

**THE NORTHWEST SEAPORT ALLIANCE**  
**MEMORANDUM**

**MANAGING MEMBERS**  
**ACTION ITEM**

Item No.: 9A  
Meeting Date: June 2, 2026

**DATE:** June 1, 2026  
**TO:** Managing Members  
**FROM:** John Wolfe, CEO

Sponsor: Tong Zhu, Chief Commercial Officer & Strategy Officer

Project Manager: Steve Balaski, Director of Business Development,  
Commercial

**SUBJECT:** Voyage Consistency and On-Time Arrival Incentive Award Program

**A. ACTION REQUESTED**

Request the Managing Members of The Northwest Seaport Alliance (NWSA) authorize \$1 million in funding for and establishment of a Voyage Consistency and On-Time Arrival Award Program.

**B. SYNOPSIS**

Based on current market conditions, feedback from NWSA's carrier customers and results from prior programs, the proposed Voyage Consistency and On-Time Arrival Award is expected to help incentivize consistent international ocean container service in the gateway.

Staff continues to evaluate additional cargo incentive program concepts to drive sustainable volume growth and improve service levels at the NWSA. Staff intends to return with those details, a request for additional funding and program authorization once that evaluation process is complete.

### **Proposed Incentive Summary**

- A performance award program to encourage international ocean carrier service voyage consistency and vessel arrival on-time performance.
- The top three performing international ocean services and their voyage operating ocean carriers whose service levels meet the eligibility criteria would receive public recognition by the NWSA and may qualify for a cash award.
- The NWSA proposes making \$1 million of the authorized funding available year to incentivize participation in the program.
- The suggested term of the program is June 27, 2026 through June 25, 2027, which align with port months July-June.
- The program will involve two 26-week measurement Periods (port months July to December and January to June, each a “Period”), and a monetary award would be made after each period to eligible participants.

### **Proposed eligibility requirements**

- Service Requirements: An ocean carrier would be eligible for this program if it meets or exceeds the following performance standards:
  - Period 1: Have a maximum of two void sailings for weekly services or one void sailing for fortnightly services over the measurement period, and; Achieve a maximum 24-hour average delay over same measurement period vs. proforma ETA.
  - Period 2: Have a maximum of two void sailings for weekly services or one void sailing for fortnightly services over the measurement period, and; Achieve a maximum 24-hour average delay over same measurement period vs. proforma ETA.
- Weekly and fortnightly international services are eligible.
- Ocean carriers must meet the Service Requirements to be eligible for a cash award. NWSA would not be required to provide the award if carriers do not meet the criteria.
- The program would be open to all international ocean carriers in good financial standing with the NWSA (i.e., current on financial accounts as defined by the NWSA in the associated Participation Agreement.)
- The cash award would be paid to the top three performing international ocean carriers that operate a vessel on the qualifying ocean service within the designated measurement period. If multiple carriers operate vessels in the same qualifying service, award money will be divided among vessel operators according to the share of vessels they operate.
- The cash awards for each period would be:
  - First Period:
    - 1<sup>st</sup> place = \$250,000

- 2<sup>nd</sup> place = \$150,000
- 3<sup>rd</sup> place = \$100,000
- Second Period:
  - 1<sup>st</sup> place = \$250,000
  - 2<sup>nd</sup> place = \$150,000
  - 3<sup>rd</sup> place = \$100,000
- The ocean carrier is required to enter into the NWSA's Participation Agreement that outlines program eligibility, requirements and other program details.
- The service must call the NWSA for the duration of the Period term to be eligible.

### **C. BACKGROUND**

The NWSA seeks longer-term industry behavior change by awarding and incentivizing reliable, consistent and on-time international ocean container services at our gateway. We believe this has downstream positive benefits for the entire supply chain, leading to opportunities for sustainable volume growth for the NWSA.

Consistent ocean carrier service can improve truck turn times at our marine terminal gates, minimize cargo dwell times, increase capacity for exports, improve rail planning, and reduce costs of drayage inefficiencies. There is significant potential for local environmental benefits from services that have better on-time performance.

Operating trends in the ocean shipping industry align with this incentive concept. For example, the stated objective of the alliance between Maersk and Hapag Lloyd (Gemini Cooperation) is to achieve ocean service schedule reliability above 90%. Other ocean carriers are similarly embarking on initiatives to improve overall voyage consistency in 2026.

During the first reporting period of the 2025 VCOTA program three carriers achieved the required metrics for a financial award, demonstrating that the program goals are obtainable.

2026 NWSA Voyage Consistency & On-Time Arrival Award

June 2, 2026

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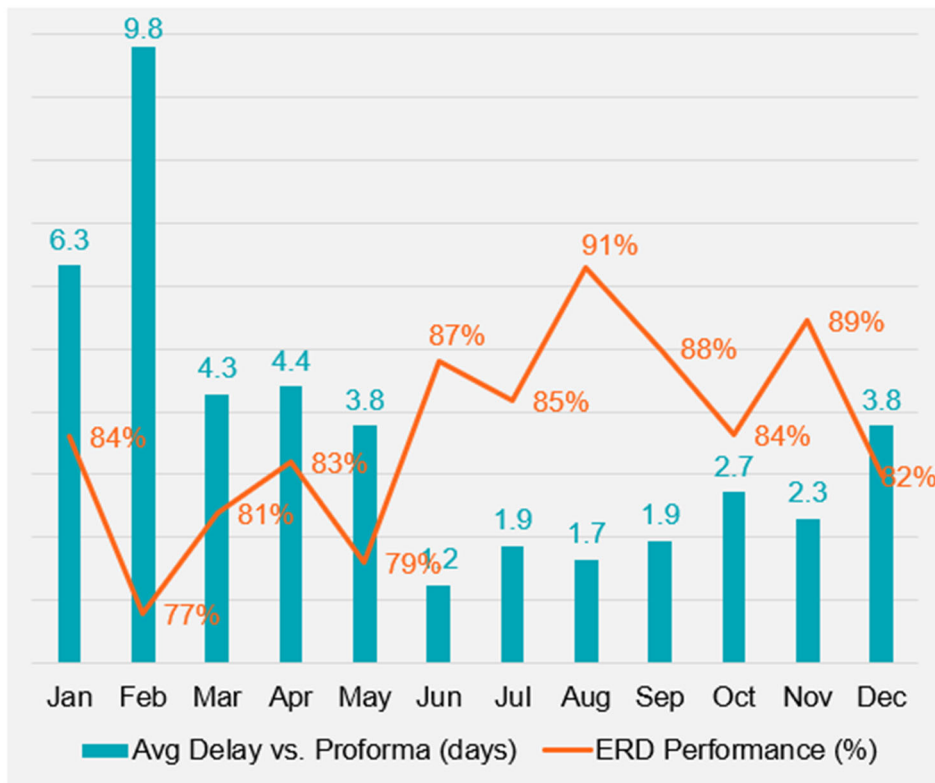
Results of the 2025 VCOTA program First Period:

Service Name	Frequency	Operator(s)	# Voids	Avg. Delay (hours)
HL - WC4   ML - TP5	Weekly	Hapag-Lloyd, Maersk	0	-8.6
PN3	Weekly	ONE, HMM, Yang Ming	1	5.2
Westwood Service	Weekly	Swire Shipping	1	-6.7

Place	Service Name	Operator(s)	# Voyages	Award
First Place	WC4 (Hapag)   TP5 (Maersk)	Total	13	\$166,667
		Hapag-Lloyd	6	\$76,923
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Second Place	PN3	Total	12	\$100,000
		HMM	3	\$25,000
		Yang Ming	9	\$75,000
Third Place	Westwood Service	Total	12	\$66,667
		Swire Shipping	12	\$66,667

Additionally, NWSA data shows that when vessels arrive on-time, service levels for **exporters** improve. Specifically, receiving windows to deliver exports to marine terminals are more consistent and longer when vessels arrive on-time. This saves costs for the exporter, improving reliability for truckers and allowing export volume growth.

2025 Average Vesel Delay vs Early Return Date Consistency



## **D. FINANCIAL IMPLICATIONS**

### **Source of Funds**

The two Homeports are expected to receive funds totaling approximately \$55,000,000 from Water Resource Development Act (WRDA) and Harbor Maintenance Tax (HMT) in 2027, and similar amounts in future years. These funds will impact on the homeport Profit and Loss (P&L) statement and will not be reflected on the NWSA's P&L.

The \$1,000,000 incentive will utilize cash generated from NWSA operations. The WRDA/HMT funds received by the homeports will be used for eligible HMT projects that would have been funded by the NWSA generated operating cash that is now being used for this incentive program.

### **Financial Impact**

The 2026 to 2030 operating budget includes \$12,000,000 per year for the incentive expense. Actual expense may vary based on recipient performance. This incentive program is expected to retain current volumes and encourage additional cargo volumes. It is unknown if it will result in incremental revenue compared to the budget because of multiple factors.

## **E. ATTACHMENTS TO THIS REQUEST**

- Example Participation Agreement (to be finalized with counterparties)

**2026 Northwest Seaport Alliance  
VOYAGE CONSISTENCY AND ON-TIME ARRIVAL  
AWARD PROGRAM  
CARRIER ENROLLMENT AGREEMENT**

This Northwest Seaport Alliance Voyage Consistency and On-Time Arrival Award Program Carrier Enrollment Agreement (“Agreement”) is entered into by and between The Northwest Seaport Alliance (“NWSA”) and \_\_\_\_\_ ocean carrier (“Participating Carrier”) (each a “Party” and collectively the “Parties”).

- A. The NWSA is the 7<sup>th</sup> largest trade gateway in North America, consisting of the combined marine cargo operations of the Port of Seattle (North Harbor) and the Port of Tacoma (South Harbor).
- B. The Ports and NWSA have invested billions of dollars in their marine cargo facilities and have prospered for many years by attracting cargo that generates jobs and revenue for the region.
- C. The NWSA offers this Voyage Consistency and On-Time Arrivals Award Program (“Award Program”) to encourage industry behavior change by recognizing, awarding and incentivizing reliable, consistent and on-time international ocean container service levels at our gateway.
- D. NWSA expects improvements in on-time arrivals to have downstream positive benefits for the entire supply chain by improving truck turn times, minimizing cargo dwell times, increasing capacity for exports, improving rail planning, and reducing costs of drayage inefficiencies. Additionally, there is potential for local environmental benefits from services that have better on-time performance.

Wherefore, based on the above, the Participating Carrier seeks to enroll in the Award Program and agrees as follows:

- 1. NWSA Voyage Consistency and On-Time Arrival Award Program.** The Award Program is a semi-annual public recognition and financial award program recognizing the top three international ocean carriers whose service delivers the best voyage consistency and on-time arrival performance in the NWSA Gateway. The top three performing Participating Services in this Award Program will be publicly announced, and the awardees may also be eligible to receive a monetary award as more specifically set forth herein.

- 1.1 Monetary Award Eligibility.** A Participating Carrier is only eligible for the monetary portion of this award if, at the end of the Award Period, it meets the eligibility requirements set forth in Sections 1.1.1 – 1.1.2 (“Eligibility Requirements”) and the

Service Performance Requirements set forth in Section 1.2.1.

- 1.1.1** The Participating Carrier must be Current in all accounts with the NWSA on the final day at the end of the applicable Award Period. For purposes of this agreement, a carrier is deemed to be “Current” if all of its accounts with NWSA are paid or are less than 30 days past due on the date the program Award Period ends, as identified in Section 2, but which may be sooner if the Award Program is terminated earlier per Section 2 of this Agreement. If a Participating Carrier is not Current on the date the Award Period ends, the Participating Carrier may become Current within 45 days of the end of the Award Period by paying all accounts past due as of the date of the end of the respective Period in order to remain eligible to receive the benefits of the Award Program; and
- 1.1.2** The Participating Carrier executes and remains in compliance with this Agreement.
- 1.1.3** The Participating Carrier maintains an eligible service throughout the duration of the applicable Award Period.

**1.2 Service Performance.** In addition to the Eligibility Requirements of Section 1.1, to receive the monetary portion of the award, a Participating Carrier must meet or exceed the following Service Performance Requirements set forth in Section 1.2.1, which will be measured as set forth in Section 1.2.2 – 1.2.4.

**1.2.1 Service Performance Requirements.** As used herein, the term “Service Performance Requirements” are:

**1.2.1.1** Qualifying services are those for international container sailings to NWSA licensed terminals (for example: Terminals 5, 18, 25/30, 46 in the North Harbor and Husky, WUT, and PCT in the South Harbor), and weekly and fortnightly international services are eligible.

**1.2.1.2** The Participating Carrier may have no more than two (2) void sailings for weekly services or one (1) void sailings for fortnightly services during the applicable Award Period. A void sailing, also known as a blank sailing, is when ocean carrier(s) cancel a scheduled voyage to a NWSA port call that was previously announced as part of its originally advertised pro forma rotation (“Sailing Schedule”). Participating Carrier is required to provide a listing of the services on which it participates, which is attached hereto as Exhibit A. Void sailings and Sailing Schedules will be evaluated against the services listed on Exhibit A. If a Participating Carrier begins a new service at any point after the start of the applicable Award Period, the corresponding sailings (whether weekly or fortnightly) which would have

occurred during the applicable Award Period, but were prior to commencement of the new service, will be deemed to be void sailings. (For example, if the Participating Carrier begins a new weekly service on June 18, 2026, there are three weeks between the beginning of the applicable Award Period and beginning of the new service, so the Participating Carrier will be deemed to have three void sailings at the beginning of the new service.)

**1.2.1.3** Participating Carrier may have no more than a 24-hour average delay measured against the Participating Carrier’s pro forma estimated time of arrival including time and day of week to arrival at berth, as published and defined by the third-party maritime reporting platform eeSea.com (“Pro Forma ETA”) over the applicable Award Period. Pro Forma ETA will be provided by third-party reporting service eeSea by Xeneta (see section 1.3.3 Service Performance Tracking), which Participating Carrier will have opportunity to review and correct Pro Forma ETA with mutual agreement with NWSA.

**1.2.2 Service Performance Measurement.** Performance is measured on weekly and fortnightly international container services. The financial awards to the carriers who achieve the minimum performance requirements will be evaluated and determined by the following criteria:

**1.2.2.1** Most voyages that called NWSA by service during the applicable Award Period; followed by

**1.2.2.2** The most voyages that arrived within  $\pm$  24-hour window of Proforma ETA and

**1.2.2.3** If multiple services achieve the same number of voyages and the most voyages that arrived within  $\pm$  24-hour window of Proforma ETA, the lowest average hours delayed by service during the applicable Award Period will prevail.

As an example:

Carrier A had 23 of 26 voyages, 20 voyages within  $\pm$  24-hour window, and average 8 hrs delayed

Carrier B had 25 of 26 voyages, 22 voyages within  $\pm$  24-hour window, and average 20 hrs delayed

Carrier C had 12 of 13 voyages (fortnightly service), 9 voyages  $\pm$  24-hour window, and avg 5 hrs delayed

Above would be awarded per Award Period as follows:

1<sup>st</sup> Place: Carrier B (had most voyages, still within 24-hour average delay), receives \$250,000.

2<sup>nd</sup> Place: Carrier A (had second most voyages, still within 24-hour average delay), receives \$150,000.

3<sup>rd</sup> Place: Carrier C (had fewer voyages than B or A, still within 24-hour average delay), receives \$100,000.

**1.2.3 Service Performance Exceptions.** Events such as port congestion in other ports, engine malfunction, severe weather will not apply as exceptions to the Service Performance Requirements. Only the following exceptions set forth in Sections 1.2.3.1- 1.2.3.4 to specific voyages which delay a vessel from berthing at NWSA terminal (“Exceptions”) will be considered. The condition of the Exception will be established by AIS data tracking. Any request for an Exception shall be made in writing by Participating Carrier via email to John Tullis at [jtullis@nwseaportalliance.com](mailto:jtullis@nwseaportalliance.com) and must be made within seven (7) calendar days of the occurrence giving rise to the claimed Exception or is otherwise waived. Requests for Exceptions shall also include any substantiation or evidence the Participating Carrier seeks to have considered in support of its request, including AIS data tracking. NWSA will, in its sole and absolute discretion, determine whether the Exception is granted, and advise the Participating Carrier of its determination within seven (7) days of the written request.

**1.2.3.1** Malfunction of a ship-to-shore crane at the ocean service’s designated NWSA marine terminal, e.g. unable to raise crane boom that prevents berthing.

**1.2.3.2** All berths occupied by other non-affiliated ocean carrier vessels. If a vessel operated by the same ocean carrier or operational alliance is occupying the berth, this exception does not apply.

**1.2.3.3** Lack of labor availability or other labor issue that prevents timely arrival to berth.

**1.2.3.4** Waterway or terminal berth obstruction that is within NWSA's or the marine terminal operator's control that prevents timely arrival to berth.

**1.2.4 Service Performance Tracking.** The NWSA will use eeSea by Xeneta (<https://www.eesea.com/>) to track service proforma schedules and actual arrival information and to evaluate Service Performance Requirements. eeSea will generate a tracking report that NWSA will make available to participating carriers periodically throughout the applicable Award Period. eeSea's "Berth Arrival" date and time will be the actual time of arrival (ATA) at NWSA terminals and will be used for measurement against the proforma ETA to find the average delay over the Award Period.

**1.2.5 Service Rotation Change or Suspension.** The Parties recognize that ocean services may change throughout the year, including port calls, NWSA proforma schedule, and vessel operators within a vessel sharing agreement.

**1.2.5.1** The Award Program measures performance by service name and does allow for changes within the proforma, so long as the ocean carrier(s) continue to market the service the same during the same Award Period, unless a service is suspended and replaced by another service in the same trade lane. Ad hoc calls diverted from other existing services to NWSA-licensed terminals do not qualify as measurable voyage(s).

**1.2.5.2** For any service operated within a vessel sharing agreement (VSA) and a carrier leaves the VSA during the Award Period, but the service continues under the same name, Participating Carriers for that service will still be eligible to receive the award. Any financial award achieved will still be paid to carrier(s) based on share of voyages operated, regardless of whether the carrier stopped operating vessels in that service during the applicable Award Period.

**1.3 Allocation of Monetary Award.** The Parties hereto acknowledge and agree that a total of \$1 million USD has been authorized for the Award Program to be allocated equally across the Award Periods, and multiple carriers are expected to participate.

**1.3.1** Only the top three performing international container services and the associated vessel operating ocean carrier(s) meeting the Eligibility Requirements and the Service Performance Requirements and will be eligible for the monetary award.

**1.3.2** Monetary awards in each Award Period will be as follows: \$250,000 for first place, \$150,000 for second place, and \$100,000 for third place. If multiple ocean carriers operate vessels in the same qualifying service, award money will be divided among vessel operators according to share of voyages they operate within the Award Period. In the event of a tie for first, second, or third place, the corresponding award funds will be shared equally among the tied awardees. In the event there are not monetary award recipients in each of the three places, residual funds in this Award Program will remain with NWSA.

**1.4 Recognition.** Public recognition will be made of the top three Participating Carriers even if one or more such carriers do not achieve Eligibility Requirements or the Service Performance Requirements for a monetary award.

**1.5 Discrepancies in Reported Schedules.** If a Participating Carrier disputes the information provided by eeSea by Xeneta, the Participating Carrier shall address its dispute directly with eeSea, with a copy to NWSA, and the Participating Carrier is responsible for providing NWSA with the eeSea's corrected record of proforma schedule, record of voyage performed/void, or record of berth arrival report within 45 days of receipt of the initial report. NWSA will utilize any corrected data from eeSea, which shall be determinative. Failure of a Participating Carrier to provide NWSA with a corrected report by eeSea within 45 days of receipt of the initial report waives any claim of discrepancy.

**1.6 NWSA Has Sole Award Authority.** Eligibility for this Award Program, measurement of Participating Carriers' Service Performance, tracking of Service Performance, granting of any Exceptions thereto, and determination the top three awardees hereunder are all in the NWSA's sole and absolute discretion.

**2. Term, Award Periods & Termination.** The "Term" of this Agreement is June 27, 2026 – June 25, 2027, with four separate Award Periods:

- June 27, 2026 through November 20, 2026
- November 21, 2026 through June 25, 2027

The NWSA reserves the right to cancel, terminate, or extend the Award Program at any time, in NWSA's sole and absolute discretion, and under such terms and conditions by

NWSA, including whether to award or withhold any monetary award. The NWSA will provide notice of any cancellation, termination, or extension of the Award Program and this Agreement by email sent to the Participating Carrier Designated Representative identified herein at Paragraph 3. The Participating Carrier may terminate by providing notice of termination by email sent to the NWSA Designated Representative identified herein at Paragraph 3.

**3. Communications.** Any notice, demand, request, consent, approval, or communication that either Party desires or is required to give to the other Party shall be in writing addressed to the email addresses below unless otherwise indicated by the Parties to this Agreement. The Parties identify the following Designated Representatives:

NWSA:                                 John Tullis  
  Phone: (253) 219-3338  
  Email: jtullis@nwseaportalliance.com

Participating Carrier: Company Name:  
  Contact Name/Title:  
  Phone:  
  Email:

It is expected that the identified Designated Representatives will communicate frequently, to coordinate the execution of the Incentive Program.

**4. Independent Parties.** Nothing contained herein shall be construed as creating an employer/employee relationship between the NWSA and any Participating Carrier or individuals participating in the Award Program and/or benefiting from the Award Program payments. It is understood and agreed that this Agreement is solely for the benefit of the Parties hereto and gives no right to any other party. No joint venture or partnership is formed as a result of this Agreement. No employees or agents of any Party shall be deemed, or represent themselves to be, employees of any of the other Party.

**5. Legal Obligations.** This Agreement does not relieve either Party of any obligation or responsibility imposed upon it by law.

**6. Timely Performance.** The requirements of this Agreement shall be carried out in a timely manner according to the terms herein.

**7. Audit of Records.** During the Term of this Agreement, and for a period not less than six (6) years from the date of termination, the Parties shall retain all records and accounts pertaining to the work of this Agreement and accounting therefore shall be kept by the Parties and shall be available for inspection and audit by representatives of either Party and any other entity with legal entitlement to review said records. If any litigation, claim, or audit is commenced, the records and accounts along with supporting documentation shall be retained by the Parties until all litigation, claims, or audit finding has been resolved, even though such litigation, claim, or

audit continues past the six-year (6) retention period. This provision is in addition to and is not intended to supplant, alter, or amend records retention requirements established by applicable state and federal laws.

**8. Dispute Resolution Process.** The Parties' Designated Representatives under Section 3 herein shall use their best efforts to resolve disputes between the Parties, provided however, any discrepancies in reported volumes shall be addressed as set forth in Section 1.5 herein. For all other disputes, if the Designated Representatives are unable to resolve a dispute, the matter shall be reviewed by the Chief Executive Officer of each Party or their designee to attempt to reach resolution. The Parties agree to exhaust each of these procedural steps before seeking to further resolve the dispute by arbitration. Any remaining controversy or claim arising out of or relating to this Agreement, or the breach thereof, shall be submitted for determination by binding arbitration. Subject to preliminary resolution requirements of this dispute resolution process, the Parties agree to arbitration of all disputes arising under this agreement in Pierce County, Washington before a single arbitrator using the rules for adjudication of the American Arbitration Association. The arbitrator shall be selected by mutual agreement of the parties, and any such arbitrator shall be an attorney admitted to practice law Washington State.

**9. Controlling Law & Venue.** This Agreement shall be construed and enforced according to the laws of the State of Washington, and venue for any dispute resolution arising out of this Agreement shall be in Pierce County, Washington.

**10. Indemnification and Hold Harmless.** The Parties release each other from, and shall defend, indemnify, and hold each other and agents, employees, and/or officers harmless from and against all claims, demands, suits at law or equity, actions, penalties, losses, damages, or costs, of whatsoever kind or nature, made by or on behalf of the other Party and/or its agents, employees, officers, and/or subcontractors, arising out of or in any way related to this Agreement, unless and except to the extent the same be caused in whole or in part by the negligence of a Party or its agents, employees, and/or officers. This Agreement includes a waiver of subrogation against all losses sustained by either Party and/or its agents, employees, officers, subcontractors, and/or insurers, arising out of or related to this Agreement except to the extent the Parties' losses are caused in whole or in part by the negligence of the other Party or its agents, employees, and/or officers. Each Party specifically assumes liability for actions brought by its own employees against the other Party and for that purpose each Party specifically waives, as respects the other Party only, any immunity under the Worker's Compensation Act, RCW Title 51 which provision is the subject of mutual negotiation. Neither Party will be held responsible for the other Party's attorney's fees, costs or other legal expenses incurred to enforce the provisions of this Agreement. No liability shall attach to any of the Parties by reason of entering into this

Agreement except as expressly provided herein. The provisions of this Article 12 shall survive any termination or expiration of this Agreement.

**11. Severability.** If any term or provision of this Agreement, or its application to any person or circumstance is ruled invalid or unenforceable, the remainder of this Agreement will not be affected and will continue in full force and effect.

**12. Entire Agreement/Amendment.** This Agreement, together with any documents incorporated by reference shall constitute the entire agreement between the Parties with respect to the Award Program and shall supersede all prior agreements, proposals, understandings, representations, correspondence, or communications relating to the subject matter hereof. No modification or amendment of this Agreement shall be valid and effective unless approved by both parties in writing.

**13. Authorization.** Each Party warrants that the signers below have authority to bind its respective Party hereto.

WHEREFORE, the parties have executed this Agreement on the dates set forth below.

The Northwest Seaport Alliance

Participating Carrier:

\_\_\_\_\_  
John Wolfe  
Chief Executive Officer

\_\_\_\_\_  
By:  
Its:

Date \_\_\_\_\_

Date \_\_\_\_\_

**EXHIBIT A**


For purposes of this Agreement and the associated Award Program, Participating Carrier discloses its participation on the following service strings and advertised frequency (“weekly” or “fortnightly”) calling the NWSA Gateway:

Service(s)	Frequency (weekly or fortnightly)
_____	_____
_____	_____
_____	_____
_____	_____

DRAFT - EXAMPLE

Item No.: 9A  
Meeting Date: June 2, 2026

# Voyage Consistency and On-Time Arrival Incentive Award Program




**THE NORTHWEST**  
SEAPORT ALLIANCE  
SEATTLE + TACOMA

Presenter: Steve Balaski  
Presenter Title: Director, Business Development

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## ACTION REQUESTED

Request the Managing Members of The Northwest Seaport Alliance (NWSA) authorize \$1 million in funding for and establishment of a Voyage Consistency and On-Time Arrival Award Program.



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## Synopsis

Based on current market conditions, feedback from NWSA's carrier customers and results from prior programs, the proposed Voyage Consistency and On-Time Arrival Award is expected to help incentivize consistent international ocean container service in the gateway.

Staff continues to evaluate additional cargo incentive program concepts to drive sustainable volume growth and improve service levels at the NWSA. Staff intends to return with those details, a request for additional funding and program authorization once that evaluation process is complete.



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## Background

The NWSA seeks longer-term industry behavior change by awarding and incentivizing reliable, consistent and on-time international ocean container services at our gateway. We believe this has downstream positive benefits for the entire supply chain, leading to opportunities for sustainable volume growth for the NWSA.

Consistent ocean carrier service can improve truck turn times at our marine terminal gates, minimize cargo dwell times, increase capacity for exports, improve rail planning, and reduce costs of drayage inefficiencies. There is significant potential for local environmental benefits from services that have better on-time performance.



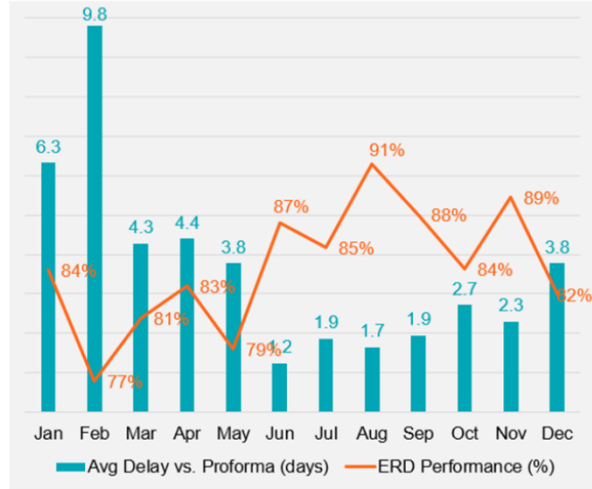
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# Benefits of the VCOTA Incentive

- NWSA data shows that when vessels arrive on-time, service levels for **exporters** improves.
- Receiving windows to deliver exports to marine terminals are more consistent and longer when vessels are on-time.
- Saves costs for the exporter, improving reliability for truckers and allowing export volume growth.

2025 Average Vesel Delay vs Early Return Date Consistency



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## Results of the 2025 VCOTA program First Period:

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## Voyage Consistency and On -Time Arrival Award Incentive

**Rationale:** A performance award program to encourage international container service voyage consistency and on-time performance.

**Incentive eligible participants:** International Ocean Carriers serving the NWSA.

**Suggested funding allocation level:** \$1 million

**Term:** The suggested term of the program is June 27, 2026 through June 25, 2027, which align with port months July-June. The program will involve two 26-week measurement Periods (port months July to December and January to June, each a "Period"), and a monetary award would be made after each period to eligible participants.

Carriers must achieve metrics related to void sailings and on-time arrivals to be eligible for an award payment.

Top 3 performing ocean services carriers eligible for a monetary award.



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## Financial Implications

### Source of Funds

The two Homeports are expected to receive funds totaling approximately \$55,000,000 from Water Resource Development Act (WRDA) and Harbor Maintenance Tax (HMT) in 2027, and similar amounts in future years. These funds will impact on the homeport Profit and Loss (P&L) statement and will not be reflected on the NWSA's P&L.

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