



**THE NORTHWEST SEAPORT ALLIANCE  
MANAGING MEMBER MEETING MINUTES  
TUESDAY, MAY 1, 2018  
The Fabulich Center, Room 104  
3600 Port of Tacoma Road, Tacoma, Washington 98424**

**SEATTLE COMMISSIONERS PRESENT:**

Stephanie Bowman, Acting Co-Chair  
Fred Felleman, Co-Secretary  
Ryan Calkins, Commissioner  
Peter Steinbrueck, Commissioner

**EXCUSED:**

Courtney Gregoire, Co-Chair and Port of Seattle  
Commission President

**NWSA STAFF PRESENT:**

John Wolfe, CEO  
Don Esterbrook, Deputy CEO  
Kurt Beckett, Deputy CEO  
Nick Demerice, Director, Public Affairs  
Sara Cederberg, Sr. Project Manager, Environmental  
Sean Eagan, Director, Government Affairs  
Carolyn Lake, Legal Counsel  
Ticson Mach, Project Manager  
Scott Pattison, Sr. Business Development Manager  
Dustin Stoker, COO  
Tom Tanaka, Legal Counsel  
Tong Zhu, CCO and CSO  
Judy Doremus, Executive Assistant  
Juliet Campbell, Clerk of the Port

**TACOMA COMMISSIONERS PRESENT:**

Don Meyer, Co-Chair  
Clare Petrich, Vice President (arrived 12:42 pm)  
Don Johnson, Co-Secretary  
Dick Marzano, Commissioner  
John McCarthy, Commissioner

**EXCUSED:**

Clare Petrich, Port of Tacoma Vice President  
(excused for a portion of the meeting, arrived  
at 12:42 pm)

**9:30 AM: EXECUTIVE SESSION:**

**1. CALL TO ORDER:**

Co-Chair Meyer called the regular Managing Member Meeting for May 1, 2018 to order at 10:00 am and recessed into Executive Session for approximately 90 minutes.

**2. ADJOURN INTO EXECUTIVE SESSION:**

- A. One (1) real estate selling/leasing item – RCW 42.30.110(1)(c)
- B. One (1) litigation/potential litigation item – RCW 42.30.110(1)(i)

No decisions were made and no votes were taken.

**11:30 AM: MANAGING MEMBER MEETING PUBLIC SESSION:**

**1. RETURN TO ORDER:**

Co-Chair Meyer reconvened the regular Managing Member Meeting for May 1, 2018 at approximately 11:35 am and a flag salute was performed.

Commissioner Gregoire was excused from today's meeting. Commissioner Petrich was excused from the first portion of the meeting and arrived at approximately 12:42 pm.

**2. CONSENT AGENDA:**

- A. Minutes of March 20, 2018
- B. Check/Wire Certification: Approving the payment of checks 703080 through 703299 and wire transfers in the total amount of \$18,262,652.37 during the period of March 10, 2018 through April 20, 2018.

*Motion was made by Commissioner Johnson to approve the consent agenda as presented, and it was seconded.*

**PORT OF SEATTLE VOTE:**

Commissioner Gregoire    *Excused, not present for vote*  
Commissioner Bowman    Aye  
Commissioner Felleman    Aye  
Commissioner Calkins    Aye  
Commissioner Steinbrueck    Aye

**PORT OF TACOMA VOTE:**

Commissioner Meyer      Aye  
Commissioner Petrich    *Excused, not present for vote*  
Commissioner Johnson    Aye  
Commissioner McCarthy   Aye  
Commissioner Marzano    Aye

**MOTION CARRIES 4-0 / 4-0**

**3. PUBLIC COMMENT:** None.

**4. STAFF BRIEFINGS:**

A. Northwest Ports Clean Air Strategy (NWPCAS) and Clean Truck Program Update:  
*Presented by Sara Cederberg, Sr. Project Manager, Environmental*

Discussion Included:

NWPCAS

1. The NWPCAS was developed in 2007 and is a collaboration between the Ports of Seattle and Tacoma and the Port of Vancouver BC. It was revised in 2013. The NWSA became a full member upon its formation in 2015. Ms. Cederberg provided background and highlighted the progress toward existing strategy goals.
2. The NWPCAS is revised every five years. The next update will help establish short-term goals and align those strategies with more aggressive long-term goals around climate.
3. The four partners (NWSA, Port of Seattle, Port of Tacoma, and Port of Vancouver BC) plan to enter into an interlocal agreement (ILA) to engage a consultant to assist in developing the 2019 NWPCAS. Staff anticipates bringing that action to the Managing Members in June; the cost is expected to be \$14,000 for each of the four partners. Implementation will be at additional cost, and staff will return to the Managing Members for authorization related to individual projects.
4. A project description was presented, including a preliminary schedule. Input from stakeholders on strategy goals will be sought early.
5. The impact of International Maritime Organization (IMO) regulations toward realizing NWSCAS goals was discussed as were the benefits of global consistency in terms of policy.
6. Commissioner Bowman directed staff to consider, and include in materials to the Managing Members, facts identifying what the ports are directly responsible for and what they can realistically partner to fund in development of the strategy.
7. The region's air emission difficulties caused by port operations relative to other contributors of the region were discussed. It was suggested that even if the port reached 100 percent of its own goals, it would only scratch the surface of the region's issues. Discussion took place as to whether the ports' efforts would be more impactful by focusing on a more regional solution than on port-specific operations.

CLEAN TRUCK PROGRAM

1. Effective April 1, 2018 all trucks entering NWSA international container terminals are required to have a 2007 engine or newer, or equivalent emissions control retrofits. Drivers with non-compliant trucks may apply for a Temporary Access Pass. The Temporary Access Pass requires a commitment from the trucker to become compliant by December 31, 2018. Effective January 1, 2019 all non-compliant trucks will be turned away from NWSA international container terminals. Staff continues to reinforce this deadline through various outreach efforts.
2. At its February 2018 meeting, the Managing Members authorized establishment of a Clean Truck Fund to assist truck owners in converting their older trucks to compliant trucks. Staff presented its model program to the Managing Members.
3. The \$1,000,000 authorized by the NWSA toward the Fund program has been leveraged with an additional \$1.2 million from the compromise state budget and an additional \$200,000 from Puget Sound Clean Air Agency.
4. Staff has identified a critical need for an intermediary for financial advising related to the Clean Truck Fund program. Expertise is needed to provide means testing, vetting and in understanding the financial situations of applicants.

5. Commissioner Calkins underscored that the end date for truck owners to take advantage of any opportunities provided by through the Clean Truck Fund program must be clearly communicated.
6. There was a 3% increase in compliant trucks calling the international container terminals between the end of 2017 and March 31, 2018. The total number of trucks eligible to serve the gateway is approximately 4,382.
7. Commissioner Johnson noted the importance of having the right number of trucks to serve the gateway, while still allowing opportunity for enough turns for truckers to have meaningful income. He also noted that the Clean Truck Fund program should not be used to convert trucks over the number needed to serve the gateway.
8. Dustin Stoker, COO discussed operational efficiency issues.
9. Scoping is taking place related to expanding the Clean Truck Program to include domestic terminals.

## 5. ACTION AGENDA:

- A. This was pulled from the Agenda prior to the meeting. Managing Members moved directly into item 5B.

- B. State Lobbying Contract Personal Services Agreement:  
*Presented by Sean Eagan, Director, Government Affairs*

*Motion was made by Commissioner Petrich, seconded by Commissioner Bowman:*

**“Authorize the Chief Executive Officer or his delegate to execute the two-year option contained in Personal Services Agreement #070384 with Lisa Thatcher, Inc., for state lobbying services.”**

Discussion Included:

1. Staff highlighted lobbying services and successes. Examples included accelerated funding for Puget Sound Gateway right-of-way acquisition, passage of a capital budget, including \$8.1 million in Remedial Action Grant funding for homeport remediation projects, and \$11 million from the Clean Air Fund for transportation electrification, including shore power, providing a potential source of funds for Terminal 5 electrification and more.
2. Commissioner Felleman asked that in addition to taking direction from the Managing Members, that as issues and opportunities with potential impact to the NWSA are identified by Ms. Thatcher that they be brought to the Managing Members.
3. Commissioner Calkins also asked that Ms. Thatcher identify and bring forth opportunities where the alliance can support initiatives of key partners – for example Eastern Washington agricultural interests.

### PORT OF SEATTLE VOTE:

Commissioner Gregoire	Excused – not present for vote
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 McCarthy	Aye
Commissioner Marzano	Aye

**MOTION CARRIES 4-0 / 5-0**

## 6. GENERAL BUSINESS

- A. Alaska Update:

*Presented by Tong Zhu, Chief Commercial Officer & Chief Strategy Officer, Scott Pattison, Sr. Business Development Manager and Karen Matthias of Matthias Consulting*

Discussion Included:

1. An overview of the NWSA's Alaska trade was given. Alaska represents 20% of the alliance's total throughput, representing over \$11 million dollars annually.

2. Approximately 90% of the cargo that goes to Alaska moves through a series of private terminals in the North Harbor, Alaska Marine Lines in the North Harbor, and TOTE and Matson in the South Harbor.
3. In 2017, Alaska represented approximately 84% of the domestic container volume TEU throughput for the alliance.
4. The predominant volume of cargo from Alaska that comes through the gateway is purchased or sold in Pierce and King counties.
5. The 2017 marine terminal revenue from Alaska carriers was \$17.25 million. That does not include industrial land leases with Alaska dependent businesses.
6. Key partner commitments to the environment were discussed, including stack scrubbers added by Matson to reduce emissions and TOTE's conversion of two Orca class vessels from diesel to liquified natural gas (LNG) fuel.
7. Outlook challenges were discussed, including Alaska's now three-year recession, Dutch Harbor's expansions that could create direct access for Alaska's seafood industry to international markets - bypassing the Pacific Northwest, and structural problems at the Port of Alaska.
8. The importance of the NWSA's role in advocating for interdependent initiatives was stressed.

**B. Terminal 46 (T46) Update:**

*Presented by Tong Zhu, Chief Commercial Officer & Chief Strategy Officer and Ticson Mach, Project Manager*

Discussion Included:

1. MSC Laurence called at T46, which is the largest vessel to call at this terminal. MSC Laurence is also the largest vessel operated by MSC to call in our gateway. This operation was completed successfully, but not without challenges. It was a stretch to handle a ship of this size with the current cranes.
2. Mr. Mach provided status of capital improvement obligations to T46 per the 13<sup>th</sup> amendment to the lease with Total Terminals International LLC (TTI). Some projects are completed, some are annual obligations and some projects are on hold pending notification from TTI to move forward.
3. The Port of Seattle was awarded a \$20 million Transportation Investments Generating Economic Recovery (TIGER) grant for T46 improvements. The public access project component is planned at Terminal 117.

C. Q1 Review: NWSA CEO Goals and Expectations: Tabled to the next meeting.

D. CEO Announcements, Events and Recognitions: At the request of Congressman Reichert, CEO John Wolfe participated in a panel before the House Ways and Means Committee in Washington DC about the impacts of pending tariffs on our trade.

**7. COMMISSIONER COMMENTS**

Commissioner Felleman: Would like the NWSA to consider sending representation to the Puget Sound Lobby Day in Washington DC.


Commissioners Steinbrueck and Meyer: Spoke to the importance of cultivating/revitalizing Commissioner involvement with Alaska.

Commissioner Calkins: Congresswoman DeIBene convened a retreat for democratic members of the House Ways and Means Committee a couple of weeks ago. The Port was invited to talk about trade. Topics included trade disputes and tariffs, the Harbor Maintenance Tax, reentry into conversations around the Trans-Pacific Partnership (TPP) and other trade agreements as means of increasing trade in our gateway. Commissioners Calkins and Bowman also recently traveled to Denver as part of a Seattle Chamber Intercity study trip. Commissioner Calkins reported that Denver is investing in its air cargo infrastructure as a means of economic development. He is invigorated about long-term planning for the NWSA's infrastructure, and noted how fortunate the region is to have a deep-water port.

Commissioner McCarthy: Has observations related to the delegation of authority that he would like to discuss with Commissioners at some point in the future.

**8. ADJOURNMENT**

Commissioner Meyer adjourned the meeting at 2:24 pm.

  
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