

HOUSE BILL REPORT

ESB 5026

As Passed House:

April 6, 2021

Title: An act relating to moneys available to a port district allocated for the purchase of zero and near zero emissions cargo handling equipment.

Brief Description: Concerning moneys available to a port district allocated for the purchase of zero and near zero emissions cargo handling equipment.

Sponsors: Senators Salomon, Cleveland, Conway, Das, Hasegawa, Hunt, Keiser, Lovelett, Nguyen, Nobles and Randall.

Brief History:

Committee Activity:

Local Government: 3/10/21, 3/12/21 [DP].

Floor Activity:

Passed House: 4/6/21, 65-33.

Brief Summary of Engrossed Bill

- Prohibits port districts and port development authorities from purchasing fully automated marine container cargo handling equipment until December 31, 2031.
- Provides that port districts and port development authorities may purchase zero and near zero emissions cargo handling equipment and infrastructure through December 31, 2031.

HOUSE COMMITTEE ON LOCAL GOVERNMENT

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

Minority Report: Without recommendation. Signed by 3 members: Representatives

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

Goehner, Ranking Minority Member; Griffey, Assistant Ranking Minority Member; Robertson.

Staff: Kellen Wright (786-7134).

Background:

Port districts are a type of special purpose district that can be created with voter approval. Port districts can include harbors and marine transport, but can also be formed in inland areas without major navigable waterways and can include airports, railroads, and other facilities. Port districts are funded by property taxes, services fees, lease fees, and bonds. Port districts may also receive funding from the federal government and from the state. Currently, there are 75 port districts in Washington.

A port development authority can be created by a port district, or jointly by two port districts if both are located in counties with more than 800,000 people, to manage the maritime activities of the port district or districts. The Port of Seattle and the Port of Tacoma have formed a port development authority, The Northwest Seaport Alliance.

Marine cargo can come in multiple forms. Examples include cargo transported by container (containerized cargo); cargo transported unpackaged, like grain or oil (bulk cargo); cargo, such as barrels, that is loaded individually, rather than in containers or in bulk (break bulk cargo); and cars or trucks (roll-in/roll-off cargo). Most non-bulk cargo is transported by intermodal container. Such containers can be efficiently transferred between different modes of transportation; for example, containers can be moved from ship to rail without removing the cargo from the container.

Summary of Bill:

Until December 31, 2031, port districts and port development authorities may purchase zero and near zero emissions cargo handling equipment and infrastructure, but may not purchase fully automated marine container cargo handling equipment. Fully automated equipment is that which is remotely operated or monitored, with or without human control.

Appropriation: None.

Fiscal Note: Not requested.

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) The committee may be told that ports will lose market share without

automation, but it won't impact market share, as that is affected by harbor and rail rates and the expansion of the Panama Canal. Currently, ports are achieving record productivity, and remain competitive. Employers are free to automate with their own money, but the port authorities should have a different mission, which includes retaining jobs. Los Angeles has automated and there have been large job losses; these kind of job losses should not be funded with taxpayer money. It is important to improve working conditions and productivity, and workers accept this, but the port should not fund robotic developments that harm workers. When tax money is used to fund this, employers get the benefit, not the public, and the expenses of displaced workers are passed on back to the public. Tacoma is a working-class city and the port is the beating heart of the city. Workers provide positive economic benefits to the community and have a ripple effect injecting life into the economy. The loss of these jobs outweighs the profit of automation, which will go to multinational companies and will not be spent locally. It is not true that only automation can achieve green ports, as ports can still use funds for zero and near zero human-operated equipment. Workers can safely and productively operate this equipment, and we can choose to protect both the environment and workers.

(Opposed) Everyone shares the same goals, making ports competitive and growing volumes, but has different ideas how to get there. Puget Sound Ports should have the maximum amount of options for competitiveness, and should not be prohibited from partnering with private industry and port operators on automation. It does not make sense for the shipping companies to make this investment alone, as a public-private partnership is needed to expand opportunities. Automation can improve outcomes, as many government functions that have benefited from automation shows. The ports are largely landlords managing multibillion-dollar assets for the public, and are losing market share because costs are too high. Large container ports are sitting vacant as other ports are becoming more efficient because of automation. We should not give up a tool to help competitiveness and to reduce greenhouse gas emissions.

(Other) Ports have a long history of creating good union jobs, and these jobs are vital to port operations. One of the primary purposes of a port is job creation. Ports already have the authority to invest in zero and near zero emissions equipment. The concern is that this bill will limit investments that could reduce greenhouse gas emissions or improve safety. The ability to make these investments is important, as they could allow jobs to be safer and more environmentally friendly. The global shipping network incentivizes efficiency, and it may be difficult to find non-automated zero or near zero emissions equipment. Marine containers can be handled anywhere, so this could affect all ports in the state, not just the marine ports.

Persons Testifying: (In support) Senator Salomon, prime sponsor; Dan McKisson, International Longshore and Warehouse Union, Washington Area District Council; Gabriel Prawl, International Longshore and Warehouse Union, Local 52; and Meghan Mason, International Longshore and Warehouse Union, Local 23.

(Opposed) Scott Hazlegrove, Pacific Merchant Shipping Association.

(Other) Chris Herman, Washington Public Ports Association.

Persons Signed In To Testify But Not Testifying: None.