



**COMMISSION
AGENDA MEMORANDUM**

Item No. 11a

BRIEFING ITEM

Date of Meeting November 16, 2021

DATE: November 9, 2021

TO: Stephen P. Metruck, Executive Director

FROM: Eric ffitch, Senior Government Relations Manager

SUBJECT: Draft 2022 State Legislative Agenda

EXECUTIVE SUMMARY

Since the end of the 2021 state legislative session in Olympia, Washington, staff from the Government Affairs team has been working with subject-matter experts across the Port, members of the Executive Leadership Team, staff from the Commission office, and the Commissioners themselves to develop a draft legislative agenda for the 2022 legislative session. This is the same process that has transpired each interim in an effort to ensure the proposed agenda reflects the Port Commission's current priorities and values.

Staff brief commissioners in public session on November 16 and will return on December 7th to seek final approval of the 2022 State Legislative Agenda.

DRAFT State Legislative Agenda for 2022

Priority Agenda Items:

Invest in essential workforces: Essential activities that kept the economy running early in the pandemic included maritime and freight operations, air cargo and more. The Port seeks continuing state partnership on workforce development in port-related industries, including through robust support for pre-apprenticeship and apprenticeship programs.

Support for a Transportation Revenue Package: Building infrastructure and investing in moving people and freight supports economic activity and puts people back to work. Key transportation priorities:

- West Seattle Bridge partnership
- Puget Sound Gateway program
- Robust investment in transit including incentives for zero-emission transit vehicles
- Strategies that promote low carbon approaches to regional transportation

Progressive climate action: Enactment of progressive climate policies spurs investment in new technologies and generates demand for a newly skilled workforce, while reducing emissions and

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improving environmental justice action. With the Clean Fuels Program and Climate Commitment Act in place, the state should pursue partnership with ports on decarbonization of heavy transportation from maritime to aviation sectors, including a focus shorepower, on-dock cargo equipment, and working toward zero emission trucking.

Equity and Community focus: The onset of the pandemic was accompanied by a nationwide push to address historic inequities and systemic racism. The Port supports state leadership in addressing social injustice, and specifically supports action in the following areas:

- **Reduced local match for community improvements:** The Port supports reducing the required local match that non-profit entities must provide in order to receive small-dollar grants for public improvement projects. This statutory change will help the Port distribute grant funding at a time when many local government partners will be forced to reduce grantmaking.
- **Public contracting and grantmaking:** The Port's Office of Diversity, Equity, and Inclusion is eager to work with our community to increase the share of grants and contracts that go to underserved populations. Legislative changes may be required to meet our goals, and we will partner with Olympia lawmakers to pursue such changes.
- **Police reform and accountability:** The Port supports continued work to improve policing while protecting public safety. Will monitor and engage to ensure that updates to reforms passed in 2021 align with values that emerged from our own policing assessment.

Priority Issue Areas: Quality Jobs and Small Business

Quality Jobs: Support proposals that are consistent with the Port's focus on bringing quality, sustainable jobs to the region, including proposals that:

- Expand state-level support for worker training programs in port-related industries of aviation, maritime, construction trades, and green jobs that seek to foster maritime innovation and provide incentives to incorporate new technology into port-related sectors.
- Support career-connected and work-based learning programs that seek to expose middle- and high-school age students to professions in port-related industries.
- Expand and strengthen state support for pre-apprenticeship and apprenticeship programs, including potential financial support for pre-apprentices and reforms to apprenticeship programs statewide.
- Ensure responsible enforcement of labor standards, including a culture of respect and inclusion on jobsites.

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- Support continued state partnership on tourism promotion as an economic sector critical to the overall recovery of the Washington state economy.
- Support rural economic development: Partner with the state and other ports and economic development actors to promote rural economic development initiatives, including rural broadband deployment, tourism promotion, support for small manufacturers in rural Washington, investments in freight corridors in rural areas, and other actions to support economic growth across Washington state.

Small Business: Support proposals that reduce structural barriers and provide equity in the workplace for disadvantaged groups, and promote inclusion of small businesses, including disadvantaged, minority, and women owned business enterprises (SMWBEs). This includes:

- Continued support for the repeal of Initiative 200, the enactment of Initiative 1000, and any other policy proposals that seek to achieve similar equity objectives.
- Support for proposals that provide flexibility in contracting to public owners, including alternative public works, while ensuring that contracting practices support SMWBEs.
- Support proposals that enhance the opportunities for SMWBEs to more effectively compete for small works projects.
- Support business assistance programs at the state-level that are focused on small business capacity building and help SMWBEs to compete in the government marketplace.

Priority Issue Areas: Transportation and Competitiveness

Transportation revenue package development: The Port of Seattle supports enactment of a long-term transportation revenue package to support trade and Washington’s international gateway, stimulate job growth, and support economic recovery. Transportation investment must be undertaken in a way that does not disproportionately impact disadvantaged communities.

- ***Transportation package revenue raisers:***

- ***Price on carbon:*** The Port of Seattle supports new revenues to support a transportation revenue package, including by maintaining the current revenue distribution from the newly established cap-and-trade program.
- ***Road usage charge:*** As the purchasing power of a gas tax has diminished with increased fuel efficiency of cars, so too will the value of a carbon price as carbon intensity of fuel is reduced. Therefore, a user-fee model as is envisioned by a road usage charge, should be considered as a transportation revenue input.

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- **Gas tax increase:** Even as receipts to the state diminish owing to fuel efficiency gains, the gas tax remains an efficient means of funding conventional transportation projects. Indexing the tax to inflation would preserve its purchasing power and should be explored.
- **Transportation package investments:**
 - **West Seattle Bridge:** The West Seattle Bridge is a transportation asset that carries state and regional significance, and state partnership on repair or replacement should be outlined in a transportation revenue package.
 - **Continue support for critical freight routes:** The Puget Sound Gateway and other projects that connect the international gateways in Seattle and Tacoma with warehousing districts, growers, shippers, and manufacturers must be prioritized and supported in a transportation revenue package.
 - **Invest in transit:** Hit hard by the pandemic but made more critical in its role helping workers access their workplaces during an expected economic downturn, we support strong funding for transit agencies statewide. Funding should include incentives for adoption of zero-emission transit vehicles.
 - **Port-specific grant program:** Port infrastructure supports statewide economic development, and a state transportation package should include grant funding that specifically targets off-highway projects developed by port districts.
 - **Reduce conflict between passengers and freight:** In addition to robust transit funding, revenue derived from the cap-and-trade program should be directed at transportation options that reduce single-occupancy vehicle trips on the main stem transportation system, to reduce conflicts between passengers and freight and to improve our overall trade competitiveness.

General transportation priorities:

- Continued state support for transportation networks that serve essential public facilities, including: funding for potential upgrades State Route 518, on-time delivery of the Puget Sound Gateway Program (SR509/SR167), and more.
- Support proposals that speed the movement of freight and passengers from origin to destination through seaport and airport facilities and improve the trade competitiveness of Washington state and our gateway.
- Continue to deepen partnership with Washington State Legislature, Executive Agencies, and other public and private stakeholders on promoting Washington state as an international trading partner, supporting the state's exporters while also ensuring that

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transportation facilities that support trade are modernized, world-class, and can operate efficiently.

- Support proposals that allow for creative approaches to infrastructure development and funding, including: potential expansion of authority of public owners to partner with private entities, provided that such proposals do not compromise public infrastructure; and potential revenue sources that account for miles traveled and could bring stability to state transportation funding.
- Support proposals that clarify and affirm the authority of the Port Commission to control access to port facilities by all transportation modes -- including private vehicle access, commercial ground transportation providers, and public transportation providers -- and promote fairness and equity among transportation service providers, in support of responsible operation in all areas of regulation, including insurance, monitoring, safety, and environmental standards
- Support state engagement in regional conversations related to a potential increase in passenger vessel routes operating in Puget Sound, and other innovative transportation partnerships that reduce congestion on roadways and reduce emissions associated with transportation sector. Increases in passenger vessel routes should be accompanied by consideration of potential mitigation measures associated with increased vessel traffic.
- Support state actions that promote resilience in the transportation network, and support collaboration with other government agencies, including on issues of climate resilience.
- Support coordinated approach to regional transportation planning, including aviation planning, to reflect the unprecedented growth in the region and the related stresses on our existing infrastructure.

Land use priorities: Continue to advocate on land use issues facing Washington ports, with a specific focus on zoning issues that may affect port competitiveness. This may include:

- Proposals that reflect the “Guiding Principles: Stewardship, Enhancement, and Protection of Maritime and Manufacturing Lands” document that was adopted by the Northwest Seaport Alliance on November 1, 2016;
- Proposals that reflect the Port's commitment to environmental sustainability, including promoting Puget Sound ecosystem health and resource stewardship, and acknowledge the fact that manufacturing and industrial centers designated under the Growth Management Act are resource lands of statewide economic significance that are irreplaceable; and
- Proposals that recognize the role industrial resource lands play in global port competitiveness and in supporting job retention in diverse economic sectors that provide ladders of opportunity to underserved groups; and

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- Proposals that seek to strengthen the Container Ports Element of the Growth Management Act
- Recommendations related to the Department of Commerce’s Interbay Public Development Advisory Committee; and
- Any legislative changes that may impact the efficient functioning of statewide essential public facilities.

Priority Issue Areas: Energy and Environment

Support and advocate for continued state investment in environmental cleanup programs and state-level policies that promote the adoption and implementation of clean energy sources to reduce the state’s reliance on fossil fuels and seek to eliminate greenhouse gas emissions. That includes:

- Policies that promote the use of low- and zero-carbon fuels for transportation, low or zero emission transit options, and otherwise support the continued reduction in the cost of low- and zero-carbon energy sources to consumers in the state.
- Programs directed at Puget Sound health, to include: water quality, habitat restoration, cleanups, stormwater, underwater noise reduction, and other issues related to orca recovery in the Puget Sound.
- Streamlining Department of Ecology’s wetland mitigation banking program so that cost-effective and large-scale compensatory mitigation projects can be built in advance of permitted impacts.
- Programs funded through the Model Toxics Control Act (MTCA) that assist ports in their efforts to promote environmental stewardship, to include cleanup grants and public participation grants to community organizations, including a streamlined pathway that promotes voluntary, expeditious cleanup of habitat restoration and/or shoreline public access projects in underserved communities.
- Continued robust funding for the state’s Recreation and Conservation Office, and any additional state-level program or office that supports partnerships and funding on environmental cleanup, habitat restoration, and public access to the shoreline and marine resources.
- Policies that promote use of clean energy technology, build energy efficiency, and support a statewide reduction in greenhouse gas emissions as well as statewide goals for clean power, and that can be implemented in ways that: leverage our state’s competitiveness; maintain the efficient operation of essential public facilities such as airports and seaports; and support equity between our business partners.
- Continued state support for partnership sustainable aviation, including state-level actions intended to drive development of low- and zero-carbon aviation technologies within the state and for use at in-state transportation facilities.
- Support state actions that promote climate change resilience, and support collaboration with other government agencies in this effort, including a focus on

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- resilience within the transportation network that serves ports, such as heavy haul corridors, freight chokepoints, intermodal yards and more.
- Policies that reduce carbon and air pollution emissions for passengers, employees, and cargo traveling to and from Port facilities, including promoting and improving the efficiency of public transportation improvements, public transit, and increasing the availability of low carbon fuels.
 - Pursue continued state partnership with efforts to reduce carbon emissions from waterfront operations while maintaining the international competitive edge that supports job growth in Washington state. This includes partnership on electric transmission infrastructure development, on innovation in the clean maritime sector, and on the state’s ongoing Maritime Blue 2050 initiative.

Priority Issue Areas: Tax, Governance, Technology, and more

- ***Tax:*** Support tax policies at the state level that support the economic health of port-related businesses and activities, including:
 - Policies that promote the efficient movement of freight and supports those communities that house the warehousing and distribution infrastructure necessary to enable the Port of Seattle, the Northwest Seaport Alliance, and its partners to serve Washington State businesses, including those in agriculture, manufacturing, and trade sectors.
 - Policies that reduce manufacturing costs in port-related businesses, including businesses that support the efficient functioning of Seattle-Tacoma International Airport and that incentivize construction of fishing vessels in Washington State shipyards.
- ***Governance:*** Oppose legislation that would create an imbalance of representatives between the two homeports in their governing of the Northwest Seaport Alliance. And further, advocate that any legislative proposal that would alter the previously voter established governance structure of either homeport include ratification by citizen vote within the respective homeport district(s).
- ***Cybersecurity:*** Monitor proposals that seek to balance the importance of transparency and public disclosure with the vulnerability of public governments that manage critical infrastructure.
- ***Technology:*** Monitor proposals related to the use of biometric technology, such as facial recognition, particularly those that address the protection of individual privacy, civil liberties, equity and compliance with federal and state regulations.

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- **Broadband:** Support continued state and local government efforts to bridge the digital divide and bring high-speed internet connectivity to communities around the state.

- **Human trafficking:** Engage continued state partnership with Port efforts to combat human trafficking at port facilities, including the airport, seaport, cruise terminals, and marina properties, including potential advocacy in support of state anti-human trafficking efforts that align with efforts underway at the Port.

ATTACHMENTS TO THIS BRIEFING

- (1) Presentation slides

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

November 17, 2021 – The Commission voted to adopt 2021 State Legislative Agenda

October 27, 2021 – The Commission was briefed on the Draft 2021 State Legislative Agenda