



THE NORTHWEST SEAPORT ALLIANCE
PORT OF SEATTLE AND PORT OF TACOMA
SPECIAL JOINT MEETING
TUESDAY, FEBRUARY 6, 2018

SeaTac Conference Center, International A Conference Room
17801 International Blvd. Seattle, Washington 98158

TACOMA COMMISSIONERS PRESENT:

Don Meyer, Co-Chair
Clare Petrich, Co-Vice President
Don Johnson, Co-Secretary
Dick Marzano, Commissioner

SEATTLE COMMISSIONERS PRESENT:

Courtney Gregoire, Co-Chair
Stephanie Bowman, Co-Vice President
Fred Felleman, Co-Secretary
Ryan Calkins, Commissioner
Peter Steinbrueck, Commissioner

COMMISSIONERS EXCUSED:

John McCarthy, Port of Tacoma Commissioner

NWSA STAFF PRESENT:

John Wolfe, CEO
Don Esterbrook, Deputy CEO
Kurt Beckett, Deputy CEO
Carolyn Lake, Legal Counsel
Tom Tanaka, Legal Counsel
Jason Jordan, Director, Environmental Programs
Sara Cederberg, Senior Project Manager, Environmental
Andre Elmaleh, Senior Manager, Business Development
David Morrison, Director, Financial Planning and Treasury
Dustin Stoker, COO
Dakota Chamberlain, Director, Engineering
Loni Shorten, Manager, Human Resources
Hughes Wike, Project Manager II, Engineering
Nick Demerice, Director, Public Affairs
Judi Doremus, Executive Assistant
Juliet Campbell, Clerk of the Port

9:00 A.M. – EXECUTIVE SESSION:

1. CALL TO ORDER:

Co-Chair Meyer called the Special Joint Meeting of the Northwest Seaport Alliance, Port of Seattle, and Port of Tacoma to order at 9:00 a.m. and adjourned into Executive Session for approximately two hours and one-half hours.

2. ADJOURN INTO EXECUTIVE SESSION:

- A. One (1) personal evaluation – RCW 42.30.110(1)(g)
- B. Two (2) litigation/potential litigation items – RCW 42.30.110(1)(i)
- C. One (1) real estate selling/leasing item – RCW 42.30.110(1)(c)

No votes were taken.

11:30 A.M. – PUBLIC SESSION:

1. RETURN TO ORDER:

Co-Chair Meyer reconvened the Special Joint Meeting of the Northwest Seaport Alliance, Port of Seattle and Port of Tacoma at approximately 11:30 a.m. and a flag salute was performed.

2. CONSENT AGENDA:

- A. Minutes of January 16, 2018
- B. Check/Wire Certification
- C. Approval of the North Harbor Navigational Improvement Project – Tribal Letters of Agreement

Motion was made by Commissioner Petrich; seconded by Commissioner Johnson:

“Approve the Consent Agenda.”

PORT OF SEATTLE VOTE:

Commissioner Gregoire Aye
Commissioner Bowman Aye
Commissioner Felleman Aye
Commissioner Calkins Aye
Commissioner Steinbrueck Aye

PORT OF TACOMA VOTE:

Commissioner Meyer Aye
Commissioner Petrich Aye
Commissioner Johnson Aye
Commissioner Marzano Aye

MOTION CARRIES 5-0 / 4-0

INTRODUCTION OF PORT OF SEATTLE EXECUTIVE DIRECTOR STEVE METRUCK: Prior to announcing the Public Comment portion of the meeting, Commissioner Bowman introduced the Port of Seattle's new Executive Director, Steve Metruck. Mr. Metruck is excited to return to Pacific Northwest to take on his new role at the Port of Seattle and work with the NWSA. He is committed to environmental stewardship, economic development and engagement with the stakeholders.

3. PUBLIC COMMENT:

Craig Kenworthy – Executive Director, Puget Sound Clean Air Agency: Urged the NWSA to keep the January 1, 2018 Clean Truck Program deadline. Stated the opinion the Ports have used the deadline of January 1, 2018 to require cleaner trucks to their benefit for the past 10 years and the trucking community and community at large have relied on that deadline.

Kent Christopher – Western Ports Transportation, Inc.: Does not support an April 1, 2018 effective deadline. Cited the expense of new trucks versus turn times getting in and out of the ports and hours of port operations. Claimed a driver shortage and that 50 to 55 percent of trucks and trucking companies are not compliant and noted potential implications to NWSA business operations of denying 40-50 percent of trucks entry.

Sheri Call – Washington State Trucking Associations: Trucks and trucking companies serving the ports have invested millions of dollars over the past decade to voluntarily meet the existing deadline. They demand enforcement of the deadline as soon as reasonably possible. Noted the desire to voluntarily meet certain standards rather than be faced with stricter legislative mandates for zero-emission trucks by 2035.

John Way – John Way Trucking: Effective deadline of April 1, 2018 does not allow enough time for non-compliant trucks to become compliant. States there are not enough compliant trucks on the market. Stated that there is not enough information available about options for retrofitting the non-compliant trucks to become compliant. Stated funding not available. Noted holding the deadline could cause serious congestion and service disruption to the ports due to not having enough truck capacity to move containers out of the ports.

Dee Mekonnen: Does not support an effective April 1, 2018 deadline. New trucks are not designed to function in the environment they serve. Noted the financial burden to many in the trucking community due to cost of new trucks and the maintenance required.

Fitsum Fikak - Intercity: Supports delaying any deadline to examine alternative ways to comply with the Clean Air Program such as retrofits. Noted a scenario of being required to purchase truck at great expense to the trucker only to have retrofit technology CARB certified a short time after allowing compliance at less cost.

Samuel (spelling and last name unavailable): Supports clean air but does not support the current deadline. Wants time to come up with better options. Noted maintenance costs to newer trucks and a lack of certified mechanics locally.

Tuan Samath – Inter Harbor: Stated he maintains his truck in good condition. If clean air is the goal, there are periodic inspections of the trucks and emission tests done on the trucks. Believes by enforcement of deadline he is being asked to abandon his truck and beg the bank for money for a new truck that does not work.

Abraham Yidenk: Supports indefinitely suspending the deadline for compliance to allow a better, more affordable plan. Truckers restricted to select dealers through previous program which he says resulted paying over market price for a compliant truck. States the trucks are not designed for local trucking and the maintenance costs have put him in debt.

Medhane Weldoi: Cares about the State of Washington. Trucks are inspected every day for safety and smoke. Suggested the ports look inward at their own operations instead of focusing on the truckers if the goal is clean air.

Nurilign (spelling and last name unavailable): Trucks are not allowed to idle in line or at the terminals and questioned whether trucks are contributing most of the pollution. Restated that the newer trucks are not build for local drayage.

Karea Sinclair: Asked the NWSA to consider traffic congestion within the ports. There is a lack of mechanics locally to perform maintenance on the compliant trucks. Supports additional time to become compliant and to consider retrofit technology.

Daniel Breihl – Hytech Power: Asked the NWSA to consider alternative solutions for compliance to the Clean Truck Program. Stated that his company has submitted a pilot program to the Washington Trucking Association, NWSA and Puget Sound Clean Air Agency to gather data regarding other methods for meeting clean air standards. States the testing would use protocols that more closely mimic the duty cycle of drayage than to the protocols associated with EPA and CARB verification. Restated the compliant trucks are not designed for drayage.

Jeff Wittenberger – Clean Energy (Statement read by Sarah Cederberg NWSA): Clean Energy supports the standard and urges compliance as soon as possible. States that 47 percent of the trucks servicing the ports are non-compliant. Setting a performance standard is good public policy and government doesn't pick winners and losers. Alternatives for their perspective given.

Abel Wersom – InterCity: Everyone present cares about the environment and clean air. Impacts of the Clean Truck Program requirements go beyond the trucking community to other businesses. The trucks are not ready and there needs to be a different solution.

Slavic Korets – CMI: Requested the Clean Truck Program compliance deadline be extended to at least the end of 2018. He knows of only one company certified to do retrofits. Repeated the issue of congestion at the ports and the impact on truckers' ability to make timely turns. Restated issues related to filters and drayage work.

Jamal Ibrahim: Reiterated that even if able to purchase a new truck the problem is with the maintenance costs. Believes that most cannot afford to pay for new trucks, maintenance costs and other bills. Hopes that the Commission understands the trucking community's situation.

Michael Alazar. Requested the NWSA reconsider the compliance and come up with a better solution. Stated he has a 2009 truck and can no longer work in the ports because has to get his truck up to 55 miles per hour to make it function.

Dawit Mexonner – Afar Trucking: Does not support an April 2018 deadline. States some of the fleet received funding toward compliance but some did not. States the Commission is asking truckers to make a bad investment in expensive trucks with expensive maintenance that do not work in a port environment.

Curt Nuccitelli – Spirit Transport: Stated his opinion that an April 1, 2018 deadline does not resolve the issue, but creates bigger issues. Newer trucks not designed to do port work. The maintenance costs are high and can take a long time. The NWSA needs to consider what the deadline means to the capacity of the ports to keep containers moving through the gateway.

Hermes Dowit: Does not support an April deadline. Stated the newer trucks are designed to run on freeways not in a port setting. Pointed to port congestion not allowing enough turns for a trucker to make money to pay for and maintain a newer truck.

Tom Bently – Graham Trucking: His company has known about the compliance deadline date of January 1, 2018 for over 10 years and made business decisions based on the existing deadline. He stated that if there had been any message from the NWSA that the deadline may be pushed out, his company may have made different decisions. He stated his company is 100 percent compliant, his trucks are serving the port, and none of the trucks are out due to maintenance issues.

Mohammed Koroma – SeaMount Transportation: Addressed Commissioner Gregoire, asking her to fight for the trucking community and not let them be out of jobs.

Luis Gonzalez – 4 Points Logistics: Stated that he has a 2005 truck that runs great and every year passes emissions. Maintenance costs of a new compliant truck would put him out of business. He asked why only trucks entering the ports are being held to this standard and not other commercial trucks.

Liliya Kuksyuk – Andy's Transportation: Stated that the truck they purchased under the prior ScRAPs program broke down the first year and needs a \$30k new engine. To keep making payments and paying bills they had to purchase a 1999 truck and that is the truck that providing for their family.

Fredrick Mutero – Shippers Transport: Appealed for more time to comply with truck program and for the NWSA to consider the time needed to sell old trucks and purchase new ones.

Denise Morse – C&D: Asked the NWSA to consider options, including a preferred truck program for those who can show in good faith they purchased a newer truck because of the Clean Truck Program, and grandfather in trucks that have already been through the port's program. She wants more options offered for compliance, such as affordable loans for trucks and more retrofit options. Stated her opinion that the companies that import and export through the ports should contribute.

Karl Morse – C&D: Spoke to retrofit technology that he states can make a 1990 truck burn as clean as a 2014 year truck and that there are more options that should be considered.

Billy Helveston – Transport International: Purchased a new truck. The new truck is burning more fuel than his old truck and costs him more to run. He doesn't believe it is burning any cleaner.

Sean Houser – Cummins, Inc.: Supports the current deadlines. Stated there are challenges with new emission regulations. Stated drivers need more education and be shown what can be done to make the engines last longer and be more reliable.

(Name unavailable): Stated the new trucks are not working. The new trucks require him to pull over and burn toxic fumes for 30-45 minutes before he can go anywhere and that includes while at the Ports of Seattle and Tacoma.

Todd Iverson – ILW Local 23: Supports the Parcel 77 action item. Hopes that it will stay in the Port of Tacoma. This project will give the Port of Tacoma ability to provide breakbulk and auto warehousing jobs.

Ishmael Osman – Freight Expeditors: Stated his opinion that the ships and the Ports' own equipment, yard trucks and pickers pollute more than the trucks entering the ports and that is where the NWSA should focus.

John Kachenko: Stated that the truckers need more time to comply. The economy has only picked up in the last couple of years and truckers are only now able to make any money. Noted Carbon Tax legislation.

Efrem (spelling and last name unavailable): Does not support deadline. Noted impacts of congestion at the port limiting the number of turns truckers can make. Stated trucks do not work for port work. Noted the financial impact on families and businesses when trucks break down.

Karen Zima: Has led a trucker forum program in the Pacific Northwest. Stated that compliant and non-compliant truckers in the community want to work together for solutions for clean air.

Benny (spelling and last name unavailable) – CMI: Stated there has been no raise in payment per container for truckers. Cannot afford a new truck and maintenance costs.

Tushome (spelling and last name unavailable): Stated the NWSA decision impacts his life. Cannot afford to change to a newer truck.

Atero (spelling and last name unavailable): States enforcing the deadline will put his trucking company of 30 trucks out of business and that the newer trucks are not functioning. He wants the NWSA to cancel the requirement.

Yuriel (spelling and last name unavailable): States DPF systems are not warrantied. He asked who will reimburse him if the system does not work.

Geraldo (spelling and last name unavailable): Supports clean air, but a better solution is needed along with better retrofits and systems that work for the type work done at the ports. Reiterated the issue of maintenance costs. Requested an extension on deadline or get rid of it all together.

Ascadone (spelling and last name unavailable): Does not support deadline. Need more time.

Osmoro (spelling and last name unavailable): Stated he purchased a 2006 truck for \$30,000.00 just a year ago and wants to know what the NWSA expects him to do with it.

Filmore (spelling and last name unavailable) – RS Trucking: This will put 2000 people out of work.

Inik (spelling and last name unavailable): Asked what is the purpose of the program if it is not for the greater good.

Wanderson (spelling and last name unavailable): Stated he wanted to clarify that Washington Truck Association does not represent many of the truckers present – they do not know about the association.

4. ACTION AGENDA: Co-Chair Meyer adjusted the Agenda to move immediately into Action Items 4D and 4E related to the Clean Truck Program and Clean Truck Fund Project Authorization.

D1. Clean Truck Program – Policy Adoption:

Motion was made by Commissioner Bowman; seconded by Commissioner Calkin:

“Adopt the Northwest Seaport Alliance Clean Truck Program, to include Marine Terminal Contract/Tariff provisions, which limit truck entries to those with engines 2007 or newer or trucks with equivalent emission controls, and other provisions.”

Discussion Included:

1. Expense and availability of compliant trucks in the market place was discussed as was an apparent lack of certified mechanics for the newer technology. The operating challenges and high maintenance costs due to the duty-profile of drayage and its impact of DPF function were noted.
2. A financial summary of gate technology was discussed and the goals and potential benefits to operations from that technology. It was noted that the terminal operators must be on board to make the technology work and share in the cost.
3. Legislation HB 2601 would require all trucks calling on the NWSA to have 2007 model-year engines or newer by January 1, 2019 and to study whether zero-emissions are possible by 2035.
4. HB 2540 and SB 6207 if passed could solve the issue of ports being unable to use port dollars on emission control investments because of gift of public funds issues.
5. Need to acknowledge in a meaningful way those that invested toward becoming compliant.
6. The need to provide some sort of assurance that the NWSA will not change the standards imposed by the Clean Truck Program for a certain time frame and if the NWSA can make any such assurances.

Amended Motion was made by Commissioner Felleman; seconded by Commissioner Bowman:

“Adopt the Northwest Seaport Alliance Clean Truck Program, to include Marine Terminal Contract/Tariff provisions, which limit truck entries to those with engines 2007 or newer or trucks with equivalent emission controls, and other provisions with the intent that the measures be in effect until at least 2025.”

PORT OF SEATTLE VOTE:

Commissioner Gregoire	Aye
Commissioner Bowman	Aye
Commissioner Felleman	Aye
Commissioner Calkins	Opposed
Commissioner Steinbrueck	Aye

PORT OF TACOMA VOTE:

Commissioner Meyer	Aye
Commissioner Petrich	Aye
Commissioner Johnson	Aye
Commissioner Marzano	Aye

MOTION CARRIES 4-1 / 4-0

D2. Clean Truck Program – Lease Amendments

Motion was made by Commissioner Calkins; seconded by Commissioner Marzano:

“Authorize the CEO or his delegate to negotiate and enter into lease amendments with the four listed international marine terminal operators to carry out the Clean Truck Program Requirements. The specific leases subject to this amendment are ITS (Husky), Ports America (TCT), Everport (PCT) and Washington United Terminals (WUT).”

Commissioner Petrich was excused at 2:35 p.m. she will attempt to call in for the remaining Clean Truck Program / Clean Truck Fund votes.

PORT OF SEATTLE VOTE:

Commissioner Gregoire	Aye
Commissioner Bowman	Aye
Commissioner Felleman	Aye
Commissioner Calkins	Aye
Commissioner Steinbrueck	Aye

PORT OF TACOMA VOTE:

Commissioner Meyer	Aye
Commissioner Johnson	Aye
Commissioner Marzano	Aye

MOTION CARRIES 5-0 / 3-0

E. Clean Truck Fund Project Authorization.

Motion was made by Commissioner Bowman; seconded by Commissioner Gregoire:

“Authorize establishing a Clean Truck Fund to support the NWSA Clean Truck Program in 2018, for an amount not to exceed \$1,000,000 and solicit request for proposals from certified Community Development Financial Institutions conditioned upon passage of authorizing State legislation.”

Discussion Included:

1. Legislation needs to pass in order to be able to move forward with the Clean Truck Fund.
2. Clean Truck Fund would provide access to market rate loans to drivers who would otherwise be ineligible. It also creates a revolving loan fund model to leverage private dollars, along with port supplied dollars and potentially from other agencies. Offers more flexibility than grant funds that impose limitations.
3. Additional ways NWSA staff will continue to work with the trucking community include continuing to look for grant opportunities, and possible training on the operation and maintenance of the newer trucks.

Amended Motion was made by Commissioner Gregoire; seconded by Commissioner Johnson:

“Authorize establishing a Clean Truck Fund to support the NWSA Clean Truck Program in 2018, for an amount of \$1,000,000 solicit request for proposals from certified Community Development Financial Institutions conditioned upon passage of authorizing State legislation.”

PORT OF SEATTLE VOTE:

Commissioner Gregoire	Aye
Commissioner Bowman	Aye
Commissioner Felleman	Aye
Commissioner Calkins	Aye
Commissioner Steinbrueck	Aye

PORT OF TACOMA VOTE:

Commissioner Meyer	Aye
Commissioner Petrich	Aye (telephonically)
Commissioner Johnson	Aye
Commissioner Marzano	Aye

MOTION CARRIES 5-0 / 4-0

Commissioner Meyer called for a 10-minute recess at approximately 2:50 p.m.

RETURN TO ORDER:

Co-Chair Meyer reconvened the Special Joint Meeting of the Northwest Seaport Alliance, Port of Seattle and Port of Tacoma at approximately 3:00 p.m. and began with item 4A of the Action Agenda.

A1. Wallenius Wilhelmsen Logistics (WWL) 10-year Vessel Service Agreement:

Motion was made by Commissioner Johnson; seconded by Commissioner Gregoire:

“Authorize the CEO or delegate to enter into a 10-year Vessel Service Agreement with Wallenius Wilhelmsen Logistics”

Discussion Included:

1. John J. Felitto, President and CEO of WWL Vehicle Services Americas was introduced. He thanked the Port and Port Staff supporting WWL and is looking forward to expanding its existing relationship with the Port.
2. WWL has been an important customer to the Port of Tacoma and this is furthering the relationship and the Commission expressed its appreciation.

PORT OF SEATTLE VOTE:

Commissioner Gregoire	Aye
Commissioner Bowman	Aye
Commissioner Felleman	Aye
Commissioner Calkins	Aye
Commissioner Steinbrueck	Aye

PORT OF TACOMA VOTE:

Commissioner Meyer	Aye
Commissioner Johnson	Aye
Commissioner Marzano	Aye

MOTION CARRIES 5-0 / 3-0

- A2. NWSA to authorize the CEO to enter into a 30-year Lease and Operating Agreement for development and operation of Parcel 77 (aka Kaiser site) as a 90-acre automobile processing facility.

No Action. Referred to Homeport of Tacoma.

- B. NWSA Project Funding and Authorization regarding Parcel 77:

No Action. Referred to homeport of Tacoma.

- C1. Wallenius Wilhelmsen Logistics (WWL) 30-year Lease and Operating Agreement:

Motion was made by Commissioner Johnson; seconded by Commissioner Gregoire:

“Refer Wallenius Wilhelmsen Logistics (WWL) Lease and Operating Agreement to the homeport of Tacoma pursuant to NWSA Charter Article II. 2(e) that allows the NWSA to refer marine cargo business back to a homeport.”

Discussion Included:

1. NWSA needs to preserve capital for higher priority projects for the NWSA and for the Port of Seattle, but this opportunity is something that the Port of Tacoma should pursue.
2. This is a situation where the property is a Port of Tacoma property not leased to the NWSA. The flexibility the NWSA intended in its charter allows the Port of Tacoma to move quickly on this business opportunity without a need to reevaluate all the assets in the NWSA.

PORT OF SEATTLE VOTE:

Commissioner Gregoire	Aye
Commissioner Bowman	Aye
Commissioner Felleman	Aye
Commissioner Calkins	Aye
Commissioner Steinbrueck	Aye

PORT OF TACOMA VOTE:

Commissioner Meyer	Aye
Commissioner Johnson	Aye
Commissioner Marzano	Aye

MOTION CARRIES 5-0 / 3-0

- C2a. **Port of Tacoma Vote Only:** Wallenius Wilhelmsen Logistics (WWL) 30-year Lease and Operating Agreement:

Motion was made by Commissioner Johnson; seconded by Commissioner Marzano:

“Waive second reading and authorize the Port of Tacoma CEO or his delegate to enter into a 30-year Lease and Operating Agreement with Wallenius Wilhelmsen Logistics (WWL) to develop and operate an import/export automobile processing facility on the former Kaiser Site.”

PORT OF TACOMA VOTE:

Commissioner Meyer Aye
Commissioner Johnson Aye
Commissioner Marzano Aye

MOTION CARRIES 3-0

C2b. Port of Tacoma Vote Only: Parcel 77 Auto Import Terminal

Motion was made by Commissioner Johnson; seconded by Commissioner Marzano:

“Approve project authorization in the amount of \$33,834,500 for a total authorized amount not to exceed \$35,000,000 for the Parcel 77 Import Terminal Project, Master Identification No. 201020.01 and Master Identification No. 201043.01.”

PORT OF TACOMA VOTE:

Commissioner Meyer Aye
Commissioner Johnson Aye
Commissioner Marzano Aye

MOTION CARRIES 3-0

C3a. Dual Action Vote: NWSA & POT: Port of Tacoma vote to pay NWSA an annual Management fee and NWSA vote to accept Management of WWL Lease and Operating Agreement on behalf of the Port of Tacoma.

Tabled to a future meeting.

F. First Reading: Resolution #2018-02.

Motion was made by Commissioner Johnson; seconded by Commissioner Calkins:

“Move the proposed Master Benefit and Salary Resolution #2018-02 on for the second reading at the March 2018 meeting”

PORT OF SEATTLE VOTE:

Commissioner Gregoire Aye
Commissioner Bowman Aye
Commissioner Felleman Aye
Commissioner Calkins Aye
Commissioner Steinbrueck Aye

PORT OF TACOMA VOTE:

Commissioner Meyer Aye
Commissioner Johnson Aye
Commissioner Marzano Aye

MOTION CARRIES 5-0 / 3-0

G. West Sitcum Stormwater Treatment.

Motion was made by Commissioner Felleman; seconded by Commissioner Johnson:

“Approve project authorization in the amount of \$4,565,000 for a total authorized amount of \$5,227,000 for the advance procurement of materials for West Sitcum Stormwater Treatment project, Master Identification No. 201024.01.”

PORT OF SEATTLE VOTE:

Commissioner Gregoire Aye
Commissioner Bowman Aye
Commissioner Felleman Aye
Commissioner Calkins Aye
Commissioner Steinbrueck Aye

PORT OF TACOMA VOTE:

Commissioner Meyer Aye
Commissioner Johnson Aye
Commissioner Marzano Aye

MOTION CARRIES 5-0 / 3-0

5. COMMISSIONER COMMENTS: None.

6. ADJOURNMENT:

There being no further business, Commissioner Meyer adjourned the meeting at approximately 3:59 p.m.

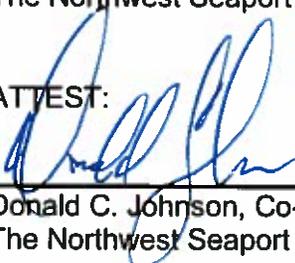


Donald G. Meyer, Co-Chair
The Northwest Seaport Alliance



Courtney Gregoire, Co-Chair
The Northwest Seaport Alliance

ATTEST:



Donald C. Johnson, Co-Secretary
The Northwest Seaport Alliance



Ryan Calkins, Co-Secretary
The Northwest Seaport Alliance



Juliet Campbell, Clerk of the Port
The Northwest Seaport Alliance

