

THE NORTHWEST SEAPORT ALLIANCE
MEMORANDUM

MANAGING MEMBERS
ACTION ITEM

Item No. 9B

Date of Meeting November 5, 2024

DATE: October 28, 2024

TO: Managing Members

FROM: John Wolfe, CEO

Project Manager: Ryan McFarland, Director of Government Affairs

SUBJECT: NWSA State and Federal Government Affairs Agendas

A. ACTION REQUESTED

Request Managing Members of The Northwest Seaport Alliance (NWSA) to approve the proposed 2025 state and federal government affairs agendas.

B. BACKGROUND

NWSA government affairs staff has worked with the NWSA Legislative Work Group to develop draft state and federal government affairs agendas to guide our work in 2025. The draft agendas and the catalogue of government affairs positions are attached. Staff are now seeking feedback from the Managing Members. If feedback is minimal, we will request approval at the November meeting. Otherwise, we will seek approval at the December meeting.

C. ATTACHMENTS TO THIS REQUEST

- 2025 draft NWSA State Government Affairs Agenda
- 2025 draft NWSA Federal Government Affairs Agenda
- Catalogue of Government Affairs Positions



2025 State Legislative Agenda

Industrial stormwater general permit

The NWSA supports legislation that helps the regulated community better comply with the 2025 industrial stormwater general permit (ISGP). This includes:

- **Delayed implementation** of “material handling” trigger in the definition of transportation facilities to provide newly regulated properties time to sufficiently prepare for the new requirements, including updated stormwater pollution prevention plans (SWPPs).
- Development of **safe harbor** provisions that protect regulated entities from litigation if they are taking corrective actions to address exceedances in stormwater runoff benchmarks.

Transportation budget

- The NWSA supports continued Climate Commitment Act for the **Port Electrification Grant** program and the statewide **zero emission heavy duty vehicle incentive program**.
- The NWSA encourages the state to “finish what we started” by completing critical freight projects included in the *Connecting Washington* and *Move Ahead WA* transportation packages, including the **Puget Sound Gateway** and **I-5/Port of Tacoma Road**.
- The NWSA supports the development of a **Supply Chain Competitiveness Funding** program.

Operating budget

- Support tax policies that result in the increased movement of goods through the Puget Sound gateway, with particular attention paid towards exports. The intention is that this will lead to increases in well-paying Alliance-related jobs and revenues, while also driving logistics and trade-related infrastructure investments in our region.
- The NWSA supports property tax exemptions for new and expanded manufacturing facilities that export goods through Washington ports.
- The NWSA supports the establishment of a **rail modernization tax credit**.

Capital budget

- The NWSA supports state funding through programs like the **Stormwater Financial Assistance Program** to help ports finance stormwater infrastructure projects.

Contact:

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September 2024



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Gateway to Solutions

2025 Federal Government Affairs Agenda

Harbor Maintenance Tax (HMT) Reform

- Ensure continued implementation of the HMT reform provisions in the Water Resources Development Act of 2020.
- Secure appropriations for the HMT “donor port” program authorized under Section 2106 of the 2014 Water Resources Reform and Development Act.

Seattle Harbor Deepening Project

- Support design of the West Waterway portion of the Seattle Harbor Navigation Improvement Project, which will deepen the federal channels serving T-5 in Seattle Harbor.
- Pursue approvals for early action to remove high spots in the waterway.
- Reach agreement with the US Army Corps of Engineers and EPA to develop a plan to begin design on the East Waterway portion of the project.

Tacoma Harbor Deepening Project

- Secure funding for design phase of the Tacoma Harbor Navigation Improvement Project. The project will deepen the Blair Waterway to accommodate ultra-large container ships at key NWSA cargo facilities.
- Explore opportunities to use clean dredged material to construct a nearshore aquatic habitat site.

National Freight Policy and Funding

- Secure resources made available through the Infrastructure Investment and Jobs Act (IIJA).
- Advocate for a strengthened national multimodal freight strategy and for maintaining federal investment in freight infrastructure at levels similar to those under the IIJA .
- Advocate for federal funding and other support for operations solutions to support a competitive rail system and to help alleviate supply chain congestion and environmental and community impacts.
- Support federal programs that help drayage truck drivers and railway workers achieve better wages and working conditions.

Trade Policy Advancement

- With one in four jobs depending on trade, international trade is critical for Washington state's economy, especially trade with East Asia. The NWSA believes tariffs, quotas and other policies that limit trade and investment should be used as a measure of last resort and, when necessary, be thoroughly researched and narrowly targeted to minimize unintended impacts on American ports, producers and consumers.
- The US should advocate for new trade agreements and productive engagement that ensure a fair and level playing field for mutually beneficial trade and that protect workers and the environment.
- The US should work with key trade partners in Asia to reduce tariffs in light of supply chain impacts, inflationary cost effects and overall strategic value relative to diplomatic and economic goals.
- CBP de minimis policy should be reformed to ensure it supports jobs and cargo volume growth at US ports and distribution centers.

Puget Sound Restoration

- Advocate for increased federal resources for habitat restoration and other strategies to sustain Chinook salmon populations and other species; for the cleanup of legacy contaminants; for managing stormwater runoff and for the reduction of underwater noise in Puget Sound in support of the recovery of Southern Resident killer whales.
- Support funding for the Puget Sound Nearshore Ecosystem Restoration Project, the National Estuary Program, the Puget Sound Geographic Program, and the Pacific Coastal Salmon Recovery Fund.
- Support reforms to federal regulatory processes to speed the approval and creation of NWSA and home port habitat sites.

Electrification, Diesel Emissions Reduction Programs and Renewable Energy

- Support continued funding for EPA's Clean Ports Program to help the NWSA advance the Northwest Ports Clean Air Strategy and to achieve broader decarbonization of the seaport industry.
- Support efforts to secure resources for electrification, alternative fuels, and other emissions reduction strategies at ports and adjacent communities.
- Support flexibility in Buy America and other domestic preference requirements to provide time for US manufacturers to achieve the scale needed to meet new demand for port equipment, including zero-emissions equipment, and to make their production lines compliant with federal requirements.
- Support policies and programs that create opportunities for the NWSA to be part of the supply chain for land and ocean-based renewable ocean energy development.

Federal Permitting

- Support increasing regulatory staff funding for the US Army Corps of Engineers, NOAA Fisheries and the US Fish and Wildlife Service to reduce permit backlogs.
- Support efforts to obtain programmatic permits for routine repair and maintenance projects that utilize a port-specific mitigation calculator.

Funding for CBP Officer Staffing, Facilities and Equipment

- Advocate for adequate CBP staffing levels to ensure efficient movement of cargo through the Puget Sound gateway.
- Pursue efforts to ensure the federal government resumes responsibility for funding CBP services, equipment and facility development.



Catalogue of Government Affairs Positions

1. **Competitiveness:** Support tax, regulatory and international trade policies that result in the increased movement of goods through the Puget Sound gateway, with particular attention paid towards exports. The intention is that this will lead to increases in well-paying Alliance-related jobs and revenues, while also driving logistics and trade-related infrastructure investments in our region.
 - a. Advocate for new trade agreements and productive engagement that ensure a fair and level playing field for mutually beneficial trade and that protect workers and the environment.
 - b. The NWSA believes tariffs and quotas should be used as a measure of last resort and, when necessary, be narrowly targeted to minimize unintended impacts on American producers and consumers. The US should work with key trade partners in Asia to reduce tariffs in light of supply chain impacts, inflationary cost effects and overall strategic value relative to diplomatic and economic goals.
 - c. Support legislation exempting vehicles shipped as marine cargo that operate within a port area from requirements to register with the state.
2. **Harbor Maintenance Tax:** Secure implementation of the HMT reform provisions in the Water Resources Development Act of 2020. Secure appropriations for the HMT “donor port” 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.
3. **Infrastructure:** Support freight infrastructure funding, policies, and projects that have potential to maintain, preserve, or increase capacity at NWSA assets. This includes:
 - a. Emphasize projects identified in the Alliance’s strategic commercial plan, including terminal improvement projects.
 - b. Infrastructure investments to occur across all modes—rail, road, bridge and water as well as the intermodal connectors between them.
 - c. Support reforms to Army Corps of Engineers processes that benefit NWSA properties.
 - d. Support efforts to secure resources made available through the Infrastructure Investment and Jobs Act.
 - e. Advocate for a strengthened national multimodal freight strategy and sustained federal funding for RAISE, INFRA and PIDP discretionary grants and other federal programs that support goods movement.
 - f. Support establishing a sustainable funding source for freight infrastructure and ensure user fee proposals 1) do not hurt the competitiveness of the Northwest trade corridor relative to others in North America; 2) are mode neutral; and 3) funds should be spent on improvements that benefit users who pay the fees and not diverted to other uses.
 - g. Advocate for federal funding and other support for operations solutions to support a competitive rail system and to help alleviate supply chain congestion and environmental and community impacts.

- h. Support federal programs that help drayage truck drivers and railway workers achieve better wages and working conditions.
 - i. Support the implementation and increased state funding for a strengthened Washington State Freight Mobility Plan.
 - (1) Support legislation enhancing FMSIB's freight network planning and investment capabilities, with a focus on rail.
 - (2) Support the adoption of, and funding for, state grants for infrastructure projects for ports handling marine cargo, including, but not limited to, highway or rail infrastructure that develops or extends intermodal connectivity, intermodal facilities, marine terminal equipment, wharf construction or redevelopment, vessel alternative fueling access and distribution, fuel efficient cargo handling equipment, freight intelligent transportation systems, and digital infrastructure systems.
 - (3) Encourage Washington state to develop a strategy for developing additional truck parking capacity in areas where demand regularly surpasses supply, with an emphasis on the Interstate 90 corridor between Issaquah and North Bend.
 - j. Support the implementation of the Seattle Freight Master Plan, and the Tacoma Transportation Master Plan.
 - k. Support federal programs that help drayage truck drivers achieve better wages and working conditions.
4. **Environmental Policies:** Support environmental policiesⁱ based on science that are achievable, verifiable and provide substantive environmental benefit, and can be implemented in ways that minimize negative impacts on competitiveness and cargo diversion.
- a. Advocate for increased federal resources for habitat restoration and other strategies to sustain Chinook salmon populations and other species; for the cleanup of legacy contaminants; for managing stormwater runoff and for the reduction of underwater noise in Puget Sound in support of the recovery of Southern Resident Killer Whales. Support 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.
 - b. Support maintaining the ability of ports and others to engage in environmentally appropriate dredging and disposal.
 - c. Support efforts to secure resources from the Inflation Reduction Act and other programs that support electrification, alternative fuel use, and other emissions reduction strategies at ports and adjacent communities. Support flexibility in Buy America and other domestic preference requirements to provide time for US manufacturers to achieve the scale needed to meet new demand for port equipment, including zero-emissions equipment, and to make their production lines compliant with federal requirements. Support policies and programs that

ⁱ Including clean water standards.

create opportunities for the NWSA to be part of the supply chain for land and ocean-based renewable ocean energy development.

- d. Support reforms to federal regulatory processes to speed the approval and creation of NWSA and home port habitat sites.
5. **Sustainability:** Support funding for environmental projects at seaports that result in substantive and measurable sustainable benefits, while aiding economic development.ⁱⁱ
- a. Support the authority for public ports to invest in air quality improvement equipment, fuels and other methods that provides emission reductions for engines, vehicles and vessels.
 - b. Support funding for remediation projects at the homeports as well as mechanism to increase and stabilize the Hazardous Substance Tax revenue generated under the Model Toxics Control Act to support the pursuit of a healthier Puget Sound and efforts to stabilize the MTCA account to ensure long-term funding availability for programs.
6. **Climate Change:** Support funding for environmental projects at seaports that result in substantive and measurable greenhouse gas and black carbon emissions reductions and improved resiliency of port infrastructure and equipment in the face of climate change. Support efforts to reduce greenhouse gas and black carbon emissions provided those efforts do not result in a consequential loss of cargo volumes in the gateway; should these efforts generate additional revenue for the government (such as through a mechanism like a carbon tax), support efforts to invest this revenue into climate change adaptation, further emission reductions, energy conservation and transportation and freight mobility infrastructure.
- Support enactment of legislation that will incent the implementation of transportation fuels that reduce emissions related to port operations. Specifically, support adoption of a state clean fuels standard that supports the deployment of clean transportation fuel technologies and reduces the carbon intensity of fuels sold in Washington, and that can promote price competitiveness between the market for sustainable transportation fuels in Oregon, California, and Washington states.
7. **Industrial Lands:** Support land use and transportation policies and mechanisms that maintain or enhance maritime and manufacturing lands, and the critical road and rail infrastructure required for freight mobility.
- a. Support mechanisms to ensure the state articulates its interests in local land use decision making when it comes to the preservation and health of essential public facilities.
 - b. Oppose efforts to locate new professional sports facilities in the area south of downtown Seattle, known as “SoDo.” 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 an alternative site for an arena, opposing the vacation of a portion of Occidental Avenue and ensuring a balanced and thorough review of all possible impacts of the proposal.

ⁱⁱ This includes, but is not limited to, air quality projects associated with shore power infrastructure, cargo handling equipment and truck retrofits and scrapping.

- c. Support and advance the City of Tacoma’s sub-area plan for the Tideflats area with a goal of preserving industrial lands, freight corridors, and buffers to avoid encroachment and conflict with non-industrial uses and allowing for the predictable and affordable development of marine cargo facilities.
8. **Cargo Security:** Support sustainable security funding for seaports—including adequate Customs and Border Protection staffing—as well as effective and efficient cargo screening and other security policies, that improves economic development and public safety. Pursue efforts to ensure the federal government resumes responsibility for funding CBP services, equipment and facility development.
9. **Efficiency:** Support harmonizing regulations across jurisdictions to avoid duplication of effort and make compliance more predictable and cost effective, while ensuring that our jurisdictional authority remains intact.
10. **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. This includes Federal Maritime Commission approved discussion agreements between the NWSA and its terminal operators regarding key performance indicators and operational efficiencies.
11. **Jones Act:** Support the Jones Act and its crucial role in providing the institutional framework that helps keep the US domestic maritime industry viable. NWSA endorses maintaining limited flexibility to grant waivers from Jones Act regulations in extraordinary cases when domestic shipping capacity is insufficient to respond to a given need and when Puget Sound domestic maritime stakeholders validate that a waiver is necessary to support the vitality of their industry.
12. **Workforce Development:** Support state investments in workforce development in the maritime, manufacturing and industrial sectors for Washington state students and citizens.
13. **NWSA Governance:** Oppose legislation that would create an imbalance of commissioners 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 governing structure of either homeport include ratification by citizen vote within the respective homeport district(s).
14. **Immigration:** Support policies that ensure a fair and transparent immigration system to allow for the consistent flow of goods through the gateway.
15. **Permitting:** Support increasing regulatory staff funding for the US Army Corps of Engineers, NOAA Fisheries and the US Fish and Wildlife Service to reduce permit backlogs. Federal regulatory and permitting regimes should be applied consistently across the country. Significant modifications to federal permitting regulations should be made only through an act of Congress or a formal rulemaking process. The NWSA opposes changes to the process for permitting projects that jeopardize ports’ ability to fulfill their economic, environmental and social missions.

Updated: November 2023

Item No.: 9B
Date of Meeting: Nov. 5, 2024

2025 STATE AND FEDERAL GOVERNMENT AFFAIRS AGENDAS



**THE NORTHWEST
SEAPORT ALLIANCE**
SEATTLE + TACOMA


Ryan McFarland, Director of Government Affairs
Sean Eagan, State Government Affairs

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ACTION REQUESTED

Staff is requesting two separate actions:

- Approval of the NWSA 2025 state government affairs agenda
- Approval of the NWSA 2025 federal government affairs agenda



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State Government Affairs Agenda

- Stormwater
- Transportation budget
 - Emissions reduction funding
 - Puget Sound Gateway
 - Supply chain competitiveness program
- Operating budget – revenue and tax issues
- Capital budget – stormwater program funding

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ACTION REQUESTED

Request Managing Member approval of the NWSA state government affairs agenda.

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Federal Government Affairs Agenda

- Harbor Maintenance Tax
- Seattle Harbor deepening project
- Tacoma Harbor deepening project
- National freight policy and funding
- Trade policy advancement

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Federal Government Affairs Agenda

cont'd

- Puget Sound restoration
- Electrification, diesel emissions reduction programs and renewable energy
- Federal permitting
- Safe and efficient cargo screening

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ACTION REQUESTED

Request Managing Member approval of the NWSA federal government affairs agenda.

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