Matthew Ponticiello

Please see the comments submitted on behalf of the International Liquid Terminals Association (ILTA).



November 2, 2026

Washington State Department of Ecology
Shorelands and Environmental Assistance Program
P.O. Box 47600
Olympia, WA 98504-7600

RE: Comments on Proposed Amendments to Shoreline Management Rules – Chapters 173-26 and 173-27 WAC

Dear Department of Ecology:

On behalf of the International Liquid Terminals Association (ILTA), thank you for the opportunity to comment on the Washington Department of Ecology's proposed amendments to the state's Shoreline Management Act regulations.

Founded in 1974, ILTA represents over 60 companies operating liquid terminals in all 50 states and in countries around the world. Terminals provide essential logistics services, support domestic and international trade, and foster the readiness of the United States armed forces by making fuels and liquid products available throughout the world—products such as petroleum fuels, aviation fuels, petrochemical products, chemicals, asphalt, alternative fuels like ethanol, and beyond.

ILTA appreciates Ecology's efforts to strengthen shoreline resilience and protect Washington's natural resources. Our members share these objectives and have made significant investments in environmental protection, spill prevention, infrastructure modernization, and operational safety.

However, we are concerned that the proposed regulations, as currently drafted, could impose additional costs and regulatory uncertainty on marine terminal development and modernization, particularly in rural and economically underserved communities such as Grays Harbor County. Without appropriate flexibility, these requirements could unintentionally discourage investment in existing facilities, delaying the very environmental and safety improvements the state seeks to encourage.

Recognizing Washington's Existing Environmental Standards

Washington already maintains some of the nation's most comprehensive environmental and permitting requirements for marine terminal development and operations. New terminal projects and major facility

improvements are subject to extensive regulatory oversight, including requirements under the Shoreline Management Act, State Environmental Policy Act (SEPA), state and federal water quality regulations, and applicable local development standards.

Bulk liquid terminals must also comply with rigorous federal and state requirements governing spill prevention, containment, emergency response, stormwater management, and the safe handling and storage of materials.

These overlapping regulatory frameworks already require terminal developers to evaluate environmental impacts, incorporate protective measures, and implement mitigation where necessary.

ILTA encourages Ecology to recognize these existing protections and avoid introducing duplicative requirements that increase costs and permitting uncertainty without delivering corresponding environmental benefits.

Unintended Consequences: Discouraging Modernization of Existing Marine Terminals

ILTA is particularly concerned that the proposed regulations could have the unintended consequence of discouraging existing marine terminal operators from investing in facility modernization and environmental improvements.

Many of Washington's marine terminals have operated for decades, providing essential infrastructure that supports maritime commerce, energy distribution, and regional employment. These legacy facilities require ongoing capital investment to maintain safe operations, improve environmental performance, and incorporate new technologies.

However, the economic feasibility of these investments is increasingly challenged by rising construction costs and an expanding range of regulatory requirements.

Washington's recently updated building, energy, and fire codes, which took effect in March 2024, have already introduced additional compliance considerations and potential costs for industrial development and facility improvements. Depending on the project, these requirements can affect structural engineering, electrical systems, fire protection, energy efficiency, and other infrastructure essential to terminal operations.

These costs are particularly challenging for older industrial facilities, where even relatively modest improvements may require substantial engineering work or upgrades to existing systems.

The proposed shoreline regulations would introduce another layer of regulatory complexity and potential expense. Additional engineering studies, climate resilience assessments, mitigation requirements, and permitting uncertainty could materially increase the cost of projects that are already subject to extensive environmental and safety regulations.

The cumulative effect could create a significant disincentive for existing operators to modernize their facilities.

Faced with escalating project costs, an operator may determine that maintaining an existing facility in its current configuration is more economically viable than undertaking a modernization project that triggers additional regulatory requirements.

This outcome would directly undermine the state's environmental objectives.

Modern terminal infrastructure frequently incorporates improved spill prevention and containment systems, enhanced stormwater management, more efficient cargo-handling equipment, upgraded fire protection, and technologies that reduce emissions and improve operational safety.

If the regulatory costs associated with modernization become prohibitive, these improvements may be delayed or abandoned, leaving older infrastructure in service longer than would otherwise be necessary.

ILTA encourages Ecology to recognize that environmental progress is often achieved through reinvestment in existing industrial infrastructure. Regulations should facilitate these improvements rather than create financial or procedural barriers that discourage them.

Protecting Economic Opportunity in Rural and Underserved Communities

ILTA is particularly concerned about the potential impacts of the proposed rules on rural and economically underserved counties, including Grays Harbor County.

Communities such as Aberdeen, Hoquiam, and the broader Grays Harbor region have longstanding maritime and industrial economies. Their working

waterfronts provide critical opportunities for private investment, family-wage employment, and economic diversification.

Unlike larger metropolitan areas, rural coastal communities often have fewer alternative locations for industrial development, more limited infrastructure resources, and greater dependence on maritime industries for economic activity.

The proposed requirements addressing sea-level rise, shoreline stabilization, and redevelopment could create additional costs and regulatory uncertainty for projects in these communities. These challenges may be particularly significant for existing marine terminals seeking to modernize facilities, improve environmental performance, or expand operations.

While the proposed regulations appropriately recognize the importance of planning for future coastal conditions, they should not unintentionally discourage investment in the very communities that would benefit most from modern, resilient infrastructure.

In Grays Harbor and similar communities, the cumulative cost of environmental reviews, engineering studies, shoreline permits, mitigation, and infrastructure improvements can materially affect whether a project moves forward.

Additional regulatory requirements should be carefully evaluated against their potential to delay projects, increase development costs, and reduce the competitiveness of Washington's working waterfronts.

Maintaining Flexibility for Marine Terminal Infrastructure

Marine terminals are inherently water-dependent facilities. Their operations require docks, piers, bulkheads, shoreline stabilization, and other specialized infrastructure that cannot simply be relocated away from the waterfront.

ILTA is concerned that new requirements emphasizing nature-based shoreline stabilization and additional restrictions on redevelopment could create challenges for the construction, maintenance, and modernization of these essential facilities.

While nature-based solutions can provide important environmental benefits, they are not always technically feasible or appropriate for industrial marine terminals where vessel berthing, cargo transfer, structural stability, and operational safety require engineered shoreline infrastructure.

Similarly, climate resilience requirements should provide sufficient flexibility to allow existing terminals to strengthen and adapt their facilities rather than creating regulatory barriers to reinvestment.

Modernization projects frequently deliver substantial environmental benefits, including improved spill containment, enhanced stormwater treatment, reduced emissions, and safer cargo-handling systems. Regulations should encourage these improvements rather than make them more difficult or expensive to implement.

Recommendations for the Final Rule

ILTA respectfully requests that Ecology consider the following recommendations as it finalizes the proposed regulations:

1. **Recognize existing environmental protections.** Avoid duplicative permitting, environmental studies, and mitigation requirements where existing state and federal regulations already provide adequate environmental protection.
2. **Evaluate cumulative regulatory costs.** Assess the combined financial impacts of the proposed shoreline requirements and Washington's recently updated building, energy, and fire codes, particularly for existing industrial facilities undertaking modernization projects.
3. **Provide flexibility for rural and underserved communities.** Consider the economic and fiscal capacity of smaller coastal jurisdictions, including Grays Harbor County, and provide implementation flexibility and technical assistance that minimizes additional costs to local governments and private investment.
4. **Protect existing water-dependent industrial uses.** Ensure that shoreline regulations expressly accommodate the continued operation, maintenance, modernization, and reasonable expansion of existing marine terminals and associated infrastructure.
5. **Allow engineered shoreline protection where necessary.** Preserve the ability to construct and maintain bulkheads, seawalls, docks, and other hardened infrastructure when required for maritime operations, public safety, environmental protection, or climate resilience.
6. **Encourage modernization and environmental improvements.** Establish streamlined and predictable permitting pathways for projects

that replace aging infrastructure, improve environmental performance, strengthen climate resilience, or enhance operational safety.

7. **Recognize site-specific conditions.** Allow local governments to consider existing industrial development, engineering constraints, economic conditions, and the operational requirements of water-dependent facilities when implementing sea-level-rise planning requirements.
8. **Evaluate impacts on rural economic development.** Consider the potential effects of additional regulatory costs on private investment, employment, local tax revenues, and the long-term competitiveness of rural ports and marine terminals.

Washington's working waterfronts are essential economic assets that support jobs, international trade, energy security, and industrial development. They are particularly important in rural and underserved communities where maritime infrastructure provides opportunities for long-term economic growth.

ILTA supports responsible shoreline management and recognizes the importance of preparing for changing coastal conditions. However, these objectives must be balanced with the practical realities of developing and operating marine terminals in a state that already maintains extensive environmental protections.

We are particularly concerned that the cumulative impact of additional regulatory requirements could discourage operators from modernizing existing facilities, delaying investments that would otherwise improve environmental performance, operational safety, and climate resilience.

Washington should not create a regulatory framework in which maintaining aging infrastructure becomes more financially attractive than investing in newer, safer, and environmentally superior facilities.

We encourage Ecology to adopt a flexible, risk-based approach that recognizes existing regulatory safeguards, protects water-dependent industrial uses, and avoids imposing unnecessary costs on rural communities and marine terminal operators.

By providing clear permitting standards and appropriate flexibility, Washington can strengthen shoreline resilience while continuing to attract investment in modern, environmentally responsible maritime infrastructure.

Thank you for considering our comments. ILTA welcomes the opportunity to work with Ecology to ensure the final regulations protect Washington's shorelines while supporting the communities and industries that depend upon them.

Sincerely,



Leakhena Swett
President
International Liquid Terminals Association