

**THE NORTHWEST SEAPORT ALLIANCE**  
**MEMORANDUM**

**MANAGING MEMBERS**  
**ACTION ITEM**

<b>Item No.</b>	<u>4D</u>
<b>Date of Meeting</b>	<u>October 3, 2017</u>

**DATE:** September 15, 2017

**TO:** Managing Members

**FROM:** John Wolfe, CEO

**Sponsor:** Sean Eagan, Government Affairs Director

**Project Managers:** Sean Eagan, Government Affairs Director

Ryan McFarland, Federal Affairs

Evette Mason, Local Affairs—Pierce County

Lindsay Wolpa, Local Affairs—King County

**SUBJECT:** 2018 Government Affairs Agenda

**A. ACTION REQUESTED**

Staff requests four actions by the Managing Members:

- 1) Approval of the NWSA 2018 federal government affairs agenda;
- 2) Approval of the NWSA 2018 state government affairs agenda;
- 3) Approval of the NWSA 2018 local government affairs agenda; and
- 4) Amendment of the Catalogue of Government Affairs Positions to address NWSA governance.

**B. SYNOPSIS**

The proposed 2018 government affairs agendas— federal, state and local—contain priority items the NWSA government affairs team would pursue proactively during the course of next year.

The Catalogue of Government Affairs Positions includes position statements on issues not already included in the agenda and serves as a guide for how staff will respond to unanticipated issues. Staff proposes amending the Catalogue to address potential

legislation affecting NWSA governance unanticipated issues. Staff proposes amending the Catalogue to address potential legislation affecting NWSA governance.

### **C. BACKGROUND**

The Northwest Seaport Alliance Managing Members Bylaws states in Article I3B that, “The Alliance shall take official positions on policy and significant legislative issues only when the issue impacts the Alliance and only after” a vote of the Managing Members.

The proposed 2018 government affairs agendas were developed in consultation with all of the NWSA’s department directors and executive team members. The agendas have also been reviewed by the two deputy CEOs and John Wolfe.

Barring additional instruction from the Managing Members, staff approaches the development of the proposed government affairs agendas in a similar manner as we have over the last two years. This includes beginning with several philosophical assumptions. First, the issues identified in the agendas should directly impact NWSA-licensed properties, the operations on those properties, or the movement of cargo to-and-from those properties. As such, staff focused on government affairs initiatives tied directly to the NWSA strategic business plan approved by the Managing Members.

While the two homeports may care about other issues—and in some cases be in agreement—those issues impacting homeport governance, operations, properties or initiatives were not included in the NWSA agenda out of respect for the continued sovereignty of the two homeports—and their desire to maintain independent identities in some cases. Please know that homeport government affairs staffs will continue to work together where appropriate on issues of common interest.

Second, the government affairs agendas are intended to enumerate the top priorities for the alliance. The issues identified in the government affairs agendas are intended to be actionable and measurable, providing guidance to external stakeholders on the alliance’s priorities while at the same time setting expectations for government affairs employees for how their performance will—at least partially—be measured. They are not intended to serve as persuasive communication pieces in-and-of themselves. Staff relies on a variety of other communication tools to assist our efforts to influence the crafting of federal, state, or local public policy (e.g. one-pagers, testimony, private meetings, social media, etc.).

The proposed government affairs agendas serve as a starting point for the Alliance’s government affairs work—proactive initiatives staff will work on during the upcoming year. Recognizing that government affairs staff likely will need to react to unanticipated opportunities or threats in the public policy arena, the Managing Members in 2016 approved a Catalogue of Government Affairs Positions. This Catalogue includes position statements on issues not already included in the agenda and serves as a Managing Member approved guide for how staff will respond to unanticipated issues. Specific government affairs policy positions not already anticipated in the Catalogue are adopted by the Managing Members as necessary on timely and emerging matters.

To date, the NWSA has no official position on legislation that could change the governance structure of the alliance, including the governing balance between the two Managing

Members. In light of proposals considered by the 2017 state legislature, staff recommends adding additional language to the Catalogue to address these issues.

## **D. PROJECT DESCRIPTION AND DETAILS**

### ***Federal legislative agenda***

- **Harbor Maintenance Tax (HMT) reform**  
Continue efforts to reform the HMT to ensure US tax policy does not disadvantage US ports and to provide greater equity for HMT donor ports through expanded use of Harbor Maintenance Trust Fund revenues. Support \$50 million appropriation for the “donor port” HMT rebate program authorized under Section 2106 of the 2014 Water Resources Reform and Development Act to compensate for the current structure and impacts of the HMT.
- **Seattle Harbor Deepening Project**  
Support authorization and appropriation for design and construction to deepen the federal channels serving T-18, T-30 and T-5 in Seattle Harbor.
- **Tacoma Harbor Deepening Project**  
Support authorization and funding to begin a feasibility study of deepening channels in Tacoma Harbor in order to accommodate ultra-large container ships at key NWSA cargo facilities.
- **Terminal 5 Modernization Project**  
Support federal funding for the Terminal 5 Modernization Project to meet changing container industry requirements and ensure the long-term competitiveness of the gateway.
- **National freight policy**  
Support implementation and federal funding for a national multimodal freight strategy and related grant programs, including continued authorization and funding for the TIGER Discretionary Grant program.
- **Safe and efficient cargo screening**  
Support adequate Customs and Border Patrol (CBP) staffing levels to ensure efficient movement of cargo through the Puget Sound gateway. The NWSA seeks increased federal funding for CBP staffing at maritime ports of entry and reforms to expedite the hiring of new CBP officers. Pursue efforts to ensure that the federal government retains responsibility for funding CBP services, equipment and facility development.
- **Trade policy advancement**  
Engage with local, state and national partners to advocate for trade policies that open new markets and level playing fields for Washington employers and others who use the NWSA as their international gateway, while creating verifiable, measureable and enforceable standards to protect workers and the environment.
- **Puget Sound restoration**  
Support increased federal resources for Puget Sound restoration, including appropriations for the Puget Sound Nearshore Ecosystem Restoration Project, the National Estuary Program, the Puget Sound Geographic Program and the Pacific Coastal Salmon Recovery Fund.

***State legislative agenda***

- **Terminal 5 modernization project**

Support funding mechanisms for environmental improvements associated with the Terminal 5 Modernization Project in Seattle that result in substantive and measurable sustainable benefits, while ensuring the facility meets changing container industry requirements. This includes:

  - using Clean Energy Fund dollars for investments in transportation electrification including shore-power infrastructure;
  - authorizing municipal utilities to engage in and promote the build-out of shore-power infrastructure; and
  - other capital or transportation budget investments.
- **Port Community Technology System**

Support a \$3 million allocation in federal FAST formula funds received by Washington state for the Port Community Technology System. This system would implement an electronic platform that allows for the secure exchange of information between the NWSA, private and public sector stakeholders to improve the efficiency of the NWSA-related supply chain. This will cover NWSA terminals, trucks, rail and waterways; and their interactions with each other.
- **Federal formula freight funding**

Support efforts to clarify the decision-making process for, and the WAFAC's role in, evaluating and selecting projects for funding. Preservation projects seeking funding should be should be evaluated using the same selection criteria as all other projects, without a set-aside of funds dedicated for preservation.
- **Volkswagen settlement**

Support the use of federal funds flowing through the Department of Ecology associated with the partial Volkswagen settlement Agency for port-related projects to reduce nitrogen oxide (NOx) emissions. This includes projects related to port drayage trucks and shore-power for ocean-going vessels.
- **Connecting Washington investments**

Support continued appropriations for the Puget Sound Gateway project, the Port of Tacoma Road Interchange project, and the Lander Street Grade Separation contained in the Connecting Washington transportation package.

***Local legislative agenda***

- **Streamlining priority projects**

Support efficient and transparent permitting for NWSA high priority projects including Terminal 5 in North Harbor and Terminal 3/4 backland reconfiguration and gate complex in South Harbor.
- **Preserving maritime and manufacturing lands**

Support local land use and transportation policies, as well as mechanisms that maintain or enhance maritime and manufacturing lands, and the critical road and rail infrastructure required for freight mobility. The goals being to preserve industrial lands, freight mobility, allow for the anticipated development of marine cargo facilities and support the growth of related middle-class jobs.

- **Arena development**

Support the siting of new professional sports facilities in appropriate locations that avoid conflicts with industrial activities. The goals being to preserve industrial lands, freight mobility, allow for the anticipated development of marine cargo facilities and support the growth of related middle-class jobs. This will include supporting stakeholder efforts to seek a site for an arena that will bring back the NBA and NHL to Washington state, opposing the vacation of a portion of Occidental Avenue and ensuring a balanced and thorough review of all possible impacts of any proposal.

- **Maintaining and improving the regional freight system**

Influence the regional competition for grant funding to enhance freight corridors and systems that improve the competitiveness of our Alliance properties, ensure future transportation infrastructure projects consider negative impacts to freight mobility/capacity and offer increased safety for all users.

- **Conditional street vacations at terminals 5 and 18**

Support City of Seattle staff in finalizing the conditional street vacation packages at terminals 5 and 18, including advocacy for the respective relevant ordinances to be adopted by City Council.

- **Alexander Avenue street vacation**

Support street vacation of Alexander Avenue from State Route 509 to the vicinity of the East Blair-1 Terminal gate.

### ***Catalogue of government relations positions***

Amend the Catalogue of government relations positions by inserting the following:

- Supply Chain Optimization: Advocate for policy and regulatory environment that maximizes our ability to engage with other supply chain stakeholders to improve performance and facilitate goods movement.
- NWSA Governance: Oppose legislation that would change the balance of the two homeport's governing authority of The Northwest Seaport Alliance.

Re-number accordingly (see attached red-line version of the Catalogue for more information).

## **E. ALTERNATIVES**

The items listed above under "Project Description and Details" reflect the consensus staff recommendation from Executive, Government Affairs and the various department directors.

Individual commissioners have suggested additional items that the Managing Members may want to consider.

### ***Immigration reform/Deferred Action for Childhood Arrivals (DACA)***

Noting the reliance by agriculture on immigrant labor—the NWSA’s role in exporting agricultural products, it has been suggested that the alliance take a position on immigration reform and/or DACA.

Staff traditionally has not recommended taking positions on issues that are not core to alliance operations, though nothing precludes the NWSA from doing so. With that said, staff would recommend, should the Managing Members take a position, that the alliance play a more supportive role (such as signing onto multi-party letters) as opposed to taking the lead on this topic. One option would be to add language to the Catalogue of Government Affairs positions as opposed to the Federal Government Affairs Agenda.

### ***Narrow the use of VW settlement funds***

The language concerning VW settlement funds contained in the proposed state legislative agenda is identical to language adopted by the Managing Members for 2017. It has been suggested the language could be amended to focus on truck retrofits only.

Nothing precludes such a narrowing. Based on previous Managing Member feedback about the importance of shore power at Terminal 5, NWSA staff had hoped the VW funds could be available for this use as well as trucks.

### ***Model Toxics Control Act (MTCA)***

A question has been asked about whether MTCA ought to be an alliance issue rather than a homeport issue.

If this is the preference of the Managing Members, staff will need clarity from the Managing Members on their MTCA priorities. For example, some commissioners have advocated for an increase to the Hazardous Substances Tax (HST), while others have indicated that they could support the increase, but only if the new revenue were dedicated to cleanups. Some commissioners have supported legislation to narrow the use of the HST funds to traditional uses, while others opposed this legislation. Moreover, while the two homeports have prioritized their respective remediation projects, an integrated, prioritized list of cleanups on homeport properties has not been developed. NWSA staff would need guidance on these issues.

Additionally, the NWSA bylaws state that the NWSA will take positions only on issues that “impact the Alliance.” At this time, no property currently licensed to the alliance is proposed for remediation. Moreover, the charter sought to insulate the alliance from homeport liabilities associated with contamination. If the remediation of contaminated homeport properties becomes an alliance issue, in addition to the management of non-licensed

industrial properties (as currently being contemplated), staff will need clearer guidance on what role, if any, the homeports (especially Tacoma) will have in government affairs.

***Public Records Act (PRA)***

Amending the Public Records Act, adding an exemption from disclosure for personnel evaluations of the heads of public agencies, such as the CEO, has also been suggested.

Amending the PRA will likely draw the attention of the media and open government activists. While the Legislature did adopt changes to the PRA in 2017, it was only after a long-brokered negotiation between the associations representing public agencies (cities, counties, ports etc.) and open government advocates. Given the significance of this year's reforms, it is unclear whether lawmakers will be inclined to take on additional amendments at this time.

**F. ATTACHMENTS TO THIS REQUEST**

- Computer slide presentation
- Draft federal government affairs agenda one-pager
- Draft state government affairs agenda one-pager
- Draft local government affairs agenda one-pager
- Red-line version of Catalogue of Government Affairs Positions

**G. PREVIOUS ACTIONS OR BRIEFINGS**

<u>Date</u>	<u>Action</u>
November 2015	Briefing on NWSA Government Relations Guiding Principles laying out practice of adopting legislative agendas and the Catalogue of government relations principles.
January 14, 2016	Managing Member approval of Catalogue of government relations positions.
May 26, 2017	Memo to Managing Members requesting input into 2018 government affairs agendas.
August 14, 2017	Memo to Managing Members summarizing staff recommendation and requesting informal feedback.

**H. NEXT STEPS**

Managing Member engagement is an important tool in advancing the alliance's government affairs priorities. This engagement occurs in a variety of ways including one-on-one meetings with lawmakers, committee testimony, tours, phone calls, letters, and trips.

Below is a list of opportunities where staff likely will request Managing Member engagement. Please note this is not intended to be an all-inclusive list; moreover, many of the dates and events remain tentative at this time. However, it hopefully provides you with examples of when staff may call upon your assistance in furthering the alliance's government affairs objectives.

<b><u>Date</u></b>	<b><u>Opportunity</u></b>
October 23-24	AWB Rural Jobs Summit
November	Committee days/legislative meetings
December 4, 2017	Tacoma-Pierce County Chamber Elected Officials Holiday Reception
December 4-6, 2017	AWB D.C. Fly-in
December 6, 2017	Seattle Chamber of Commerce Public Officials Holiday Reception
January 5, 2018	SSCCLC Annual Breakfast
Week of January 15	Committee hearings on Governor's proposed supplemental capital budget and transportation budget
January 16, 2018	AWB Legislative Day
January 23, 2018	Ports Day in Olympia
February	Tacoma-Pierce County Chamber of Commerce Legislative Day
Late February	Committee hearings on supplemental capital and transportation budgets
March 11-15	PNWA Mission to Washington
April 4-5	AAPA Spring Meeting in Washington, DC
Mid-March	Bill signings (as needed)
May	CAGTC Annual Meeting
May	WCIT DC Fly-In
May	Tacoma Pierce County Chamber of Commerce Washington-to-Washington
Spring/Summer	Elected official tours of NWSA facilities
Summer	Elected officials boat tour of North Harbor
August 14, 2018	AWB Federal Affairs Summit
September	AWB Policy Summit
November	Committee days/legislative meetings