

Federal Legislative Agenda for 2022

Eric Schinfeld, Sr. Manager, Federal & International Government Relations, Port of Seattle

Overview

- 2021 Key Accomplishments & 2022 Outlook
- Priority Agenda Items – Port-wide, Aviation & Maritime
- Additional Issues
 - Supporting or Engaging
 - Monitoring
- Next steps
 - Pursue implementation and advocacy efforts

2021 Successes

- **Passage of the American Rescue Plan Act:** \$154 million for SEA operations, \$21 million for tenant relief
- **Passage of the Infrastructure Investment & Jobs Act:** ~\$240 million direct allocation for SEA infrastructure plus potential for ~\$50 million in discretionary grant applications; ~\$25-50 million in discretionary grants for seaport and partners
- **Passage of the Alaska Tourism Recovery Act:** Allowed the 2021 Alaska cruise season to occur
- **Successful visits of six high level federal officials:** Commerce Secretary, Commerce Deputy Secretary, US Trade Representative, Transportation Deputy Secretary, CEQ Chair, FMC Commissioners
- **Aviation Managing Director testimony to the US House Transportation & Infrastructure Committee's Aviation Subcommittee:** On COVID impacts/recovery
- **Aircraft noise and emissions progress:**
 - FAA approval of limited secondary noise insulation;
 - Port-Cities letter to FAA re: noise annoyance survey;
 - introduction of Rep. Smith legislation for EPA aviation noise & air quality mitigation grants;
 - submitted FAA Environmental Pilot Program grant application;
 - final GAO study on FAA implementation of Next Gen that included SEA-Cities input.

Impactful Progress on Current Port Priorities

2022 Outlook

- **Divided government continues in Washington, DC with difficult November election looming**
 - Limits potential for legislative progress
 - President has significant authorities to continue to set policy through Executive Order and Agency rulemaking
- **Potential areas of Port-relevant legislative progress:**
 - Appropriations
 - Scaled-back Build Back Better Act?
 - “China policy” (innovation, manufacturing & trade policies in the Senate-passed U.S. Innovation and Competitiveness Act)
- **Potential areas of Port-relevant executive/agency progress:**
 - Infrastructure implementation
 - COVID-19 regulation
 - Clean Energy/Climate
 - Trade
 - Immigration

Potential Opportunities for Progress on Port Priorities

Priority Agenda Items – Port-wide

- **Competitive Trade Policies**
 - a. Productive engagement and negotiations that ensure a fair and level playing field for mutually beneficial trade
 - i. Re-evaluating and/or rescinding existing tariffs and other trade barriers in light of supply chain impacts, inflationary cost effects and overall strategic value relative to diplomatic and economic goals.*
 - ii. Continued federal engagement in solutions to help alleviate supply chain congestion.*
- **Comprehensive Solutions to Address the Climate Crisis**
 - a. Support comprehensive proposals for sector-specific and economy-wide policy solutions to address the climate crisis
- **Welcoming Immigration Policies:**
 - a. Be a leading voice on immigration policies that ensure the Port, its partners and its customers have the workforce to succeed in the global economy



Top Port Priorities – *Italics represent new items for 2022*

Priority Agenda Items – Aviation

- **Sufficient Infrastructure Funding and Flexibility:**
 - a. Successfully implement the airport funding provisions of the Infrastructure Investment and Jobs Act.*
 - b. Raise the federal cap on the Passenger Facility Charge
- **Efficient and Safe Airport Operations:**
 - a. Partner with TSA and CBP on the safe and healthy recovery of air travel
 - b. Coordinate with CBP to ensure successful operation of the IF
 - c. Develop shared airport operations priorities for the 2023 FAA Reauthorization legislation*
- **Expanded Sustainable Aviation Fuel Deployment:**
 - a. Authority for airports to use airport revenue and federal grant funding to support fuel switching
 - b. Federal funding for research on SAF, as well as for feedstock processing and fuel production facilities
 - c. Leverage DoD as a key partner for SAF, such as a SAF pilot program at military bases near SAF-focused airports as contained in the House-passed 2021 NDAA*
 - d. Advocate for a SAF blender's credit, as contained in the House-passed Build Back Better Act.*
 - e. Advocate for a SAF infrastructure grant program, as contained in the House-passed Build Back Better Act*



Top Port Priorities – *Italics represent new items for 2022*

Priority Agenda Items – Aviation (con't)

- **Increased Airport Communities Focus:**
 - a. Implementation of key provisions of the 2018 FAA Reauthorization:
 - i. the provisions related to evaluation of the 65 DNL noise standard (sections 173, 187 and 188);
 - ii. the study of the impact of overflight noise on human health (section 189);
 - iii. and the environmental mitigation pilot program (section 190).

 - b. Federal policies:
 - i. Representative Smith’s Protecting Airport Communities from Particle Emissions Act;
 - ii. Representative Lynch’s Air Traffic Noise and Pollution Expert Consensus Act;
 - iii. Representative Smith’s legislation to allow for secondary noise mitigation investments;
 - iv. Representative Smith’s Environmental Protection Agency (EPA) aviation environmental justice grant programs legislation;*
 - v. High-speed rail investments;
 - vi. increased federal investment in existing FAA noise grant programs;
 - vii. increased federal investment in sustainable aviation fuels and other alternative energy sources;
 - viii. Funding for a "Healthy Ports Initiative" to “mitigate the cumulative impacts of air pollution on neighborhoods near ports, often communities of color”, as contained in the House-passed Build Back Better Act;*
 - ix. increased federal investments in aircraft modernization and environmental performance;
 - x. policies and regulations that address noise and emissions impacts of supersonic aircraft; and
 - xi. policies and regulations that address noise impacts of electric aircraft.

 - c. *Coordinate with StART stakeholders to develop aviation noise and emissions priorities to include in the 2023 FAA Reauthorization legislation, and communicate those priorities to key federal partners.*

Top Port Priorities – *Italics represent new items for 2022*

Priority Agenda Items – Maritime

- **National Freight Policy and Funding:**

- a. Successfully implement the maritime funding provisions of the Infrastructure Investment and Jobs Act*
- b. Advocate for funding for supply chain resilience and congestion reduction as contained in the House-passed BBBA.*
- b. Increased federal funding for a strengthened national multimodal freight strategy and related grant programs.
- c. Support establishing a sustainable funding source for freight infrastructure

- **Harbor Maintenance Tax (HMT) Reform:**

- a. Secure implementation of the HMT reform provisions.
- b. Support appropriations for the “donor port” HMT rebate program



- **Maritime Decarbonization**

- a. Successfully implement the maritime decarbonization provisions of the Infrastructure Investment and Jobs Act*
- b. Advocate for funding for maritime decarbonization programs, as contained in the House-passed BBBA.*
- c. Full funding for the DERA program
- d. Progress at the International Maritime Organization on maritime decarbonization policies.*
- e. Advance the offshore wind industry, particularly in ways that create opportunities for the Pacific Northwest to become a leader in manufacturing, assembly, deployment and maintenance.*

Top Port Priorities – *Italics represent new items for 2022*

Priority Agenda Items – Maritime (con't)

- **Puget Sound Restoration:**
 - a. Federal resources for Puget Sound and Southern Resident Killer Whale (SRKW) restoration
 - b. Reforms to federal regulatory processes to speed the approval and creation of Northwest Seaport Alliance (NWSA) and home port habitat sites.
 - c. Support federal agency involvement in the SRKW recovery effort
- **Seattle and Tacoma Harbor Deepening:**
 - a. Support design of the West Waterway portion of the Seattle Harbor Navigation Improvement Project
 - b. Support authorization of design and construction of the Tacoma Harbor Navigation Improvement Project.
- **West Seattle Bridge**
 - a. Support federal funding for the West Seattle Bridge
- **Hiram M. Chittenden Locks Funding:**
 - a. Continued federal operation and maintenance of the locks
- **Safe and Efficient Cargo and Passenger Screening:**
 - a. Support adequate CBP staffing levels to ensure efficient movement of cargo and facilitation of cruise passengers.
 - b. Ensure the federal government resumes responsibility for funding CBP services, equipment and facility development.



Top Port Priorities – *Italics represent new items for 2022*

Additional Priority Issue Areas: Port-wide

- **COVID-19 Pandemic Recovery**
 - a. Clear updates to the Washington Congressional delegation on how already received federal relief is being utilized
 - b. Monitor ongoing federal agency budget impacts from the loss of user fees
 - c. *Monitor changes to national health and safety protocols that protect the health of aviation and maritime passengers and employees while simultaneously restoring traveler confidence in a return to air travel and cruise ships.*
 - d. *Additional COVID relief, particularly for small businesses and restaurants*
- **Welcoming and Competitive Immigration & Trade Policies:**
 - a. Advocate for new trade agreements that open new markets and level playing fields, while creating verifiable, measurable and enforceable standards to protect workers and the environment.
 - b. Support permanent legal protections for DACA
 - c. Implement programs that showcase the Port as a welcoming gateway for immigrants and refugees, *particularly related to the arrival and resettlement of Afghan refugees.*
 - d. Support federal legislation on biometric technology
- **Increased Community Focus:**
 - a. *Federal funding for workforce development for employees at Port facilities.*
 - b. Partner with federal agencies to improve human trafficking prevention and intervention efforts.
 - c. Advocate for comprehensive federal policing reforms
 - d. Support rebuilding the U.S. small business sector, reviving entrepreneurship, and closing the racial wealth gap.



Support and Engage – *Italics represent new items for 2022*

Additional Priority Issue Areas: Aviation

- **Sufficient Infrastructure Funding and Flexibility:**

- a. Ensure that federal agencies and members of Congress are supportive of capital projects and plans; keep federal partners updated on the progress of the SAMP near-term projects environmental review.
- b. Take advantage of electric vehicle (EV) infrastructure funding in the Infrastructure Investment and Jobs Act*
- c. Support funding for sustainable transportation options, including high-speed rail*

- **Efficient and Safe Airport Operations:**

- a. Address flight impacts from 5G wireless implementation near airports.*
- b. Increase overall funding for CBP officers dedicated to international airport passenger processing.
- c. Preserve TSA funding for Law Enforcement Officer (LEO) reimbursement grants.
- d. Support the recommendations of the Blue-Ribbon Task Force on Unmanned Aircraft Systems (UAS) Mitigation at Airports and the FAA Drone Advisory Committee
- e. Encourage expedited deployment of the FAA's Terminal Flight Data Manager (TFDM) airfield congestion management program



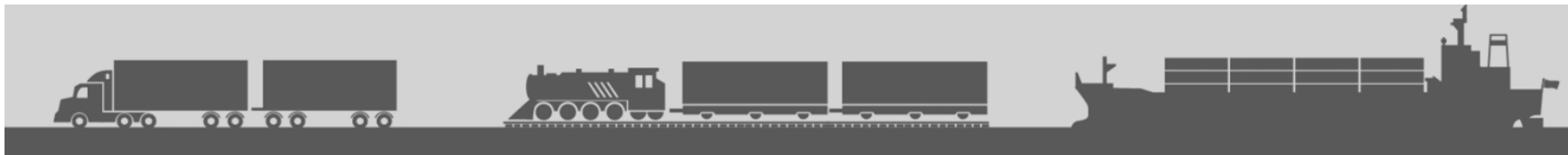
- **Increased Airport Communities Focus:**

- a. Engage with FAA leadership to speed the transition to non-fluorinated airfield fire-fighting foams.
- b. Funding to address indoor air quality near airports, particularly schools

Support and Engage – *Italics represent new items for 2022*

Additional Priority Issue Areas: Maritime

- **Pebble Mine at Bristol Bay and Offshore Drilling:**
 - a. Monitor any potential future action on these topics, and actively oppose new efforts to conduct these activities.
- **Jones Act and Passenger Vessel Services Act:**
 - a. Support the Jones Act. Maintain limited flexibility to grant waivers from Jones Act regulations in extraordinary case
 - b. *Monitor proposed changes to the Passenger Vessel Services Act that would impact the Port's Alaska cruise business.*
- **Federal permitting**
 - a. Increase regulatory staff funding for the U.S. Army Corps of Engineers, NOAA Fisheries and the U.S. Fish and Wildlife Service to reduce permit backlogs.
 - b. *Ensure sufficient resources and staffing for US Army Corps of Engineers Seattle District to review and approve mitigation banking applications in an efficient and timely manner.*
 - c. Oppose changes to the process for permitting projects that jeopardize the ports' ability to fulfill their economic, environmental and social missions; ensure that significant modifications to federal permitting regulations are made only through an act of Congress or a formal rulemaking process, and that federal regulatory and permitting regimes are applied consistently across the country.

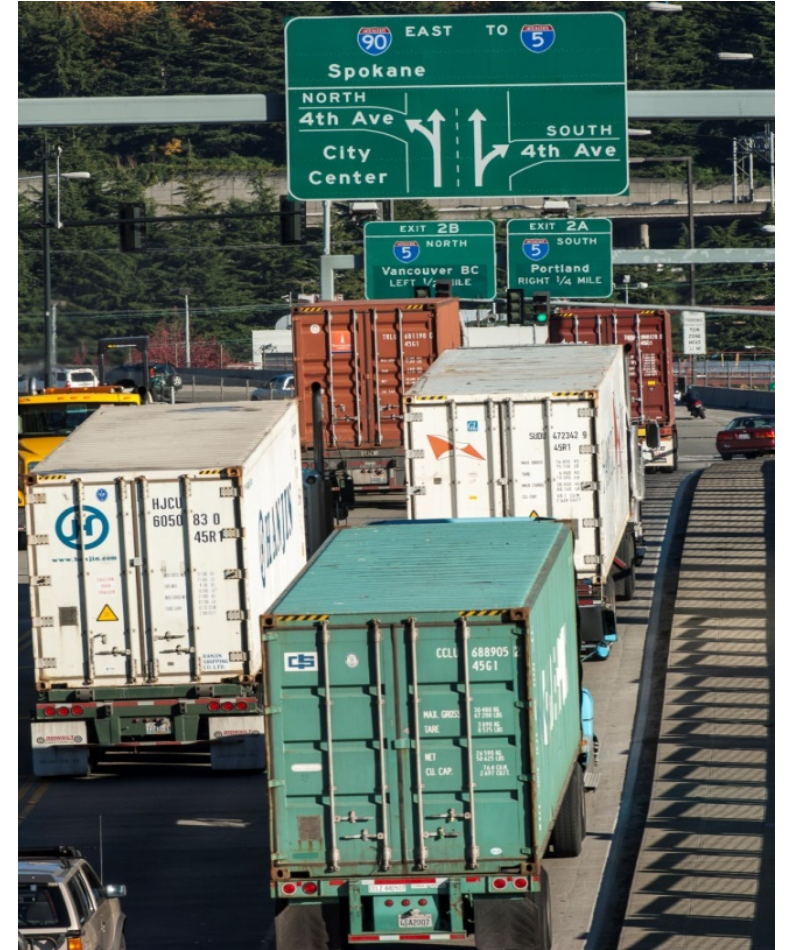


Support and Engage – Italics represent new items for 2022

Additional Issues to Monitor

Portwide

- **Welcoming and Competitive Immigration & Trade Policies:**
 - a. Coordinate with federal agencies on implementation of REAL ID.
 - b. Support federal efforts to increase and facilitate tourism into the United States.
- **Increased Communities Focus:**
 - a. Secure additional federal funding for key priorities within the Port's economic development, tourism development and workforce development programs.
 - b. Support the federal priorities of local government partners, such as increased funding for homelessness & housing, securing transportation investments, and policies that improve the environment and quality of life for our region's residents.



Monitor – *Italics represent new items for 2022*

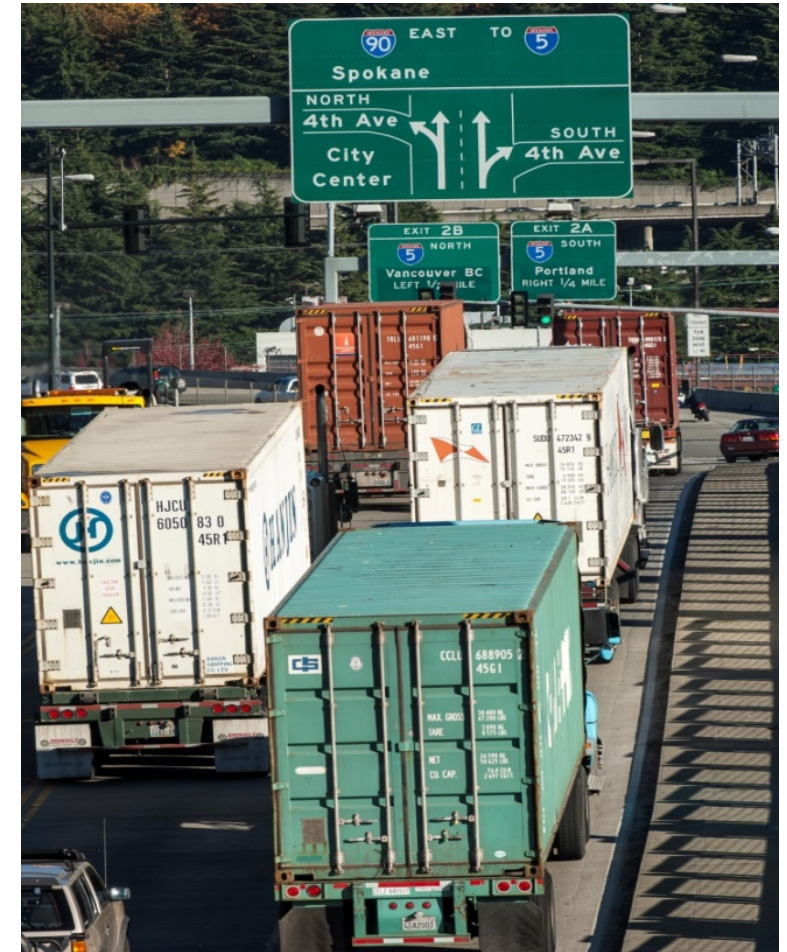
Additional Issues to Monitor

Aviation

- **Efficient and Safe Airport Operations:**
 - a. Support TSA efforts to expand PreCheck
 - b. Support our nation's Air Traffic Control (ATC) system
 - c. Encourage FAA to provide structure and systemic context to safety management
 - d. Encourage a consistent and predictable federal approach to urban air mobility and advanced air mobility (AAM) deployment
 - e. Monitor discussions related to increased access for Seattle-based flights into Ronald Reagan Washington National Airport.
 - f. Support continued funding for TSA reimbursements to airports
 - g. for checkpoint-area janitorial services.

Maritime

- **Efficient and Sustainable Fishing Industry:**
 - a. Support key federal priorities for the North Pacific fleet
 - b. Work closely with fishing industry stakeholders to support key environmental initiatives and address the impacts of climate change on the fishing industry.



Monitor – *Italics represent new items for 2022*

Next Steps

- Today – Ask Commission for adoption in public session
- February 2022 – Meetings with Congressional offices to distribute agenda and share priorities

Questions?

Appendix

Major Federal Investment in Infrastructure

- On Monday, November 15, President Biden signed an 8-year, \$1.2 trillion investment (\$550 billion in new money) in a wide variety of areas:
 - Roads and Bridges – \$110B
 - Passenger and Freight Rail – \$66B
 - Safety – \$11B
 - Public Transit – \$39.2B
 - Broadband – \$65B
 - Ports and Waterways – \$16.6B
 - Airports/FAA – \$25B
 - Water Infrastructure – \$55B
 - Power and Grid – \$65B
 - Resiliency – \$47.2B
 - Addressing Legacy Pollution – \$21B
 - Western Water Infrastructure – \$8.3B
 - Clean School Buses and Ferries – \$7.5B
 - Electric Vehicle Charging – \$7.5B
 - Reconnecting Communities – \$1B

IIJA Port-specific provisions

- \$20 billion for airports
- \$5 billion for FAA Facilities and Equipment
- \$5.225 billion for seaports
- \$27.1 billion for “Port eligible” transportation investments that other jurisdictions can apply for as well, like \$12.5 billion for RAISE and \$3.2 billion for INFRA

Other IIJA Provisions Of Interest to Port and/or Cities Include:

- \$1 billion for culvert removal, replacement and restoration
- \$351 billion for highways (307 billion provided through formula to states)
- \$16 billion for the Highway Safety Improvement Program
- \$28 billion to the existing Bridge program and a new \$16 billion bridge grant program
- \$7.5 billion for EV Charging Stations with a \$5B in formula funding and \$2.5B in grant program to support 500,000 strong EV Charging Station Network
- \$250 million for a new Congestion Relief Program
- \$6.4 billion to create a new Carbon Reduction Formula Program
- \$8 billion for the Federal Transit Administration Capital Investment Grants program
- \$5.25 billion for the Low-No Emissions vehicle program
- \$500 million for energy efficiency improvements and renewable energy improvements at public school facilities, including investments that “lead to an improvement in teacher and student health, including indoor air quality”

Specifics on the Airport Dollars*:

- \$15 billion for airport infrastructure grants distributed by formula
 - An estimated ~\$240 million directly to SEA
 - Airports would likely be allowed to use these funds for any “PFC-eligible projects” except debt service.
- \$5 billion for a new “airport terminal program” distributed via competitive grants
 - 55% of which is reserved for large hubs like SEA to compete for
 - for “terminal projects that increase capacity, improve passenger access, replace aging infrastructure, expand accessibility for persons with disabilities, and improve airport access for historically disadvantaged populations.”
- “Any funds that remain unobligated shall be made available in the fifth fiscal year for competitive grants that reduce airport emissions, reduce noise impact to the surrounding community, reduce dependence on the electrical grid, or provide general benefits to the surrounding community.”

****Grant criteria to be determined by FAA rulemaking. No SEA decisions on actual spending made until then.***

What Can & Can't the Airport Money Do?*

- ***Can IJA airport money be used to build a new airport?***
 - There are no provisions in the legislation that address “new airports”; money is mainly allocated by existing enplanements and hub size.
 - Even if there was, money must be spent within five years, which is unlikely the time horizon for a new airport.
- ***Can IJA airport money be used for community benefits?***
 - The allocation formula funds can be used for the kinds of things that airport revenue can be used for, including limited types of environmental investments.
 - The competitive grant dollars do not have any criteria for community investments
 - Leftover money in year five looks to be highly flexible
 - Non-airport IJA dollars provide additional benefits directly to the Port & community – from economic development to electrification – and the Port can help coordinate on those grants.

****actual grant criteria to be determined by FAA rulemaking***

Build Back Better Act

On November 19, the U.S. House passed the Build Back Better Act, which would invest approximately \$1.75 trillion over five years in a wide variety of health care, childcare, education, immigration, and climate priorities.

Port-specific provisions:

- \$3.5B in “grants to reduce air pollution at ports” to purchase or install zero-emission port equipment; conduct any relevant planning or permitting; or develop qualified climate action plans.
- \$60M to reduce diesel emissions resulting from goods movement facilities, and vehicles servicing goods movement facilities, in low-income disadvantaged communities to address health impacts of such emissions.
- \$600M to the U.S. Maritime Administration for grants that support supply chain resilience, reduce port congestion, develop offshore wind infrastructure, environmental remediation, and reduce impact of ports on the environment.
- \$300M to U.S. Department of Transportation to support investments for projects that develop, demonstrate, or apply low-emission aviation technology to produce, transport, blend, or store Sustainable Aviation Fuel (SAF).
- A refundable blenders tax credit per gallon of SAF sold as part of a qualified fuel mix beginning in 2023.

****Uncertain future for the legislation in the U.S. Senate.***