



WASHINGTON MARITIME FEDERATION

A Coordinated Voice for Maritime Progress

STATE LEGISLATIVE PRIORITY 2018

ENSURE THE PRESERVATION OF THE MODEL TOXICS CONTROL ACT (MTCA) ACCOUNT

The Washington Maritime Federation (WMF) seeks to ensure the preservation, sustainability and reliability of funding in the Model Toxics Control Act (MTCA) Account for environmental cleanup projects. 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.

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.

WHY

Ports currently receive Remedial Action Grants (RAGs) from the Model Toxics Control Act accounts to clean up contaminated

properties. The accounts are funded by a dedicated tax on toxics in the state. Crude oil is the single largest source of revenue for the fund. Although the Legislature appropriated \$65 million for Remedial Action Grants as part of the 2015-17 capital budget, falling oil prices have resulted in a precipitous drop in revenue for RAGs. As such, Ecology will be unable to fund most cleanup projects prioritized by lawmakers in the capital budget.

- **Environmental Responsibility** - The state contains hundreds of hazardous waste sites which threaten the state's water resources, including Puget Sound, and present serious threats to human health and the environment. The costs of eliminating these threats often are beyond the financial means of local governments. Using RAGs, Ports have been especially effective at cleaning up near-shore properties and aquatic lands contaminated by decades of industrial practices by previous owners that threaten the health of the Puget Sound.
- **Jobs and Development** - Often the potential liability associated with contamination discourages business development. Industrial cleanups allow for the redevelopment of abandoned, idled and underused facilities. The result: property is put back into productive use, the tax base expands, and jobs are created. For example, the Port of Tacoma envisions developing its Kaiser property into a marine terminal for exports.
- **Leverage Local Dollars** - RAGs are provided to local governments after they enter into an agreement with Ecology to clean up a contaminated property. Local governments assume tremendous risk when they agree to undertake these projects. Their ability to assume this risk depends on the state's commitment to remain a dedicated, long-term partner that will continue to provide matching funds for cleanup projects that often span several biennia.

HOW

The Department of Ecology, in its budget request, proposes appropriating sufficient dollars to address the remediation projects authorized by the legislature in the 2015-17 budget that went unfunded.

- The Washington Maritime Federation will engage with state agencies and other organizations to identify ways in which the MTCA account may become more stable and reliable as the source to remediate our toxic sites and engage in effective stormwater management.
- The Federation supports legislative action to ensure remediation projects identified in the 2015-2017 capital budget.



Photo Credit: Port of Tacoma

According to a recent Department of Ecology study, every dollar spent on remediation results in **\$7 in long-term payrolls, \$32 in business revenue and \$6 in tax revenue** as cleaned-up properties are put into productive use.



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.

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

CASE STUDIES

The premise of integrating environmental restoration with infrastructure investment is a proven model that expedites cleanups and improves our region's infrastructure.

■ Port of Everett, South Terminal Mill A Project

Hinging on an approved Remedial Action Grant with funding from the MTCA account, the Port of Everett is exploring a cleanup action plan that restores the health of the Puget Sound, while also modernizing the Port of Everett's Seaport to meet 21st Century infrastructure demands. If approved, the plan would remove hundreds of thousands of tons of contaminated material from the state's waters and provide the Port of Everett with a longer shipping berth to accommodate the industry shift in vessel size.

The Port of Everett Seaport is a critical regional and national economic asset. Everett's Customs District ranks first in Washington State (3rd on the U.S. West Coast) in export value at \$25.7 billion annually, according to the 2014 U.S. Customs and Foreign Trade Division. The Port of Everett Seaport is also a major job creator, supporting more than 34,000 jobs and \$373 million in state and local taxes.

■ Port of Tacoma, Kaiser Site

After more than 60 years producing aluminum on the Tideflats, Kaiser permanently closed its smelter facility in 2002. The Port of Tacoma purchased the property in 2003. Since then, the Port has demolished the buildings, recycling more than 170 million pounds of material and placing clean fill over about 80 of the site's 96 acres. To date, the Port has invested more than \$10.6 million in cleanup to allow for redevelopment to support a new 2,200-foot wharf. Unfortunately, the project has been stalled for the last 4 years as the Port waits for a final Remedial Action Grant of \$2.3 million.

*The maritime sector contributes **\$17.1 billion** in gross business income, and directly employs **69,500 people**. Including indirect and induced impacts, the sector is responsible for **191,000 jobs** in the state and **\$37.8 billion** in economic activity.**



Port of Everett, South Terminal Mill A Project

Photo Credit: Port of Everett



Port of Tacoma, Kaiser Site

Photo Credit: Port of Tacoma

*2016. Community Attributes. Washington Maritime Economic Impact Study
www.maritimederation.com/studies