

Overview -- NWSA Strategic Business Plan and 2017 Performance Goals & Expectations

Looking back on 2016, the first full year of The Northwest Seaport Alliance (NWSA), the success is clear. Despite a troubled industry filled with uncertainty, the NWSA held its ground – and looks to build on that success into the future. For decades we have heard Washington described as “the most trade - dependent” state – but we know it is not just dependency, it is opportunity. Our ability to look beyond our borders allows us to diversify our economy, weather economic crisis, enrich our culture with the infusion of international perspective and make a lasting impact on the world. This ability is inextricably linked to the success of the gateway.

The foundations of the NWSA Ten-Year Strategic Business Plan Goals are anchored in the “Strategies for Enhancing the Puget Sound Container Trade Gateway” report commissioned by the managing members in 2014. The NWSA Strategic Business Plan four strategic goals are:

- Enhance the competitive position of The Northwest Seaport Alliance
- Provide reliable and efficient regional and local infrastructure connections
- Improve the NWSA financial position
- Advance environmental stewardship

Many of the attached 2017 Performance Goals involve multiple business plan initiatives and reflect the interwoven benefit from each specific area of work. At its essence, the NWSA business plan seeks to deliver the following three outcomes:

- I. **Gateway Growth and Optimization:** The shipping industry is in a state of flux, with recent bankruptcies and mergers that is unlikely to end in 2017. Despite this volatility, the move to larger ships is clear. Those who don't prepare now for these fleets will be late to market with strategic terminals and miss out. We must continue to focus on key initiatives targeted at cargo diversification, developing rail infrastructure and major investments in terminal modernization at both T-5 in the North Harbor and the General Central Peninsula in the South Harbor - with a focus on sustainability and environmental stewardship.
- II. **Gateway Service Delivery Excellence:** We are committed to providing best-in-class service delivery within the gateway and we will continue to focus on the *ease of doing business* for our customers. By deploying a proactive customer outreach program and using key performance metrics to tell us what works and what doesn't, we can make informed decisions about where to invest time and resources. We invest in comprehensive systems that maximize consistent, efficient cargo flows. Our initiatives include both innovative technologies and best practices from around the globe.

- III. **Gateway Business Environment:** For the alliance to continue to succeed, we must pay attention outside of our properties and support the health of the entire system. We are dependent on a well-functioning transportation system that can move people and goods. In our advocacy role we will continue to fight for comprehensive transportation investments. A regulatory system focused on preserving and protecting what we love about the Puget Sound, while providing predictability and consistency for those navigating it, is vital to the long term success of the gateway. We must build a culture of exporting and business awareness of how we can leverage our economic gateway, a vital ingredient to our state and regional prosperity.

The sum of this work is a busy and audacious agenda for 2017, including other key activities with environmental stewardship, community engagement and the continued NWSA transition. By executing on the attached 2017 Performance Goals and Expectations, the NWSA will build upon its momentum, maximize organizational clarity and effectiveness.

We put unrelenting focus on anticipating challenges and providing operational excellence and the best complete value to our customers worldwide. We know that our customers' success is also ours. Our focus on ease of doing business is what sets the alliance apart from our competitors.

From our Managing Members to alliance staff, we are ready to meet these challenges and move toward our 2025 Key Metrics of: 6 million TEU cargo growth, 14,600 incremental jobs created and continued financial sustainability.