

SENATE BILL REPORT

SB 5649

As of February 25, 2025

Title: An act relating to creating a Washington state supply chain competitiveness infrastructure program.

Brief Description: Creating a Washington state supply chain competitiveness infrastructure program.

Sponsors: Senators Liias, King, Chapman, Torres, Wilson, J., Boehnke, Hasegawa, Shewmake and Short.

Brief History:

Committee Activity: Transportation: 2/25/25.

Brief Summary of Bill

- Directs the Department of Transportation to collaborate with stakeholders to set priorities for a Supply Chain Competitiveness Grant and Loan Program for public ports and federally recognized tribes with port operations.
- Creates the Supply Chain Competitiveness Infrastructure Program Account.
- Establishes programmatic goals and requires collaborative development of performance metrics.

SENATE COMMITTEE ON TRANSPORTATION

Staff: Jenna Forty (786-7755)

Background: There are 75 port districts across the state of Washington. According to the Office of Financial Management, Washington has consistently ranked in the top five states in exports during the last decade, and in 2023 ranked eighth in total value of exports behind

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.

Texas, California, Louisiana, New York, Illinois, and Michigan. Total exports in Washington are estimated to be approximately \$60 billion across industries in 2023. Ports handle import and export freight via road, rail, water and air. Washington has 11 deep draft ports, and 31 port owned or operated airports.

Existing Grant and Loan Programs. *Freight Rail Investment Bank Loan Program and Freight Rail Assistance Grant Program.* The Department of Transportation administers the Freight Rail Investment Bank Loan Program (FRIB) and Freight Rail Assistance Grant Program (FRAP) to aid rail facilities. In the 2023-25 biennium \$8.73 million was available for FRIB loans and \$7.57 million for FRAP grants.

Community Economic Revitalization Board. The Community Economic Revitalization Board (CERB) is administered by the Department of Commerce to support public infrastructure and private business growth and expansion. The program offers low interest loans and grants for planning and infrastructure improvements. In 2023-25 approximately \$39.9 million is available for loans and grants.

Freight Mobility Strategic Investment Board. The Washington State Freight Mobility Strategic Investment Board (FMSIB) is responsible for creating a comprehensive and coordinated state program to facilitate freight movement between and among local, national and international markets which enhances trade opportunities. FMSIB projects appropriations for 2023-25 biennium totaled approximately \$43.8 million.

Summary of Bill: The Department of Transportation is directed to collaborate with the Department of Commerce, Washington Public Ports Association, FMSIB, federally recognized tribes with port operations, and other critical supply chain stakeholders to set priorities, as well as establish a list of eligible project types, for a Supply Chain Competitiveness Infrastructure Grant and Loan Program for public ports and federally recognized tribes with established port operations. The Department of Transportation is directed to govern and operate the grant and loan program. The Supply Chain Competitiveness Infrastructure Program Account is created as an appropriated account to administer loans, and program grants are intended to be appropriated via existing transportation accounts. Program goals are established and programmatic performance metrics are required to be developed through a collaborative process with identified stakeholders. The Supply Chain Competitiveness Infrastructure Account is authorized to keep its own interest.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

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

Staff Summary of Public Testimony: PRO: This bill came at the request of the ports, it's important for our ports and supply chains to remain competitive. Port districts are a vital part of the Washington economy and this bill is especially necessary in the current global trade climate, and key for clean fuels development. This bill gives ports the right tools to be competitive, keep Washington competitive on a global stage, and keep the supply chain resilient. Congress will be taking up reauthorization of the bipartisan infrastructure law this year and this program could position projects for federal funding.

Persons Testifying: PRO: Senator Marko Liias, Prime Sponsor; Paul Jarkiewicz, Port of Port Angeles; Chris Herman, Washington Public Ports Association; Sean Eagan, Northwest Seaport Alliance; Brooke Davies, Port of Seattle; Cassie Hammond, Port of Benton; Adam LeMieux, Port of Everett; Bruce Agnew, Pacific NW Economic Region Transportation Accelerator .

Persons Signed In To Testify But Not Testifying: No one.