

October 12, 2016

MC PNWA Award Remarks – Vancouver, WA

Thank you Paul very much. I guess I get to hold the award in a minute. [Laughter] But when you get the award you also get to say a few words. First of all, let me just thank you and the Pacific Northwest Waterways for this honor. It truly is an honor because so many of you put your heart and soul into these efforts and you want to see good results. I am just so happy to have worked with all of you on the freight act so I will talk about that in a minute. I am sure that had a lot to do with the discussion.

Let me also say welcome to you this meeting you are having here on the first of several days here in Vancouver. Thank you for holding the meeting in Vancouver. I don't think there is a community that is better poised and ready to continue the discussions we are having about the economy and how we grow in the future and our waterways in Vancouver.

Richard, good to see you here right in the front row. So many people that I know here as we've had those discussions on waterways. So I wish you good luck and I look forward to seeing the summation of this particular meeting. Many of you don't have the opportunity to visit me in D.C. but these are a chance, meetings for you guys to reflect on a broader agenda so I will look forward to seeing those comments.

One of the few things I wanted to say on freight, and again thank you for this honor and this award. Is because the Freight Act so much signified to me what our Washington state economy is. So many people involved in the activity of moving goods and services and the fact that so many jobs in Washington depend on that. And I have met people in that industry everywhere from right here in Vancouver, to the outskirts of Spokane to some of our smallest communities and everyone gets the interconnectedness and how our economy depends on this.

And I am excited because the middle class around the world is growing which means market new opportunities for Northwest products and we have fought many battles as of late on trying to get the full operating Ex-Im Bank credit agency operational and hopefully by the time we get to a lame duck we will do that. But freight and the Freight Act represented probably 4 or 5 years of activity of trying to get our federal colleagues to say the detriment of transportation federally should have the same kind of policy we had in the state of Washington which was to prioritize projects that helped move goods and services.

So we modeled it on the state of Washington and we just got the legislation passed out of the United States Senate. And literally, when we first got it passed out of committee it passed by one vote. I'm just

saying that in the context of what the debate looked like over a period of time, because everybody wanted to be represented at the table and once we convinced everybody involved in freight that they were at the table, we were able to get the bill out of the Senate. But then, not everybody in the House of Representatives was convinced that everybody was at the table and it got held up and the Secretary of Transportation said we're going to have a national freight policy and discussion anyway and he created the National Freight Board, which we were helpful to in advising and spoke many times in front of the National Freight Board as they shaped policy and then have carried legislation since then to implement their recommendations. And then, the culmination in last year's transportation package of getting a freight provision.

So by the time we got to that point I knew we had one when Senator Inhofe's staff, who was working on the conference report said to me, "Oh yeah yeah yeah I know, freight can't wait." So I knew that our charge for four years had finally sunk in for everybody and that everybody was calm enough to understand that everybody was going to be at the table; that all transportation projects were going to be part of this and that it was going to be a good way to prioritize federal dollars.

So I'm so glad that this past year we've now had the first awards. Some of you may realize this is a huge investment: \$4.5 billion over the next five years to improve freight infrastructure in the United States. I can't think of a better investment. This is so much about moving products and services and prioritizing them when we have so few dollars and people have come up with estimates about how many dollars are invested and how many jobs they create as a result of that.

The first round of these grants came out this year, \$759 million dollars to 18 roads, railway, and highway projects. Two of those projects were in Washington state. Those were the South Lander Street crossing, which will help reduce delays by about 4.5 hours. That's at the Port of Seattle. People might know that between I-5 and the Port we have a lot of problems. The estimates from that report that we did to try and get them ready for these submissions was that the state of Washington was losing about \$9.5 million a day because we weren't moving that freight fast enough, and that resulted in \$3 billion every year.

So the one thing that I can emphasize to everybody that wants to apply for these funds in the future: please please please in your request, estimate what the economic loss is that we're not capitalizing on. Because that's the key thing is to convince our federal colleagues, I mean the people at DOT, who are making these decisions that these are the things that are going to stimulate our economy. That was the whole point, and so in your applications make sure you emphasize that as well.

We're also able to get a grant in Tukwila which was helping them move product in Tukwila. So I'm not saying that this is the end of the story, I think that there will be something like \$800 million dollars available for the next round which they're probably already starting to take applications on and this is

really what we had in mind when we creating this program. We wanted to see these robust discussions at the local level about what will really help move product and grow our economy and create jobs. So I couldn't be happier and thanks so much for the award.

While I'm up here, I want to mention a couple of other things. Everybody knows the WRDA bill continues to move through and with some language that continues to focus on the Harbor Maintenance Tax and giving more relief to our ports. And we will also have language in the Senate, which is the set-aside for smaller ports which is a very key component for everybody here, I know.

We also are making sure that the environmental provisions continue to help communities that are dealing with salmon and salmon recovery issues. I feel like the WRDA bill is moving in the right direction for us in the Pacific Northwest.

I also want to mention too that people understand that we're working on what I would call a larger global infrastructure and that is how much trade is now going to move through the Arctic and the fact that we want to get a recapitalization of our ice-breaking fleet. So there is language that has moved out of the Senate Commerce Committee and is likely to be in the omnibus at the end of the year which will get us started towards that recapitalization. This is very important as the first ships are going through that area and we want to make sure that the United States is well-positioned in an area that is going to be very, very challenging compared to other global competitors.

And I also wanted to mention that, you know, you can't come to Vancouver without talking about safety issues and safety infrastructure. Many of you know that in that transportation bill as well that we passed that we had some new regulations to strengthen the response plans and data sharing and study on electronic breaks and things of that nature. But the Secretary of Energy came to the Northwest in August and illuminated on what was called the Quadrennial Review, the Energy Policy Act that is really where our country needs to go with energy policy over the next four years. And we really tried to emphasize to him that he needs to continue to play a very aggressive role in this energy infrastructure issue as making sure that here are safe regulations of these products that are being transported. So I notice that these are day to day business issues for many of you here and that you also want safety and security in the transport of these products. But just know that we're going to continue to keep pushing on this issue both at the Federal Department of Transportation and the Department of Energy, because we want to make sure that as we transport these products we're doing everything that we can to make sure that Washington communities, Washington worker and Washington citizens are safe in the promotion of this product.

And that's why I wanted to mention to you the Quadrennial Review because you get a very good sense of the energy sector report about how complicated these infrastructure issues are today. That we have been through a transition of where a lot of product came in through the gulf and then went in through

the Midwest and now not a lot of products are coming in through the gulf and a lot of congestion is happening in a lot of places, and a lot of change is happening but to me you have to have transparency, you have to have security, and you have to make sure that you have investments in the area that you need so that we can make sure to have economic opportunity and to make sure we're making the right decision moving forward.

That policy report also talks about a lot of things that I know here in Southwest Washington we care about things like renewable energy and smart grid technology and growing aspects of our economy as well and cybersecurity is another big aspect of that report so lots to think about as our economy is transitioning. How do the Pacific Northwest Waterways Association best prepare for those challenges and changes so I'll look forward to hearing your reports from this event and again thank you so much for this award, I so, so appreciate it. I'm going to put it right next to, I don't know where exactly I'm going to find a spot to put it. I'll put it behind a very special place. Just know that when everybody tries to lecture me about things, you know, as it relates to the global. I always say to people, we were trading a ton before Lewis and Clark showed up, okay? So we are a trading region and we want to continue that but we need to continue it in the right, safe and secure way, so thank you all very, very much for this award.