

# HOUSE BILL REPORT

## HB 2828

---

### As Reported by House Committee On: Local Government

**Title:** An act relating to prohibiting funds available to port districts from being allocated for the purchase of fully automated marine container cargo handling equipment.

**Brief Description:** Prohibiting funds available to port districts from being allocated for the purchase of fully automated marine container cargo handling equipment.

**Sponsors:** Representatives Valdez, Hudgins, Blake, Ybarra, Tarleton, Chapman, Fey, Ortiz-Self, Frame, Goodman, Dent, Sells, Pollet and Macri.

#### **Brief History:**

##### **Committee Activity:**

Local Government: 2/4/20, 2/7/20 [DP].

#### **Brief Summary of Bill**

- Prohibits the use of port district funds to purchase fully automated marine container cargo handling equipment.

---

### HOUSE COMMITTEE ON LOCAL GOVERNMENT

**Majority Report:** Do pass. Signed by 4 members: Representatives Pollet, Chair; Duerr, Vice Chair; Appleton and Senn.

**Minority Report:** Do not pass. Signed by 2 members: Representatives Kraft, Ranking Minority Member; Goehner.

**Minority Report:** Without recommendation. Signed by 1 member: Representative Griffey, Assistant Ranking Minority Member.

**Staff:** Kellen Wright (786-7134).

#### **Background:**

---

*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.*

Port districts are a type of special purpose district. There are 75 port districts in Washington. Port districts can include harbors and marine transport, but can also include airports, railroads, and other facilities. Port districts are funded by property taxes, services fees, lease fees, and bonds. Ports may also receive funding from the federal government and from the state.

Marine cargo generally comes in three forms: containerized (cargo transported by container), bulk (cargo transported unpackaged, like grain or oil), and break bulk (cargo, such as a car or barrels, that is loaded individually, rather than in containers or in bulk). Most non-bulk cargo is transported by intermodal container. Such containers can be transferred between different modes of transportation—for example, from ship to rail—without removing the cargo from the container.

---

**Summary of Bill:**

Port districts are prohibited from using port funds to purchase fully automated marine container cargo handling equipment. Container cargo handling equipment is fully automated if it is remotely operated or remotely monitored. Port districts may use funds to purchase human-operated zero, or near zero, emission equipment and the infrastructure to support the equipment.

---

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.

**Staff Summary of Public Testimony:**

(In support) When taxpayer money is used, it should be used to support and create jobs, rather than help to subsidize the replacement of workers. Ports should use money to keep people working, and not to help port operators eliminate jobs through automation. Workers are still better and more resilient than automated systems. The equipment for automated systems is made overseas, and purchasing it does not help Washington's economy. Port money should be used on needed infrastructure spending, and this bill would not prevent infrastructure spending. Most jobs in Washington are linked in some way to trade, and port money should be used to increase this. This bill would protect family wage jobs at the port. The same equipment can be purchased with an operator. This is an important bill that will help keep jobs in Washington.

(Opposed) This bill is unnecessary and harmful. It is unnecessary because the contract negotiated with workers already includes provisions covering automation, and includes work guarantees and retraining. This contract is beneficial to workers and should serve as a model

to other industries. The bill is harmful because the new electric machinery that is replacing the more environmentally harmful diesel, has automation built in. This is the direction that equipment is moving globally, and blocking it will set back competitiveness and harm the environment. Ports need to remain competitive, as Washington's largest ports have declined even as other ports on the West Coast are growing. This competition is the biggest threat to jobs—not automation. This bill would prohibit the use of funds for infrastructure and prevent needed investment. The ports are not looking at automation anytime soon, so the bill is not needed.

(Other) Ports help to create jobs, and retaining jobs for labor is an important goal. However, job retention is addressed in the current contract. Washington's ports are in a difficult competition with other ports, and maintaining or increasing Washington's share of trade is important as it creates jobs and reduces costs. While ports should retain good jobs, they shouldn't curtail the ability of a local authority to be competitive. Adopting this bill wouldn't have an immediate impact, but it would send a signal and could reduce opportunities for the ports in the future.

**Persons Testifying:** (In support) Representative Valdez, prime sponsor; and Dan McKisson, Cager Clabaugh, and Todd Iverson, International Longshore and Warehouse Union.

(Opposed) Jordan Royer and Scott Hazlegrove, Pacific Merchant Shipping Association.

(Other) James Thompson, Washington Public Ports.

**Persons Signed In To Testify But Not Testifying:** None.