

SENATE BILL REPORT

E2SHB 2580

As Reported by Senate Committee On:
Trade & Economic Development, February 27, 2014

Title: An act relating to fostering economic resilience and development in Washington by supporting the maritime industry and other manufacturing sectors.

Brief Description: Fostering economic resilience and development in Washington by supporting the maritime industry and other manufacturing sectors.

Sponsors: House Committee on Appropriations Subcommittee on General Government & Information Technology (originally sponsored by Representatives Tarleton, Haler, Fey, Wylie, Seaquist, Pollet, Ryu and Carlyle).

Brief History: Passed House: 2/13/14, 93-4.

Committee Activity: Trade & Economic Development: 2/20/14, 2/27/14 [DPA].

SENATE COMMITTEE ON TRADE & ECONOMIC DEVELOPMENT

Majority Report: Do pass as amended.

Signed by Senators Braun, Chair; Angel, Vice Chair; Chase, Ranking Member; Holmquist Newbry and Pedersen.

Staff: Jeff Olsen (786-7428)

Background: The Washington State maritime industry includes several core sectors including passenger water transportation, ship and boat building, maintenance and repair, maritime logistics and shipping, fishing and seafood processing, and military and federal operations.

Summary of Bill (Recommended Amendments): The Joint Legislative Task Force on the Economic Resilience of Maritime and Manufacturing in Washington (Task Force) is created. The Task Force is composed of 13 members as follows:

- six members from the House of Representatives, including three from each caucus appointed by the Speaker of the House;
- six members from the Senate, including three from each caucus appointed by the President of the Senate; and
- one member representing the Department of Commerce appointed by the Governor.

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.

The legislative members of the Task Force must select co-chairs from among the membership, one from the House of Representatives and one from the Senate. The Task Force must develop recommendations including identifying the maritime and manufacturing sectors of economic significance to the state, identifying and assessing the critical public infrastructure that supports the maritime sectors, and identifying the barriers to maintaining and expanding the maritime and manufacturing sectors. In addition, the Task Force must identify and assess the educational resources and support services available to local governments to support the maritime sector, promote regulatory consistency in a manner that encourages maritime and manufacturing industries in urban areas, identify state policies that impact growth of the maritime sector including stormwater issues and other food fish issues, explore public-private sector collaborations, and maximize the opportunities for employment in the maritime industry and other manufacturing sectors in Washington.

The recommendations must include short-term and long-term action plans for the Legislature to support and sustain the maritime industry and other manufacturing sectors in Washington. In developing recommendations, the Task Force must consult with local governments, state agencies, and private sector interests as appropriate, including but not limited to the Department of Commerce, Department of Transportation, Office of Regulatory Assistance, Workforce Training and Education Coordinating Board, associate development organizations, local industrial councils, local labor trades councils, and chambers of commerce. The legislative co-chairs of the Task Force must appoint an advisory group of maritime and manufacturing business, labor, and other members to provide technical information and assistance in completing the objectives of the Task Force. The Task Force must submit a work plan by December 1, 2014, and final findings and recommendations by November 1, 2015, to the Governor and the appropriate committees of the Legislature.

EFFECT OF CHANGES MADE BY TRADE & ECONOMIC DEVELOPMENT COMMITTEE (Recommended Amendments): Directs the legislative co-chairs of the Task Force to appoint an advisory group of maritime and manufacturing business, labor, and other members to provide technical information and assistance in completing the objectives of the Task Force.

Appropriation: None.

Fiscal Note: Available.

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 Engrossed Second Substitute House Bill: PRO: All regions of the state depend on trade, and 40 percent of all jobs, almost 1 million jobs in Washington, depend on trade. The maritime and manufacturing sectors of our economy have been around for 100 years, and we need to invest in the critical infrastructure needed to ensure they are around for another 100 years. A taskforce is needed because there are a lot of unknowns regarding what critical infrastructure is needed, and to help identify what investments are needed to support the maritime and manufacturing sectors. It is unclear if

our economic infrastructure is prepared to recover from a major earthquake, and the costs are significant.

Washington's ports and manufacturing areas are at risk from a major seismic event. The Seismic Safety Committee prepared a report for minimizing loss and improving statewide recovery after an earthquake.

Private marine terminal operators have the expertise to help identify the ingredients for fostering long-term economic investment in the maritime sector and understanding key challenges. Key challenges include the formation of large shipping alliances, mega container ships, and investments in large port infrastructure projects. At the local level, Washington needs continued investments in transportation and rail, freight mobility, and regulatory certainty. The bill should be amended to include private sector and labor participation on the Task Force. Maritime and manufacturing jobs are some of the best family wage jobs in the state, and we need to continue to invest in these sectors to continue and expand these jobs. Kitsap County supports the bill, has a strong maritime and manufacturing sector, and is ready to participate in the Task Force.

Persons Testifying: PRO: Representative Tarleton, prime sponsor; Dave Norman, Dept. of Natural Resources; Patty Lent, Mayor, city of Bremerton; Cindy Zehnder, Joe Ritzman, SSA Marine; Gordon Baxter, Puget Sound Maritime Trades Council.