

Congress of the United States
Washington, DC 20515

August 26, 2015

Governor Jay Inslee
Office of the Governor
PO Box 40002
Olympia, WA 98504-0002

Dear Governor Inslee:

At a time when international trade is being heavily discussed at the federal level, we thought it was a suitable occasion to reach out to you regarding some issues surrounding the trade discussion, and the state government's role in cultivating trade-related jobs in our great state.

First, we would like to express our appreciation for your recognition that international trade is vital to the economic health of our state. As you are undoubtedly aware, approximately 40 percent of the jobs in our state were created and continue to be supported by international trade. We view it as essential that we continue to sustain and grow those opportunities through strengthening trade ties with our neighbors, particularly around the Pacific Rim. We strongly agree that mechanisms should be enacted to protect our workforce, serve as good stewards of our environment and resources, and quickly resolve any unfair practices employed by our trade partners – however, we in no way view these goals as incompatible with increased engagement in trade. Our state and federal policies should continue to make Washington State competitive in attracting good-paying jobs from these opportunities, and we appreciate that you share this realization.

We are very concerned that certain proposals and policies promoted by your Administration do not align with pro-growth trade priorities. Specifically, we find your cap-and-trade proposal troubling, unnecessary, and believe it will likely harm economic activity in our state. As you know, Washington already leads the nation in low-cost, low-emission, renewable energy production. More than 70 percent of our energy comes from low-emission hydropower, and more than 82 percent from combined renewable resources. Our state has demonstrated strong leadership in the development of safe, efficient use of wind, solar, nuclear, biofuels, and other innovative energy technologies, to the point where Washington is ranked 8th by the U.S. Energy Information Administration for states with the lowest carbon emissions per capita – a rank we are already continuously improving.

We are concerned that imposition of mandatory carbon reduction mechanisms will impose costly, potentially unreachable burdens on businesses, commuters, utilities, and other entities – especially if any new standards do not recognize past progress that proactive leaders have already taken to curb their emissions. Moreover, with the great strides our state has already made on this issue in recent years, there is a diminishing marginal return for the potentially great investment additional emission reductions would require. Finally, imposing additional, costly

requirements like this would likely place our job-creators at an increased disadvantage compared to both foreign competitors and other states. We believe our time and effort would be better spent sharing our energy innovation strategies and successes with other states and nations where there is still great room to be made on adoption of renewable energy, and we would be delighted to work with you as ambassadors on this effort.

The other area of concern is with potential impediments to multimodal export terminals in our state. Projects like the Gateway Pacific Terminal and Millennium Bulk Terminals are still awaiting state action on Environmental Impact Statements (EIS), and other steps that have delayed development. Agricultural groups, businesses groups, and labor unions, representing a broad swath of our state economy, have all supported progress on these project and others, and recognize the jobs and opportunities they create. As previously discussed, exports are the lifeblood of the Washington State economy. Many counties across the state, like Pacific and Ferry counties, continue to have unemployment rates upwards of 9 to 10 percent. By promoting critical infrastructure projects like this, your Administration could assist in creating jobs in these rural areas, not just from infrastructure construction, but from the resulting increased export of products we create. We request that your Administration take all necessary steps to promote these projects so that our economy may benefit.

Again, we thank you for your realization of the importance of international trade to our state, and the jobs and increased quality of life for our citizens that stem from it. We hope that you will reconsider certain policies of concern we have discussed that diverge from this goal of increased jobs and economic activity. We look forward to working with you to enact pro-growth ideas and in sharing the successes that international trade and other forward-thinking strategies have brought our great state.

Sincerely,



Dan Newhouse
Member of Congress



Cathy McMorris Rodgers
Member of Congress