



# WASHINGTON MARITIME FEDERATION

*A Coordinated Voice for Maritime Progress*

## STATE LEGISLATIVE PRIORITY 2020

### WASHINGTON STATE FERRIES CONSTRUCTION AND REPOWERING

Many of the Washington State Ferry System vessels are in need of updates and replacement. In addition, new electric and hybrid-electric power systems are available and affordable. Converting some existing ferries to electric or hybrid-electric power, in addition to the construction of new ferries where the hybrid-electric technology allows, will result in cleaner air, reductions in greenhouse gas emissions and provide well-paying construction jobs at the state's shipyards.

**Ferry construction in Washington not only generates and sustains hundreds of jobs at major shipyards but also creates business for dozens if not hundreds of subcontractors.**

#### SPECIFICALLY, THE WASHINGTON MARITIME FEDERATION SUPPORTS:

- Conversion of the Jumbo Mark II ferries to hybrid power with terminal upgrades for charging.
- New Construction of up to 5 Olympic Class Ferries under the existing state contract consistent with WSF Long Range Plan.
- Successful completion of the design study for system-wide charging infrastructure to support an electrified ferry fleet.

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.



#### ■ STATE NEEDS NEW FERRIES TO MEET DEMAND

Washington State Ferries (WSF) **ridership is expected to grow by more than 30 percent**, from 24.5 million riders in 2017 to 32.5 million in 2040. This increased demand presents challenges to an already overburdened fleet and aging infrastructure. To meet these urgent needs, WSF's 2040 Long Range Plan says that the state's current ferry-build contract should be extended to build five new Olympic Class ferries by 2028: two ferries to stabilize the fleet and three to replace vessels due to retire. WMF applauds the Legislature for its actions in 2019 to:

- extend the current contract for up to five ferries with new ferries built as hybrid-electric
- providing \$99 million in funding to allow for design/engineering to convert to hybrid-electric propulsion, to purchase long lead items for two ferries and for the beginning of construction on the first ferry

WMF endorses the need for future transportation packages to fund the remaining costs for the 5 ferries in a way that allows concurrent or sequential construction which provides savings to the taxpayers.

*Employment in the Maritime industry increased at an annual rate of **2.7%** between 2012 and 2015. The Maritime industry paid nearly **\$4.5 billion** in wages in 2015 with an average salary of **\$65,150** industry paid nearly **\$4.5 billion** in wages in 2015 with an average salary of **\$65,150**.\**

\*2016. Community Attributes.  
Washington Maritime Economic Impact Study.  
[www.maritimederation.com/studies](http://www.maritimederation.com/studies)



## ■ FERRY CONSTRUCTION BOOSTS LOCAL COMMUNITIES

Each ferry built under the current contract generates up to **560 direct jobs at shipyards** and subcontractors, and a total of **1,300 direct, indirect and induced jobs** that are spread through many communities around the region. Each \$75 million invested in ferries produces \$90 million in economic activity, according to the state Office of Financial Management (OFM). Middle-income manufacturing jobs diversify the economy, provide great opportunity for blue-collar workers, help retain skills that are vital to Washington industries, and enable training for a new generation of workers.

## ■ CENTER OF EXCELLENCE FOR MARITIME ELECTRIFICATION

Ferry Electrification is a key demonstration project of Washington State's Strategy for the **Blue Economy** and is helping to create continued capital investments and job creation in the maritime sector. Already, we have seen a significant amount of **joint innovation, technology development and business recruitment** into the state due to growing markets in maritime electrification. Over \$1 billion of proposed capital investment in manufacturing of energy storage systems and other private investment in technology commercialization from established maritime vendors and startups entering the sector. We are also seeing increased **research and development** from universities and federal partners in the state.

## ■ WSF MUST REMAIN VIABLE

WSF is the largest ferry system in the U.S. and one of the largest in the world, serving **24.5 million riders and 10 million vehicles a year**. At any moment, more than half of the 23-vessel fleet will be loading, unloading, or sailing – moving between 20 terminals in eight counties and along 200 miles of marine highways. The state ferries not only transport commuters and other residents across Puget Sound and the San Juan Islands, but they also transport cargo and tourists and serve as a symbol of the state of Washington, much like Mount Rainier or the Space Needle. Aging infrastructure, mechanical issues and a decrease in on-time performance threaten the viability of this critical transportation system. Without continued funding for new vessels, the ferry system will deteriorate even while demand grows.

## ■ PLAN RECOMMENDS A SUSTAINABLE FERRY SYSTEM

Washington Ferry Coalition members **support the recommendations in WSF's 2040 Long Range Plan, including the construction of five new Olympic Class ferries** and other investments in new vessels operated by a more climate friendly propulsion system. The Long Range Plan reflects the input, experience and expertise of a large number of groups and individuals who know what it takes to ensure the ferry system fulfills its role as an essential part of our state's transportation system. This includes input from members of the Ferry Advisory Councils, businesses, transportation advocates, local governments, elected officials, tribal governments, the Coast Guard and many other individuals, groups and agencies.



**69,500 direct jobs** in the maritime industry support **1.8 jobs** elsewhere in the economy. For every \$1 million in revenue, **11 jobs** are supported elsewhere in the economy.\*

\*2016. Community Attributes.  
Washington Maritime Economic Impact Study.  
[www.maritimefederation.com/studies](http://www.maritimefederation.com/studies)

The maritime industry paid over **\$4.7 billion** in wages in 2015 with average salaries of **\$67,000** in comparison, the state's average wage in 2015 was **\$56,700** (does not include benefits).\*

