

**MANAGING MEMBERS**  
**STAFF BRIEFING**

Item No.: 5D_Attach_14 Date of Meeting: December 5, 2017
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**DATE:** November 13, 2017  
**TO:** NWSA Managing Members  
**CC:** NWSA Management Team, Judi Doremus, Mike Merritt, NWSA External Affairs Team  
**FROM:** Ryan McFarland, NWSA Federal Government Relations  
**SUBJECT:** Immigration policy impacts on NWSA

**A. BRIEFING REQUESTED**

No action is requested of the Managing Members at this time. If you have questions, please call Ryan at 206-787-3014.

**B. SYNOPSIS**

At the October 3 Managing Member meeting, Commissioner Gregoire asked staff to supply commissioners with additional information on immigration policy given the evolving national debate on the issue and proposals from the Trump Administration to tighten immigration (such as ending the DACA program, travel bans and threatened crackdowns against sanctuary jurisdictions). This memo describes the potential impact changes in immigration policy could have on The Northwest Seaport Alliance, including NWSA and home port workforces, companies and individuals directly involved in port operations, and shippers and the implications that could have for NWSA cargo volumes.

In summary, immigration policy is unlikely to directly affect the NWSA and home port workforce or port operations (defined here as on-terminal longshore activity and the movement of cargo by truck or rail to/from marine terminals) because neither workforce is characterized by the use of undocumented labor or foreign temporary workers. Yet Northwest exporters do depend heavily on foreign temporary workers to maintain a sufficient workforce to harvest crops and to maintain skill levels needed to be competitive in global markets. Thus changes in immigration policy can influence the amount of cargo Northwest exporters ship through our facilities.

**C. BACKGROUND**

**Impact on workforces at NWSA and the home ports**

Immigration policy in general does not directly affect the NWSA and home ports. Our organizations do not employ undocumented workers, who could be targets of tightened regulations or a deportation campaign. As the table below shows, we also do not frequently employ temporary visa holders.

	# of workers with temporary visas
NWSA	0
Port of Seattle	3
Port of Tacoma	0

Currently neither NWSA nor Port of Tacoma (POT) employs workers on temporary employer-sponsored visas such as H-1Bs or H-2As. Port of Seattle (POS) has three employees with H-1B visas, all of whom work in the Information and Communications Technology Department. POT has a practice of not using temporary visas. POS also does not make frequent use of temporary visas, and when it does it will hire those who already are working in the US under a H-1B visa, but does not sponsor new visa applications. H-1Bs are for situations when no qualified US workers are available to fill a given position, a requirement that must be extensively documented in order to satisfy. In addition, there are certain costs for employers associated with the H-1B process. Still, temporary visas are an important tool for the POS human resources department because it sometimes has faced difficulty finding qualified US workers.

Roughly two hundred individuals who work at the airport for other employers have temporary immigration status of some kind.

The NWSA and home ports also should not be directly affected by the Trump Administration's plan to end the Deferred Action for Child Arrivals (DACA) program. Our organizations do not directly employ any "dreamers" (as these individuals are known). Several dozen dreamers do work at Sea-Tac Airport for other employers. We know that hundreds of these immigrant youth are residents of King and Pierce counties, and almost 17,000 are state residents. Approximately 12,000 additional people in King County and 4,000 in Pierce County currently are eligible for DACA.

### **Impact on NWSA port operations and supply chain**

Immigration policy does not appear to have a significant direct impact on NWSA day-to-day port operations:

- All individuals who work on NWSA marine terminals must have a TWIC<sup>1</sup> card in order to access these facilities. This includes longshore labor, terminal operators, truckers, rail crews, ship provisioners, etc. The TWIC program is highly regulated. With a few tightly controlled exceptions, only individuals with fully documented immigration status may obtain TWIC cards.
- Immigration issues also have limited direct impact on truck drivers who do not enter marine terminals. In order to be hired as truck driver in Washington state, individuals must obtain a commercial driver's license (CDL). Individuals must have legal residency to obtain a CDL.
- Warehouses, distribution centers, transloaders and other logistics facilities are critical to NWSA operations. Unfortunately, NWSA staff have been unable to obtain information on the immigration status of workforces at these facilities.

While NWSA operations probably would not experience significant disruption from some of the proposed changes in immigration policy, it should be noted that immigrants make up a significant proportion of the workforces of some of the categories listed above. In particular, many of the NWSA's drayage truck drivers are Somali, and Somalia is one of the nations covered by President Trump's proposed travel ban (more on this topic below). These individuals are likely to experience hardship if the travel ban goes into effect even if they do have secure immigration status.

### **Agricultural industry impacts and NWSA cargo volumes**

The area in which immigration policy most clearly affects the NWSA is through its impact on the agricultural sector. Agricultural exports accounted for over \$8 billion of NWSA's exports in 2016, which amounts to about half of NWSA exports by value. Agriculture and food processing annually

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<sup>1</sup> *Transportation Worker Identification Credential*

is a \$51 billion industry for Washington state, supporting 160,000 jobs and generating \$15 billion in exports. Any policy issue that affects the agriculture industry affects the NWSA. Other examples of issue areas that indirectly affect the NWSA in a similar fashion include trade policy and overseas market access, irrigation issues, environmental regulation in the agriculture sector, and policies around genetically modified crops.

Agriculture in the US has historically relied heavily on foreign migrant labor. This continues to be the case today. In 2009, 75% of hired farm workers in the US were born in Mexico. Many of Washington state's top crops depend on seasonal labor, especially apples, cherries, pears and grapes, which together accounted for 73 percent of seasonal workers in the state.<sup>2</sup> 44 percent of Washington's farm laborers are in the country illegally,<sup>3</sup> leaving them and the state's agricultural industry highly sensitive to changes in immigration policy.

While so far there has been no serious, widespread labor shortage (thanks in part to undocumented workers and guestworker programs), a shortfall in the farm labor supply already is affecting the US economy. A 2015 study by the Agriculture Coalition for Immigration Reform found that the lack of available farm labor to meet the demands for fresh produce production costs the US economy \$3.3 billion a year. There are many examples of Washington farmers being unable to harvest their crops due to insufficient labor supply.

The US farm labor supply is expected to further decline in the coming decades as economic opportunities continue to improve in developing countries, as enforcement increases at the US-Mexico border and as the current migrant workforce ages. A Washington State University study projects that farm labor will drop by 1.4 percent annually from 2018 to 2025, and 0.7 percent annually from 2025 to 2038. The study found that the 7 percent decrease in the labor supply over the next five years will increase growers' labor costs by 8.3 percent.<sup>4</sup> The adoption of immigration policies that further constrain the labor supply will exacerbate this trend, increasing costs and affecting harvest volumes in Washington state.

Growers generally oppose immigration restrictions and support immigration policies that safeguard their labor supply, including comprehensive immigration reform that offers a path to legal status for the undocumented workers on which they depend. Many growers also support the H-2A guestworker program that allows them to legally hire foreign agricultural workers for seasonal or temporary work.

The H-2A visa program allows farmers anticipating shortages of US seasonal workers to be certified by the US Department of Labor to recruit and employ foreign workers with temporary, nonimmigrant visas. Employers must demonstrate the existence of a shortage of available and qualified domestic labor. Foreign workers receive a guaranteed wage,<sup>5</sup> an employment contract, free housing and transportation, and legal status (temporary H-2A visas). Many agricultural

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<sup>2</sup> Brady, Michael P. and R. Karina Gallardo, 2014, "Labor Prospects for the Washington Tree Fruit Industry," Washington State University, School of Economic Sciences, Slide 15. Summary slides available at [http://jenny.tfrec.wsu.edu/wsha2014/Past\\_and\\_Future/BradyFutureLabor.pdf](http://jenny.tfrec.wsu.edu/wsha2014/Past_and_Future/BradyFutureLabor.pdf)

<sup>3</sup> "Share of Unauthorized Immigrant Workers in Production, Construction Jobs Falls Since 2007," March 26, 2015, Pew Research Center, p. 19.

<sup>4</sup> Brady, Gallardo, slide 19.

<sup>5</sup> Under a 2017 wage rate set by the Washington State Department of Labor and Industries, foreign farmworkers must be paid at least \$13.38 an hour.

employers would like to streamline the H-2A program; farmworker advocates are likely to oppose certain streamlining provisions.

The use of the program in Washington has expanded from 814 jobs in 2006 to 13,697 jobs in 2016, accounting for 20 percent of the seasonal agricultural workforce in our state.

### **Potential impacts on non-agricultural cargo volumes**

Many non-agricultural employers in the Puget Sound region also depend on foreign, temporary workers to help fill high-skill positions for which they are unable to find qualified US workers. The H-1B visa program allows employers to legally employ these individuals. As mentioned earlier, the Port of Seattle currently employs three such visa holders.

The biggest users of the program in Washington state are mostly technology companies, which do not tend to ship high volumes of cargo through NWSA. Yet the H-1B program is used by a wide variety of employers from Starbucks, to Fred Hutchinson Cancer Research Center to Nordstrom. The NWSA handles the cargo of employers who use this category of visa, and so it is fair to assume that our business could be impacted if these workers weren't coming here and helping to create world-class goods for export.

DACA issues also could be connected to export volumes in a similar fashion. For example, Microsoft has 39 DACA employees, Amazon 9 and Starbucks 84. It could be disruptive to those businesses if those employees are deported.

### **Effects of proposed Trump Administration travel ban**

The latest version of the Trump Administration travel ban,<sup>6</sup> sometimes referred to as "Travel Ban 3.0," would place new restrictions on visitors from eight countries seeking to immigrate to the US or obtain visitor visas. The eight countries are Syria, North Korea, Iran, Chad, Libya, Yemen, Somalia, and Venezuela. Immigration is banned for all of these nations except for Venezuela, and most visas are banned for all countries except Somalia, although Somali visitors will face additional scrutiny.

These restrictions are likely to affect trade with travel ban nations, but the impact on NWSA volumes will not be noticeable. NWSA's total trade with these nations in 2016 amounted to \$5.2 million. This is only .01% of NWSA's total trade of over \$75 billion.

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<sup>6</sup> Officially titled "Presidential Proclamation Enhancing Vetting Capabilities and Processes for Detecting Attempted Entry Into the United States by Terrorists or Other Public-Safety Threats"