**THE WASHINGTON MARITIME FEDERATION—THE UNIFIED, STATEWIDE ADVOCATE FOR THE COMPETITIVENESS OF OUR MARITIME SECTOR**

**THE WASHINGTON MARITIME FEDERATION RESPECTFULLY SUBMITS ITS 2018 LEGISLATIVE PRIORITIES**

The Washington Maritime Federation (the Federation) represents the coordinated and unified voice of the diverse and interdependent sub-sectors of the maritime industry, including shipyards, cargo and logistics operations, fishing and seafood processing, recreational boating, passenger vessel operations, maritime labor and a diverse group businesses and organizations that support the industry. The Federation advocates for policy and investment priorities that enhance 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 Federation members advised by associate members and a broad group of business, labor and government stakeholders. Following are our priorities for 2019.

* **Work to maintain and preserve Washington’s maritime, manufacturing, and industrial lands.**
* **Work to ensure that Washington State continues to be a leader in scientifically-supported environmental leadership.**
* **Align and simplify the regulatory and permitting process across state and federal agencies to improve, speed, efficiency and predictability in shoreside maintenance, remediation and construction while maintaining necessary environmental protections.**
* **Incentives and support for Washington’s shipbuilding sector and supply chain, including the modernization and recapitalization of Washington’s Commercial Fishing Fleet and Ferries**
* **Investment in modernization of critical Port and Maritime infrastructure to maintain and increase competitiveness.**
* **Dedicated funding for maritime-specific career, technical training and education (CTE) at the K-12, community college, and four year university levels, including expansion of registered apprenticeships and youth programs.**

**LAND USE, INFRASTRUCTURE AND COMPETITIVENESS**

**At a time of immense global shipping pressures coupled with increased gentrification in industrial areas of the state, it is critical that action is taken that enables our ports and maritime infrastructure to maintain competitive and resilient.**

Washington State must preserve its maritime, manufacturing, andindustrial lands in order to remain competitive. Currently, these lands are under threat from competing usesthroughout the state.

***The Federation supports efforts to clarify and protect industrial lands*** ascritical and essential public facilities for manufacturing and trade.

To maintain port competitiveness, it is critical that state costs related to shipping and freight movement are minimized. Because 70% of imported cargo to the state is bound for other parts of the US, it isconsidered ‘discretionary’. This cargo supports critical jobs and infrastructure our exporters must have toaccess their markets. Additional costs of using our ports will result in the continued loss of market share.

***The Federation supports efforts to maintain or reduce costs for shippers utilizing Washington ports.***

**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 40 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 andcommitment 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. Between 2017 and 2026 an estimated $785 million will be spent on the fleet.\*\*\*
* **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, and we face strong competition from low-cost labor states in the Gulf region. The Federation encourages the state to provide incentives to ensure these vessels are built in our state.

***Specifically, the Federation supports any tax incentive, or credit, for manufacturers of qualified vessels or components of qualified vessels. A comprehensive incentive program will 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%.***

**Developing Port and Maritime Infrastructure to Improve Competitiveness**

While other major container port complexes in North America have seen significant cargo volume increases over the last two years, The Northwest Seaport has seen flat to negative growth, resulting in a loss of market share.  The time for investment in maritime and freight transportation infrastructure is now.

The Federation strongly encourages state, county, and municipal governments to invest in port and waterways infrastructure projects that spur real economic development and provide economic livelihood for the most people. The Federation is concerned that maritime interests have been compromised by controversial infrastructure projects that serve the needs of small but vocal special interest groups while imposing burdens on maritime industrial areas and, in some cases, displacing maritime industrial uses entirely. If we fail to invest in our maritime infrastructure now, jobs will be lost, our cargo market share will continue to erode and Washington’s notable competitive advantages for international trade will be squandered.

In developing Port and other maritime infrastructure, the ports, businesses, state, Federal and local governments should work together to improve our regions competitiveness and look to innovative financing mechanisms, including public-private projects, as well as encourage global investment in our booming region. British Columbia, one of our regions primary competitors offers a good example of how the ports, railroads, local, state and Federal governments can work together and invest jointly to make a region’s ports more competitive, thereby creating jobs and positive economic activity.

***The Federation supports new investment in port and marine infrastructure by our public ports, enhanced by private, state, Federal and local government funding.***

**Boating Facilities Program** – This program is a dedicated account created by voters and 100% paid into by boaters. These dollars are then granted back into local communities to improve boating infrastructure (e.g. marina bathrooms, launch ramps) around the state. In the past, the Legislature has used money from this fund for purposes other than those intended by the voters. The Federation requests the Legislature respect the will of the voters and only use the funds for their intended purpose.

**Washington State Ferries Construction and Repowering**--Many of the Washington State Ferry System vessels are old and in need of replacement. In addition, new electric and hybrid-electric power systems are available and affordable. Converting some ferries to electric or hybrid-electric power, (in addition to the construction of new, more fuel-efficient ferries), will result in cleaner air, reductions in greenhouse gas emissions and provide well-paying construction jobs at the state’s shipyards.

***The Federation supports construction and power conversion of Washington State Ferries***

**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. However, many regulatory processes result in lengthy project permitting and implementation. This adds cost, time and uncertainty for investors in our industry. We support strong environmental protections, but 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.

It is essential that we provide a predictable and efficient process for those wanting to invest in and conduct maritime business in ourstate while retaining environmental protections.

The state should explore regulatory improvements that provide additional speed and certainty in permitting maritime projects. For example, British Columbia has developed regulations setting strict time limits on certain reviews.

***The Federation supports any process that reduces competing, redundant or conflicting permitting processes.***

***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.

**Scientifically Supported Water Quality Programs** – The creation of water quality programs such as Aquatic Invasive Species, Ballast Water, Biofouling, Fish Consumption must be informed by the best available science, not be repetitive of existing or proposed federal regulations and must not reduce the competitiveness of Washington’s ports and support services relative to other ports and areas that do not have similar programs in place.

***The opportunity exists to create in our region a precedent that would both achieve our desired environmental goals and encourage industry growth and 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. The state’s Maritime Blue Initiative is a program that can help achieve these goals.***

**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 Federation supports the following objectives to meet the immediate needs of the industry:***

* **K-12 Education** – Expansion of **Career and Technical Education (CTE)** funding, including materials and supplies (MSOC), and **Core Plus** programming to enhance industry-driven skills building through the Office of the Superintendent of Public Instruction (OSPI).
* **Community and Technical Colleges** – Increased funding delivered to the State Board of Community and Technical Colleges (SBCTC) for **dedicated maritime education and training FTE’s**.
* **Four Year Universities** – Development of the **Ocean Engineering** program at the UW–Bothell campus and the **Marine Mechanical and Electrical Engineering** program at WSU–Olympic College, and funding for the new **Washington State Research Vessel.**
* **Merchant Mariner Credentials** – Programs for licensed mariners to attend USCG approved training courses and providing afloat internships for aspiring seafarers.
* **Apprenticeships and Work-based Learning** – Increased funding and access to work-based learning, registered apprenticeship, and pre-apprenticeship programs.

Captions:

(Workforce Photo)

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** (does not include benefits).\*

(Land use, Competitiveness)

In 2015, a total of **78 million tons** of imports and exports passed through Washington State’s marine terminals.\*

(ENV)

The F/V Blue North, recently launched 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.

(Econ)

The maritime sector contributes **$16.7 billion** in direct revenue, and employs **69,500 people.** Including indirect andinduced impacts, the sectoris responsible for 189,600 jobs inthe state and **$37.6 billion** ineconomic activity.\*