



WASHINGTON MARITIME FEDERATION

A Coordinated Voice for Maritime Progress

2016 LEGISLATIVE PRIORITIES

THE WASHINGTON MARITIME FEDERATION RESPECTFULLY SUBMITS ITS 2016 LEGISLATIVE PRIORITIES

- **Dedicated funding for maritime-specific career, technical training and education at the K-12, community college, and higher education level.**
- **Incentives for the modernization and recapitalization of Washington's Fishing Fleet**
- **Work to ensure the preservation, sustainability and reliability of funding in the Model Toxics Control Act (MTCA) Account for environmental cleanup projects.**
- **Work to develop a scientifically-supported No-Discharge Zone (NDZ) policy that targets specific areas of water quality impairment within Puget Sound**
- **Support a process to align and simplify the regulatory and permitting process across state and federal agencies to provide, speed, efficiency and predictability in shoreside maintenance, remediation and construction, while maintaining necessary environmental protections.**

The Washington Maritime Federation (WMF) represents a coordinated and unified voice of the diverse and interdependent sub-sectors of the maritime industry. WMF supports policy and investment priorities that support the vitality, growth and resilience of Washington's maritime industry. Regional, state and federal priorities are based on a full consensus decision-making process by WMF members advised by associate members and a broad group of business, labor and government stakeholders.

MARITIME POLICY FOCUS AREAS

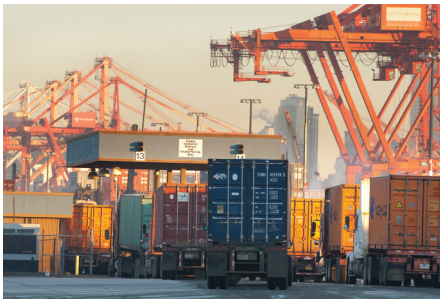
WORKFORCE DEVELOPMENT, EDUCATION AND TRAINING

To enhance the competitiveness of Washington's exceptional maritime industry, we must invest in innovative, relevant education and training to faculty, students, and the incumbent workforce. The Washington Maritime Federation has engaged with the Center of Excellence for Marine Manufacturing and Technology, public and private education and training providers, and organized labor to identify high demand and priority job categories.

The WMF supports the following objectives to meet the immediate needs of the industry:

- **K-12 Education** – Support for **Core Plus** programming to enhance industry-driven skills building through the Office of the Superintendent of Public Instruction (OSPI) and systemic expansion of **Career and Technical Education (CTE)** funding and support.
- **Community and Technical Colleges** – Funding delivered to the State Board of Community and Technical Colleges (SBCTC) for **dedicated maritime education and training FTE's** through an industry driven competitive process.
- **Higher Education** – Support for the development of **Marine Mechanical and Electrical Engineering** programs at the UW–Bothell campus and WSU–Olympic College.
- **Merchant Mariner Credentials** - Support program for licensed mariners to attend USCG approved training courses and providing afloat internships for aspiring seafarers.

TRANSPORTATION, INFRASTRUCTURE AND COMPETITIVENESS

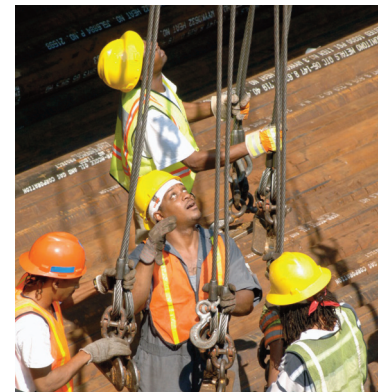


*More than **533 million** tons of freight were moved in Washington in 2010, and that number is expected to grow by up to **86%** by 2040.**

It is critical to the development and resiliency of our infrastructure that there is a reasonable expectation of the regulatory and permitting process. The WMF supports any process that aligns often competing, redundant or conflicting permitting processes and provides a predictable and efficient process for those wanting to do maritime business in our state—while at the same time retaining all necessary environmental protections.

Currently the process for permitting is disjointed and involves Washington State as well as federal and local laws and regulations for the maintenance, repair, remediation and new construction of terminals, docks and other shoreside facilities. This puts our state in an extremely disadvantaged position for industry sustainability and investment. While retaining necessary environmental protections - we need to review the processes to eliminate duplication, conflicts, inefficiencies, frustration, time and expense to the fullest extent possible.

The WMF supports engagement across state, local and federal agencies that are responsible for review and permitting of shoreside facilities to develop a permitting regime that is effective, predictable, and cost-effective.



*The Maritime industry grows **6.4%** a year, and provides jobs with substantially better pay than the average for all other industries. The average pay for a job in Washington is **\$52,000**, while maritime workers are paid an average of **\$70,800**, totaling over **\$4 billion** in wages in 2012.**



ECONOMIC DEVELOPMENT OPPORTUNITIES

Modernization of the North Pacific Fishing Fleet – The State of Washington is the historic home of the North Pacific commercial fishing fleet. Over 34,000 direct and indirect jobs in the state are attributed to the Alaska seafood industry. These activities contribute a tremendous positive economic impact. The average age of the North Pacific fleet is over 35 years, and half of the boats currently fishing in the Bering Sea and other Alaska fisheries need to be replaced.

Recapitalizing the fleet will provide significant economic benefits to the shipbuilding and maritime industry in the state and will showcase the high quality craftsmanship and commitment to clean technology, energy efficiency, sustainable fisheries and safety.

■ **Washington Jobs** – Rebuilding the vessels in our state will cement our place as the home for the fleet, and will mean new jobs for vessel owners, shipyards, and the numerous suppliers to the fishing and shipbuilding sectors.

■ **Sustainable Fisheries** – Today, the fishery is stable and is considered one of the best managed in the world. The quota system now in place means that vessel owners can be assured of their catch and associated revenue going forward.

■ **Economic Development** – We need to make sure that these boats are built in Washington by providing a policy and regulatory climate that encourages that activity. Current estimates of the cost to replace half of the fleet range from \$7 – 14 Billion, depending on the pace of replacement.

■ **Clean Technology** – Washington State boasts global leadership in the advancement of clean technology and best management practices in vessel construction. New vessels have been, and will continue to be, built above and beyond standards that increase fuel efficiency, full utilization of every fish, and safe operation.

■ **Competition** – These boats must be built in the United States, but they don't have to be, built in Washington. The Washington Maritime Federation encourages the state to provide incentives to ensure these vessels are built in our state.

Specifically, the Federation supports a reduction in the B&O tax rate to .2904 % as a part of a comprehensive incentive program to keep and expand jobs in Washington State. The cost to the state will be minimal and any cost will be more than offset by the value of the economic activity created by building the boats here. In addition, we believe the legislature should consider tax credits for fuel efficiency similar to those available to other transport modes. New vessels can reduce energy usage by more than 50%.



The F/V Blue North, currently under construction in Anacortes, WA, is an innovative, state-of-the-art design utilizing clean technology—creating one of the most environmentally friendly and safe fishing vessels in the world.



*The maritime sector contributes \$15 billion in gross business income, and directly employs 57,700 people. Including indirect and induced impacts, the sector is responsible for 146,000 jobs in the state and \$30 billion in economic activity.**

ENVIRONMENTAL RESPONSIBILITY

Washington State is a place where nature and humans are inextricably linked. The state's maritime industry understands this balance, has an outstanding record of leadership in environmental initiatives and is committed to preserving and protecting the environment in which it operates. It is imperative that our regulatory approach to environmental and land use regulation is in balance with the importance of a sustainable economy and family wage jobs.

Currently some of the specific concerns of the Washington Maritime Federation are:

■ **Environmental Cleanup (Model Toxics Control Act)** – Use of funds from this account have been a model for how contaminated properties can be cleaned up and returned to productive, job creating uses. With a shortfall of over \$60 million dollars available for Remedial Action and Stormwater Grants through the MTCA account, the Federation is committed to work with industry, port, environmental and government interests to secure funding for projects and ensure that there are consistent and dedicated funds in the future.

■ **Targeted No Discharge Zones (NDZ)** – Targeted NDZ protection could provide water quality protection in Puget Sound while still respecting the economic vitality of the commercial maritime industry and recreational boating community. The Federation believes that any NDZ petition must be firmly grounded in clear, scientifically-based, and empirically-supported data and that the Sound-wide NDZ proposal would place severe economic hardship on many vessel operators without clear environmental benefits, compelling scientific justification or the continued development of appropriate technology.

The opportunity exists for creating in our region a precedent that would both achieve our desired environmental goals and encourage technological progress to support human health and sustainable economic industries - ensuring our state is positioned to thrive in the increasingly competitive national and international marketplace for maritime services.

*2013 Maritime Sector Economic Impact Study
www.maritimederation.com/data-studies.html