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COMMISSION

AGENDA MEMORANDUM Item No. 11a

BRIEFING ITEM Date of Meeting December 12, 2023

DATE: November 16, 2023

TO: Stephen P. Metruck, Executive Director

FROM: John Flanagan, Senior State Government Relations Manager

SUBJECT: Draft 2024 State Legislative Agenda

EXECUTIVE SUMMARY

Since the end of the 2023 state legislative session in Olympia, 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 2024 legislative session. This is the initial staff briefing for commissioners, with any proposed changes discussed in public session to be adopted on January 9, 2024.

DRAFT 2024 State Legislative Agenda

Priority Agenda Items

Innovative, Equitable, and Diversified Economy

Given the unprecedented availability of state and federal resources geared towards the Green Economy, pursue establishment of new state-level programming to further incentivize the creation of a diverse Green Jobs Workforce, encouraging climate-focused innovation in portrelated sectors, and benefitting a wide-array of workers and communities.

- Support the application of state resources towards maximizing use and availability of new federal programming and investments including those associated with the Bipartisan Infrastructure Law, the Inflation Reduction Act, the CHIPS and Science Act, and any other relevant legislation.

Advocate for renewed investments in existing economic development programs that champion innovation, aid the global competitiveness of the region, and provide critical support to international business.

Engage in, and monitor, ongoing efforts regarding the State's treatment of tourism and related industries, including:

- Pursuing increased investments in the tourism economy and policy proposals benefitting statewide tourism, with the goal of establishing parity with comparable jurisdictions;

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- Seeking changes that will fairly and reasonably benefit the private sector and tourism communities alike;

- Regional tourism coordination.

Generally, support state-level efforts to increase workers' access to equitable benefits. This includes monitoring opportunities to:

- Increase access to childcare for Port employees, and actively engaging in state-level efforts that may benefit the Port's ongoing work to increase childcare opportunities for employees at all Port facilities;
- Broadly address issues affecting pay equity, and supporting policies that conform with or benefit internally adopted pay equity philosophies;
- Reasonably and responsibly increasing equitable healthcare outcomes for Port employees.

Monitor and support ongoing state-level efforts to increase diversity and opportunity in contracting, including support for changes necessary to demonstrably increase the share of grants and contracts awarded to traditionally marginalized populations.

Port Decarbonization, Climate Action, and Environmental Justice

In furtherance of the Port's ongoing plans to establish several 'green corridors', advocate for dedicating state funds towards the development of a regional clean maritime fuels collaborative, with a near-term focus on capacity-building and organization of relevant stakeholders.

To support the continued decarbonization of maritime, aviation, and other port-adjacent priority sectors, encourage enactment of necessary programmatic adjustments to the state's existing cap-and-trade policy (CCA), and encourage use of CCA revenue for programs benefitting port districts generally, including environmental justice programs.

- Support minor adjustments to cap-and-trade program recommended by Ecology, and efforts to join the existing cap and trade market with other domestic carbon markets (California and Quebec);
 - As necessary, increase existing investments in shore power to ensure that projects are implementable in the face of project cost increases;
 - Explore opportunities for additional investments in shore power benefitting cruise;
 - In tandem with the Northwest Seaport Alliance, monitor and support anticipated outcomes of ongoing medium and heavy duty zero-emission vehicle (MHD ZEV) studies, prioritizing drayage truck owner/operator access to available funding, and supporting programs to build electric-vehicle infrastructure.
 - Support creation of a statewide "Community Decarbonization" program, including establishing a state-level environmental justice navigators-style program.
 - Support use of CCA revenue to mitigate impacts to near-port communities.
- Support next steps on state-level clean energy siting policy with a focus on efforts to streamline and simplify the siting, challenge, and approval processes related to clean energy facilities.

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Similarly, support efforts to responsibly and incrementally phase-down the use of more carbonintensive forms of energy;

Support land use proposals that adequately balance economic benefit, environmental sustainability, benefits to Puget Sound ecosystem health, resource stewardship, and environmental justice;

Advocate for additional dedicated resources for remedial action grants benefitting environmental stewardship and ensure that stormwater assistance and other MTCA funds remain un-diverted;

Monitor and encourage ongoing legislative and programmatic efforts to sustainably handle waste, increase producer responsibility, and reduce the prevalence of single-use plastics.

Protecting Transportation Investments

Due to a myriad of factors, transportation project-cost-increases are escalating rapidly and it is highly unlikely that additional transportation revenue will be generated during the 2024 legislative session. Given this environment, advocate for:

- Any necessary policy or budgetary changes to ensure final delivery of the Puget Sound Gateway project without further delays or extension of current timelines;
- Preserving (i.e., not re-directing) existing state-level investments in innovative transportation projects.

Notable Issue Area 1: Economic and Workforce Development

Continue to support economic and workforce development proposals that are consistent with Goals 1, 2, 3, 5, and 6 of the Port's Century Agenda with a focus on policies and programs that prioritize equity, foster innovation, and create quality and sustainable jobs in the region.

Advocacy will include support for:

- Partnerships that benefit the growth of port-related industries and expansion of statelevel worker training programs in those industries;
- Career-connected learning and work-based learning programs that seek to expose K-12 students to professions in port-related industries, including ongoing support for CORE PLUS programming;
- Continuation and expansion of pre-apprentice and apprenticeship programs;
- Efforts to expand the trucking and logistics workforce, including increasing the supply of Commercial Driver's License (CDL) holders and drivers, with a specific focus on those serving port operations;
- Programs that prioritize equitable recruitment, training, and retention of workers representing diverse populations;
- Policy solutions that connect port-adjacent communities to economic opportunity and 'prosperity-in-place';

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- The continued enforcement of responsible labor standards;

- Increased state-level investments to promote and grow the tourism industry in Washington;
 - Investments in broadband infrastructure including the use of state funds as 'match dollars' for federal programs and ongoing efforts to end the digital divide;
 - Rural economic development initiatives, including those that benefit small manufacturers and domestic manufacturing generally, investments in freight corridors serving rural areas, rural tourism, and support for associate development organizations;
 - Proposals that reduce structural barriers, prioritize equitable working conditions, promote the success of small businesses, and benefit minority and women-owned enterprises;
 - The repeal of I-200, efforts to implement Executive Order 22-02, and outcomes resulting from the ongoing work of the Governor's Statewide Diversity, Equity, and Inclusion Council;
 - Statewide contracting practices and programs that increase flexibility for public owners while also supporting small, minority, and women-owned businesses, and increasing opportunity and access for those businesses;
 - Creating state-level programs geared towards assisting BIPOC and rural small businesses that traditionally struggle to access available public resources.
- Additionally, the Port will continue monitoring developments around programs that divert Port revenues to other uses, opposing changes that further increase diversion of Port revenue, or are otherwise inconsistent with underlying tax law.

Notable Issue Area 2: Energy, Climate, Environment, and Habitat

Continue to support state-level policies regarding energy, environment, sustainability, climate, and habitat that serve Goals 4 and 5 of the Port's Century Agenda. Advocate for policy and budgetary solutions that promote the adoption and implementation of clean energy, phasedown the State's reliance on fossil fuels, reduce emissions, and improve environmental outcomes.

Advocacy will include support for:

- Promotion of the use of low- and zero-carbon fuels for transportation, providing low or zero emission transit options, and otherwise aiding the continued reduction in the cost of low- and zero-carbon energy sources;
- Policies that promote the use of clean energy technology, promote the development of in-state renewable energy, 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 in the private sector;
- Proliferation of sustainable aviation fuels, including support for SAF infrastructure programs and any necessary adjustments to existing incentives;

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- On-dock decarbonization programs and incentives;
- Programs and policies geared towards 'Scope 3 emissions';
- Programs benefitting Puget Sound health, including water quality, habitat restoration, cleanups, stormwater, underwater noise reduction, and those related to Orca recovery, including support for the Quiet Sound program and protection of Quiet Sound appropriations made in the enacted biennial budget;
- Maintaining funding for programs associated with the Model Toxics Control Act (MTCA) that assist the Port in its efforts to promote environmental stewardship, including cleanup grants, public participation grants to community organizations, and benefitting voluntary, expeditious cleanup of habitat restoration and/or shoreline public access projects in underserved communities;
- Streamlining and providing robust funding for the 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;
- Efforts to increase climate resiliency, including resiliency in the transportation network serving ports, in collaboration and partnership with local governments;
- Policies that reduce air emissions and pollution for passengers and employees traveling to and from Port facilities, including promoting and improving the efficiency of public transportation and public transit;

- Continuing state partnerships to reduce emissions from waterfront operations while maintaining an international competitive edge, including partnerships to support electric transmission infrastructure development, regarding innovation in the clean maritime sector, and in the State's ongoing Maritime Blue 2050 initiative;
- Responsible and thoughtful implementation of statewide environmental justice standards, including support for state-agency efforts to build intersectionality directly into programming, establish adequate enforcement mechanisms, and provide necessary resources; and
- The Washington Climate Corps Network, including exploration of opportunities to integrate Climate Corps volunteers into Port operations and programs.

Notable Issue Area 3: Transportation

Support transportation policy that is consistent with Goals 1, 2, and 4 of the Port's Century Agenda, emphasizing the importance of proposals supporting freight mobility, enhancing competitiveness, aiding multimodal transportation, and continuing to decarbonize.

Advocacy will include support for:

- Investments in transportation networks serving essential public facilities with specific emphasis on funding needed for upgrades to State Route 518 (per the State's finalized and published recommendation);
- Proposals speeding the movement of freight and passengers from origin to destination through seaport and airport facilities, and improving trade competitiveness of the state and the Port's gateway;

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- Continued promotion of Washington as an international trading partner, including support for the state's exporters and ensuring that transportation facilities supporting trade are modern, world-class, and operate efficiently;
- Proposals to 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 promoting fairness and equity among transportation service providers, in support of responsible operation in all areas of regulation, including insurance, monitoring, safety, and environmental standards;
- State engagement relating to increasing passenger vessel routes operating in Puget Sound, provided that any increased vessel traffic is accompanied by mitigation;
- Regional conversations related to innovative transportation partnerships that will help alleviate congestion on roadways and in airports, and reduce emissions associated with the transportation sector;
- Coordinated approaches to regional transportation planning, including aviation planning;
- Continued progress regarding airport siting or expansion and the efforts of the Commercial Aviation Work Group (CAWG);
- State-level actions to advance planning for major transportation projects, provided that planning efforts account for impacts to the broader transportation network and consider effects to adjacent areas;
- Investments in multimodal and active transportation infrastructure that prioritize safety and efficient movement of freight; and
- Promotion of state agency efforts benefitting REAL ID compliance.

Participate in, and monitor, conversations regarding transportation revenue and revenue-generating policies, advocating that policies prioritize and uphold economic competitiveness and do not disadvantage the efficient movement of goods. Likewise, the Port will continue to advocate that broader transportation implications continue to be a central consideration of major transportation projects.

Notable Issue Area 4: Land Use

Continue to advocate for land use policies benefitting goals 1, 3, 4, and 5 of the Port's Century Agenda, with a specific focus on zoning issues that may affect port competitiveness.

Advocacy will include support for:

- 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 aim to reduce pressure on critical industrial lands by focusing dense residential development into existing residential areas that have typically been

characterized by low-density single-family development;
• Efforts to acknowledge and define Manufacturing and Industrial Centers (MICs) as resource lands of statewide economic significance;

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- Proposals that recognize the role industrial resource lands play in global port competitiveness and in supporting job retention in diverse economic sectors; and
- Proposals that seek to strengthen the Container Ports Element of the Growth Management Act.

Monitor actions related to the Department of Commerce's Interbay Public Development Advisory Committee, and any other legislative changes that may impact the efficient functioning of statewide essential public facilities.

Other Notable Issue Areas: Tax, Governance, Technology, Trafficking, Civil Asset Forfeiture
Taxation:

Support state-level tax policies that foster the economic health of port-related businesses and activities, including:

- Policies that promote the efficient movement of freight and support communities that contain warehousing and distribution infrastructure, especially those facilities and communities benefitting agriculture, manufacturing, and trade sectors; and
- Policies that reduce manufacturing costs in port-related sectors, including businesses that support the efficient functioning of SEA international airport, and incentivizing construction of fishing vessels within Washington State.

Pending action by the Department of Revenue that is currently stalled, consider legislative solutions to clarify the application of Leasehold Excise Tax for certain port-related businesses.

Governance:

- Oppose legislation that would create an imbalance of representatives between the two homeports in the governance of the Northwest Seaport Alliance.
- Monitor legislative proposals that would alter the governance structure of either NWSA homeport, and if proposed, advocate for ratification by citizen vote within the respective homeport district(s).

Technology:

- Monitor proposals related to the use of biometric technology, such as facial recognition, with particular attention to those that address protection of individual privacy, equity, and compliance with federal and state regulations.
- Continue to express concerns related to establishing a Washington State Digital ID intended for general use including at airport facilities.
- Monitor state-level regulation of artificial intelligence (AI), and seek to form relevant partnerships with state and local government agencies regarding the use of AI.

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Trafficking:

- Continue to engage state agencies, the legislature, and external partners in Portsponsored efforts to combat human trafficking at port facilities, including the airport, seaport, cruise terminals, and marina properties. Explore additional opportunities to deepen partnerships and align ongoing efforts happening elsewhere.

Civil Asset Forfeiture:

- Support for legislative efforts to expand the Port's existing civil asset forfeiture authority at the state-level, with the goal of giving the Port additional flexibility with related resources.

ATTACHMENTS TO THIS BRIEFING

(1) Presentation slides

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

November 8, 2022 – The Commission voted to adopt the Final 2023 State Legislative Agenda

October 25, 2022 – The Commission was briefed on the Draft 2023 State Legislative Agenda

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