects would need a budgetary nexus
 - Unclear whether there are 50 votes for this approach

Or

- 60 vote “traditional infrastructure only” bill THEN a climate (plus family policy) reconciliation package
 - Unclear whether there are 60 votes for the former
 - Unclear whether there are 50 Democratic votes for the latter

Climate Legislation* and Other Priorities

Climate

- **Sustainable Aviation Fuel Act:** SAF Blender's Tax Credit, FAA grant program, EPA Low Carbon Aviation Fuel Standard, DoD purchasing requirement, FAA/DOE/Ag research programs
- **SAF Blenders Tax Credit Legislation:** SAF BTC only
- **Climate Smart Ports Act:** \$1 billion-a-year zero-emissions ports infrastructure program
- **Resilient Ports Act:** creates eligibility within the Port Infrastructure Development Program (PIDP) for port environmental and resiliency projects
- **CLEAN Future Act:** authorizes \$565 billion in spending over the next decade to achieve US decarbonization, including \$2 billion annually to decarbonize and electrify port infrastructure and operations.

Other

- **Policing reform negotiations** (Scott/Bass/Booker)
- **Endless Frontiers Act/US Innovation & Competition Act** (includes Office of Manufacturing and Industrial Innovation, plus some helpful trade/tariff policies)
- **FY22 Appropriations**

**Best chances for any of these bills would be as part of the American Jobs Plan*

Executive/Regulatory Action

- Significant regulatory action on climate, immigration, equity and other priorities
- On climate:
 - Initiated action to address 120 of the 210 environmental actions taken by the Trump Administration
 - New focus on offshore wind
 - Updating grant criteria in BUILD, INFRA and PIDP
 - New grant programs (i.e.-FAA Environmental Pilot Program Grant)
- No action yet on trade and tariffs

Port Advocacy Next Steps

- Sharing support for American Jobs Plan with Washington Congressional delegation and Biden Administration (SecDoT retweet!)
- Working to build champions for SAF and maritime decarbonization efforts within Delegation
- Engaging with PNNL & DOE to identify opportunities for port decarbonization pilot programs, demonstration projects or partnerships
- Seeking FY22 appropriations earmarks and increased programmatic funding for key Port infrastructure and community programs

Questions?

Thanks for your engagement in our expansive advocacy work!