

# SENATE BILL REPORT

## ESB 6631

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As Passed Senate, February 17, 2016

**Title:** An act relating to establishing a joint select committee to consider the political, economic, and security issues at Washington's largest ports.

**Brief Description:** Establishing a joint select committee to consider the political, economic, and security issues at Washington's largest ports.

**Sponsors:** Senators Roach and Chase.

**Brief History:**

**Committee Activity:** Government Operations & Security: 2/04/16 [DPA, DNP, w/oRec].  
Passed Senate: 2/17/16, 48-0.

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### SENATE COMMITTEE ON GOVERNMENT OPERATIONS & SECURITY

**Majority Report:** Do pass as amended.

Signed by Senators Roach, Chair; Pearson, Vice Chair; Habib, McCoy and Takko.

**Minority Report:** Do not pass.

Signed by Senator Dandel.

**Minority Report:** That it be referred without recommendation.

Signed by Senator Benton, Vice Chair.

**Staff:** Karen Epps (786-7424)

**Background:** Port districts were authorized in 1911 for the purpose of constructing harbor improvements, developing rail and terminal facilities, and undertaking other industrial improvements. Ports have the authority to develop marine terminals, airports, and other cargo handling facilities; establish foreign trade zones; operate or lease marinas; provide environmental protection and enhancement; and provide public access. Among the general powers granted to ports are the following:

- to acquire land, property, leases, and easements;
- to condemn property and exercise the power of eminent domain;
- to develop lands for industrial and commercial purposes;
- to impose taxes, rates, and charges;
- to sell or otherwise convey rights to property; and
- to construct and maintain specified types of park and recreation facilities.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

A port district is governed by a three-member board of commissioners elected to staggered six- or four-year terms of office, with one commissioner being elected in each odd-year general election. Voters of a port district with a population of 500,000 or more may authorize the size of the board of commissioners to be increased to five members.

Periodically, the Legislature creates statutory taskforces to focus on topics of current interest. A legislative task force may meet with topic experts, provide opportunities for public testimony, and provide recommendations on statutory or other changes. Recent statutory task forces include the Joint Legislative Task Force on the Economic Resilience of Maritime and Manufacturing in Washington, and the Legislative Task Force on School Siting.

**Summary of Engrossed Bill:** A Joint Select Committee on Washington's Largest Ports (Joint Select Committee) is established. Washington's largest ports include the two port districts in the state that have the highest annual volume of cargo, any port district bordering the Columbia river in a county with a population under 125,000 with operating revenues over \$30 million a year, and the four port districts in the state that had the highest gross operating revenues in 2015. The Joint Select Committee is comprised of eight legislators:

- the chair and ranking member of the Senate Government Operations & Security Committee;
- the chair and ranking member of the Senate Trade and Economic Development Committee;
- the chair and ranking member of the House Local Government Committee; and
- the chair and ranking member of the House Community Development, Housing, and Tribal Affairs Committee.

The Joint Select Committee must choose two co-chairs, one from the House of Representatives and one from the Senate. The Joint Select Committee must develop recommendations that:

- consider the political, economic, and security issues facing Washington's largest ports;
- promote regulatory consistency and certainty in the areas of land use planning, permitting, and business development in a manner that supports Washington's largest ports;
- encourage cooperation and partnerships between local, state, federal, and private sectors to foster increased use of Washington's largest ports; and
- identify aspects of state policy that have an impact on Washington's largest ports.

Staff support for the Joint Select Committee must be provided by Senate Committee Services and the House of Representatives Office of Program Research. Members of the Joint Select Committee are reimbursed for travel expenses, and the expenses of the Joint Select Committee must be paid jointly by the Senate and the House of Representatives.

The Joint Select Committee must report its findings and recommendations to the Legislature by December 1, 2016. The Joint Select Committee expires on December 1, 2016.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Committee/Commission/Task Force Created:** Yes.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Staff Summary of Public Testimony on Original Bill:** PRO: This bill signals support for Washington's ports. There is concern about the viability of ports, especially the larger ports like Seattle and Tacoma. Washington ports are competing with ports like Prince Rupert in Canada who moves their cargo moves directly from cargo ships onto rail, and Panama which is increasing the canal to allow for larger container vessels. There needs to be a way to get our products out of Washington state. Ports need to strengthen their partnership with the state because we are facing a number of issues or challenges, including competing cargo gateways in Canada, the Panama Canal widening project, insufficient funding for freight mobility projects, a lack of funding to clean-up contaminated industrial properties, and land use and gentrification pressures. Larger container vessels are calling on transpacific routes which puts pressure on the infrastructure that ports use to load those vessels. The Seaport Alliance is the fourth largest load center for containerized cargo in North America. The Seaport Alliance was designed for containerized cargo. An estimated 48,000 jobs in Washington are affiliated with the movement of cargo. Ports face a complex competitive environment with competition from gateways throughout North America. Port customers are looking for three things: 1) price, 2) velocity of the movement of cargo, and 3) the ease of doing business. This provides an opportunity to continue the conversation about how ports can address these factors. The committee should consider the issues of the large container ports, Seattle and Tacoma, and also a port on the Columbia.

**Persons Testifying on Original Bill:** PRO: Senator Roach, prime sponsor; Eric Johnson, WA Public Ports Assoc; Sean Eagan, The Northwest Seaport Alliance.

**Persons Signed In To Testify But Not Testifying on Original Bill:** No one.