THE NORTHWEST SEAPORT ALLIANCE
MEMORANDUM

MANAGING MEMBERS
ACTION ITEM

Item No.: 9C
Meeting Date: October 1, 2024

DATE: September 23, 2024

TO: Managing Members

FROM: John Wolfe, CEO

Sponsor: Tong Zhu, Chief Commercial and Strategy Officer
Project Manager: Andre Elmaleh, Sr. Manager, Business Development

SUBJECT: Vessel Service Agreements

A. ACTION REQUESTED

Request the Managing Members of The Northwest Seaport Alliance (NWSA) authorize the CEO or his delegate to enter into Vessel Service Agreements (VSAs) with the following customers from October 2, 2024, through June 30, 2026, in substantially the same form as presented.

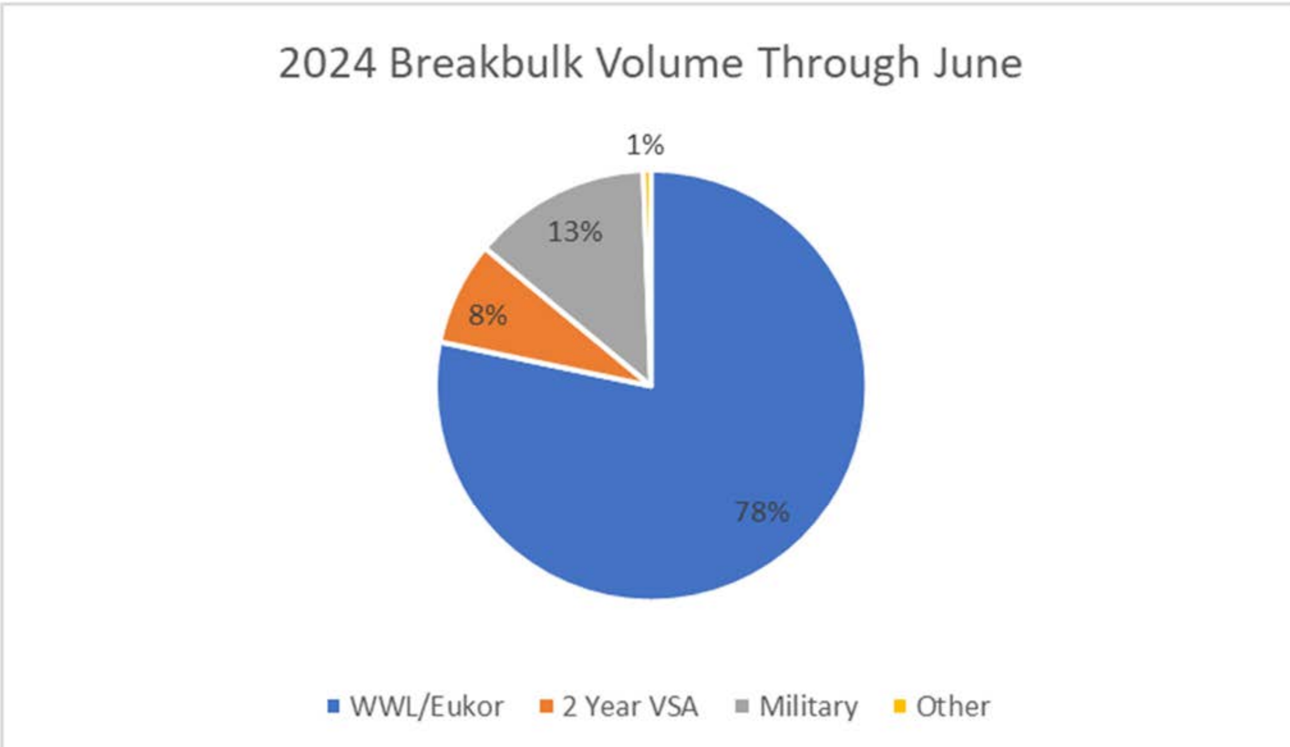
- MOL (Americas) LLC acting for and on behalf of Mitsui O.S.K. Lines, Ltd.
- “K” Line America, Inc. on behalf of Kawasaki Kisen Kaisha, Ltd. (“K” Line)
- Hyundai-Glovis Co., Ltd.

B. SYNOPSIS

The VSA’s requested for consideration are different from previously approved versions. They are now 21 months in length and contain a formula for fee increases in the middle of the agreement. Additionally, the timing of the rate increase now aligns with the annual PMA labor cost increase at the beginning of July. These changes provide stability for the carriers, NWSA, and a template for future multi-year agreements.

As a reminder, The Northwest Seaport Alliance operates breakbulk terminals at East Blair 1 (EB-1), Terminal 7 and the Blair Terminal. These facilities handle import and export cargo for Roll-on/Roll-off (Ro/Ro) shipping lines. NWSA cargo operations include yard handling and delivery to/from truck or rail carriers. All vessel loading and unloading is performed by stevedores selected by the shipping line. While the NWSA public tariff provides pricing for use of the facility, a Vessel Service Agreement is a common negotiation tool for ports to attract shipping lines, ensure port exclusivity and increase cargo volume. It allows ports and carrier customers to negotiate reasonable rates discounted from the published tariff based on anticipated volumes, labor rate increases and market conditions.

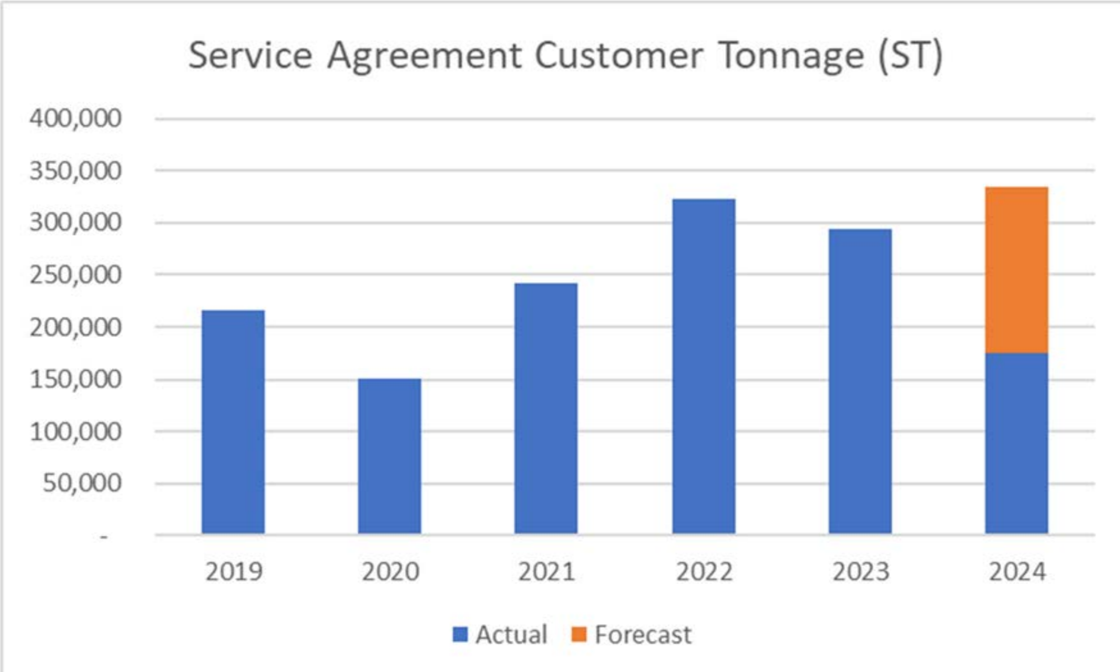
C. BACKGROUND



The breakbulk line of business is an important part of the Cargo Diversification Strategy (Goal 3.A.1) for the NWSA. It creates between 12-40 longshore jobs per day, as well as other trucking, stevedoring and service-related jobs locally.

The NWSA and the Port of Tacoma (prior to the formation of NWSA) have entered into service agreements with various steamship line customers for over 20 years. Service agreements typically focus on the highest volume commodities and specific business sectors that move through the gateway.

The majority of Service Agreement customer cargo is handled at the EB-1 Terminal, with a very small amount being handled at Terminal 7.



Staff aim to retain a healthy profit margin while considering the overall cost of breakbulk operations and market conditions. Typical discounts range between 15% to 60% of the published tariff depending on the customer and the types of commodities they wish to handle. All other cargoes not specified in the service agreement are charged per the published tariff rates.

Charges for military cargo from any nation are assessed according to the published tariff.

Key Changes to Previous One Year Vessel Service Agreements:

- **Rate Change:** October 2, 2024, to June 30, 2025: The previous approved rates will be increased by 4.7%
- **Term:** October 2, 2024, through June 30, 2026
- **Mid-term Rate Change Formula:** The formula uses CPI-U and the ILWU/PMA rate change to increase rates on July 1, 2025. However, if there is an anomaly and a rate adjustment outside of the formula is required, then the parties will work in good faith to identify a different rate.
- **Future Rate Change:** Aligns the future rate increase to coincide with the annual ILWU/PMA wage/benefit change on July 1 of each year
- **Secondary Dockage Waiver:** All carriers have this language except MOL. So, this language has been added to their Agreement as well. Simply stated, if a carrier needs to move between any of the NWSA Operated Terminals in Tacoma

(Terminal 7, EB-1 or the Blair Terminal) during the same voyage, the lessor of the dockage/security fees incurred will be waived.

- **T-46:** Added T-46 to the list of piers which qualifies for the second dockage/vessel security waiver for GLOVIS Ocean

D. FINANCIAL IMPLICATIONS

Financial Impact

The business at EB-1 is budgeted to provide approximately $2 million in income in 2024. The 2024 budget was conservative due to the new ILWU contract and the increase in lease expense associated with the EB-1 wharf and the tribal property used to support this business. Actual results through July have achieved the budgeted income.

EB-1 Terminal Financials in Millions of Dollars

	2022 Actual	2023 Actual	2024 Budget	2024 YTD July
Revenue	$11.3	$13.4	$12.4	$8.2
Operating Expenses before Depreciation:	$8.8	$10.6	$10.4	$6.2
Operating Income before Depreciation:	$2.5	$2.9	$2.0	$2.0
Operating Margin	22%	21%	16%	24%

E. ATTACHMENTS TO THIS REQUEST

- Proposed MOL (Americas) LLC VSA
- Proposed “K” Line America, Inc. on behalf of Kawasaki Kisen Kaisha, Ltd. (“K” Line) VSA
- Proposed Hyundai-Glovis Co., Ltd. VSA

F. PREVIOUS ACTIONS OR BRIEFINGS

- May 7, 2024: Managing Member action: May 8, 2024 - September 30, 2024 VSAs with multiple ocean carriers
- September 30 - October 4, 2022, Interim VSAs with multiple ocean carriers
- September 8, 2021, Managing Member action: One-year VSAs with multiple ocean carriers
- September 1, 2020, Managing Member action: One-year VSAs with multiple ocean carriers, and 12th Amendment to the Service Agreement with Wallenius Wilhelmsen Logistics

- October 1, 2019, Managing Member action: One-year VSAs with multiple ocean carriers
- June 4, 2019, Managing Member action: Extension of VSAs for three months
- June 5, 2018, Managing Member action: Ten-year VSAs with multiple ocean carriers
- February 7, 2018, Managing Member action: Ten-year VSA with WWL

SERVICE AGREEMENT

The Northwest Seaport Alliance and MOL (Americas) LLC

Reference #24-501B

This Agreement is between The Northwest Seaport Alliance as licensee/agent for the Port of Tacoma and Port of Seattle (collectively "NWSA") and MOL (Americas) LLC acting for and on behalf of Mitsui O.S.K. Lines, Ltd. (collectively "MOL") (together, "Parties").

WHEREAS, since before 2006, the Parties have entered into a series of prior service agreements to set rates for services in the NWSA gateway, including MOL Agreement Reference 21-501 with an effective date of October 1st to September 30th, 2024; and

WHEREAS, the Parties now wish to set rates and provide for services in the NWSA Gateway as more fully set forth herein.

Now therefore, the parties hereby agree as follows
The parties hereby agree as follows:

1. **Term:** This Agreement is effective from October 2, 2024 through June 30, 2026.

2. **Applicable Facilities:** This Agreement covers commodities imported and exported via the NWSA at East Blair One (EB-1) Terminal, Terminal 7, and Blair Terminal only, except as otherwise agreed in writing by NWSA. This Agreement supersedes any and all prior service agreements between the parties regarding commodities imported and exported via the NWSA at these facilities.

3. **Exclusive Gateway:** The NWSA will be the exclusive U.S. Puget Sound port for MOL cargo for the duration of this Agreement; provided, however, that MOL may from time to time call on other U.S. Puget Sound ports, but each such call shall occur only on the prior written consent of the NWSA after written request by MOL, which consent shall not be unreasonably withheld. The remedy for breach of this provision by MOL shall be termination of this Agreement.

4. **Rates and Conditions for East Blair One (EB-1) Terminal:**

4.A. Rates Effective October 2, 2024 through June 30,2025:

Description	Applicable Tariff Number	Agreed Rate	Calculation
Machinery & Construction Equipment (Import and Export)	333.400	$28.44	Per 1,000 kgs
Agricultural Equipment	333.400	$28.44	Per 1,000 kgs
Vehicles (NOS) other than automobiles, vans and pickup trucks (import and export)	333.400	$28.44	Per 1,000 kgs
Modular Houses and Buildings	324.000	$28.72	Per 1,000 kgs
Pleasure Boats on Trailers (import and Export	309.000	$70.43	Per 1,000 kgs

4.B. Mid-Agreement Rate Adjustment: The Rates in this agreement will be adjusted on July 1, 2025 using the following methodology:

- 74% of the CPI-U Seattle Tacoma Bellevue (April to April)
- 26% of the ILWU-PMA West Coast Agreement net impact between wages and benefits/assessments
- If a rate other than the one derived using the above formula is requested, both parties will work in good faith agree to a different rate
- In no case will the rate be lower than the preceding year
- Example: October 2, 2024 through June 30 2025:
    - CPI-U April 2024 –April 2025: 3.8%
    - ILWU – PMA July 1 Change (Non-PMA Member): 7.24%
    - Increase would be: 4.7% (((3.8*.74)= 2.8%) + ((7.24*.26)=.1.9%)) =4.7%

Special Conditions: Above Rates Include Wharfage, Service and Facility, and special Ro-Ro Handling. MOL shall be exempt from paying the Dockage fee at the East Blair One Terminal if there is a vessel conflict with Wallenius Wilhelmsen Logistics vessels and a delay occurs for MOL. MOL shall not be required to pay Tariff Item #239.010 or Item #239.020 with respect to the truck loading/unloading fee for cargo imported or exported via the NWSA at the East Blair One (EB1) terminal**, so long as MOL is acting as consignee for the cargo and would otherwise be responsible for payment of charge.** Rail Car Loading/ Unloading shall be per applicable NWSA Tariff (currently 336.000 – 336.500).

5. Rates and Conditions for Terminal 7 and Blair Terminal:

5.A. Wharfage: Wharfage shall be assessed per the current NWSA Tariff #300 Item #333.500 (currently $.32/MT), except as otherwise provided in this Agreement.

5.B. Labor/Equipment: The amount of labor and equipment required for handling cargo at Terminal 7 or Blair Terminal will be determined by each vessel call. If labor is required to receive/release cargo, terminal operations and gate, NWSA shall provide the labor, and MOL shall be charged at the actual cost of labor and benefits plus 25%. MOL may reduce the potential cost of a vessel call by coordinating with NWSA Operations and the trucking companies to limit the number of days labor is hired to receive or issue out cargo.

5.C. Exemptions: Except as otherwise provided in this Agreement, NWSA will not charge the following when cargo is imported or exported via the NWSA at Terminal 7 or Blair Terminal:

1. Service and Facilities
2. Handling
3. Administrative or Superintendent Costs.

5.D. Limitations: This Agreement is subject to the following limitations which may affect operations at Terminal 7 or Blair Terminal:

1. Weight and axle spacing of cargo
2. Availability of equipment required for safe and efficient operations
3. Availability of supervisory personnel required for safe and efficient operations 4. Other NWSA operations at Terminal 7 or Blair Terminal

5.E. Special Conditions:

1. NWSA will use commercially reasonable efforts to honor specific requests by MOL to use Terminal 7 or the Blair Terminal; however, the final decision on which terminal may be used for each vessel call is in the discretion of NWSA.
2. MOL must provide a manifest stating the weight, dimensions, and axel spacing of all high and heavy cargo in advance of vessel arrival for discharge or load-back. NWSA's engineering department must review and approve all high and heavy cargo crossing the docks at NWSA.
3. The use of Terminal 7 and Blair Terminal is subject to the size and total laydown area required of the high and heavy cargo.
4. Blair Terminal has limited area, and in general can handle only 5 pieces of high and heavy cargo at one time. Please contact NWSA in advance of vessel arrival to ensure that the cargo size and expected duration of stay can be accommodated.
5. Blair Terminal has limited lift capacity, and if cargo is not self-loadable then additional equipment may be necessary.

6. General Conditions:

6.A. If MOL elects to make a "Double Call" in Tacoma to include the East Blair One Terminal and Terminal 7 or the Blair Terminal during the same voyage, MOL shall pay the Dockage and Security Fees of the terminal where the charges are greater and will be exempt from the Dockage and Security Fees otherwise due at the other (less expensive) terminal.

6.B. Dockage and Security shall be per NWSA Tariff.

6.C. Equipment located at Terminal 7 or Blair Terminal and available for MOL vessel operations at the location and time of such operations is included. Equipment required for MOL vessel operations but not located at the place of such operations or not available for MOL vessel operations at the location or time of such operations shall be per NWSA Tariff.

6.D. Autos going to or from processors will be charged Wharfage and S&F as per NWSA Tariff. POV vehicles will be charged Wharfage, S&F, Ro-Ro handling, as per NWSA Tariff. Minimum charges shall not apply on Ro-Ro handling for POV's.

6.E. The rates under this Agreement do not apply to military cargo from any nation. The rates under this Agreement do not include overweight or over-dimensional cargo that requires additional outside services and NWSA labor.

6.F. If this Agreement continues beyond June 30, 2026, then the rates under this Agreement shall be increased effective July 1, 2026 and each July 1st thereafter by amounts to be mutually agreed to by the parties. If the parties are unable to agree to the amount of an increase, then the applicable NWSA Tariff shall apply.

6.G. NWSA will make commercially reasonable efforts to accommodate a request to load / unload high and heavy cargo at NWSA; however, the final decision to accommodate any particular cargo is in the discretion of NWSA.

6.H. MOL will be the sole billable party and responsible party for all costs and charges related to a vessel call under this Agreement. NWSA will not split out or apportion any costs or charges related to this Agreement, including but not limited to costs or charges associated with labor or equipment or any particular cargo.

6.I. Unless expressly stated otherwise in this Agreement all other terms and conditions of the applicable NWSA Tariff #300 shall apply, including, but not limited to: commodity rates, overtime, standby, shift differentials, and other NWSA services. Other rules and regulations of the NWSA Tariff and of the NWSA generally shall apply.

The Northwest Seaport Alliance **As licensee/agent for the Port of Tacoma** **and Port of Seattle**	**MOL (Americas) LLC,** **Acting for and on behalf** **of Mitsui O.S.K. Lines, Ltd.**
By: ______________________	By: Martin McGreevey Digitally signed by: Martin McGreevey DN: CN = Martin McGreevey email = martin.mcgreevey@molgroup.com C = AD O = MOLAM LB OU = MOL (Americas) LLC Date: 2024.09.20 22:00:09 -08'00'
Tong Zhu, CCO & CSO	Martin McGreevey, Operations
Date: ______________________	Date: 9/20/2024

SERVICE AGREEMENT

The Northwest Seaport Alliance and Kawasaki Kisen Kaisha, Ltd. (““K” Line”)

Reference #24-504B

This Agreement is between The Northwest Seaport Alliance as licensee/agent for the Port of Tacoma and Port of Seattle (collectively "NWSA") and Kawasaki Kisen Kaisha, Ltd. (""K" Line") (together, "Parties").

WHEREAS, since 2016 the Parties have entered into a series of prior service agreements to set rates for services in the NWSA gateway, including "K" LINE Agreement Reference 21-504 with an effective date of October 1st to September 30th, 2024; and

WHEREAS, the Parties now wish to set rates and provide for services in the NWSA Gateway as more fully set forth herein.

Now therefore, the parties herby agree as follows:

1. **Term**: This Agreement is effective from October 2, 2024 , 2024 through June 30, 2026.

2. **Applicable Facilities:** This Agreement covers commodities imported and exported via the NWSA at East Blair One (EB-1) Terminal, Terminal 7, and Blair Terminal only, except as otherwise agreed in writing by NWSA. This Agreement supersedes any and all prior service agreements between the parties regarding commodities imported and exported via the NWSA at these facilities.

3. **Exclusive Gateway:** The NWSA will be the exclusive U.S. Puget Sound port for "K" Line PCC/RoRo cargo for the duration of this Agreement; provided, however, that "K" Line may from time to time call on other U.S. Puget Sound ports with respect to PCC/RoRo cargo, but each such call shall occur only on the prior written consent of the NWSA after written request by "K" Line, which consent shall not be unreasonably withheld. The remedy for breach of this provision by "K" Line shall be termination of this Agreement.

4. **Rates and Conditions for East Blair One (EB-1) Terminal:**

4.A. Rates: Effective October 2, 2024 through June 30,2025:

Description	Applicable Tariff Number	Agreed Rate	Calculation
Machinery & Construction Equipment (Import and Export)	**333.400**	**$28.65**	**Per 1,000 kgs**
Agricultural Equipment	**333.400**	**$28.65**	**Per 1,000 kgs**
Vehicles (NOS) other than automobiles, vans and pickup trucks (import and export)	**333.400**	**$28.65**	**Per 1,000 kgs**
Modular Houses and Buildings	**324.000**	**$28.91**	**Per 1,000 kgs**
Pleasure Boats on Trailers (import and Export	**309.000**	**$70.93**	**Per 1,000 kgs**

4.B. Mid-Agreement Rate Adjustment: The Rates in this agreement will be adjusted on July 1, 2025 using the following methodology:

- 74% of the CPI-U Seattle Tacoma Bellevue (April to April)
- 26% of the ILWU-PMA West Coast Agreement net impact between wages and benefits/assessments
- If a rate other than the one derived using the above formula is requested, both parties will work in good faith agree to a different rate
- In no case will the rate be lower than the preceding year
- Example: October 2, 2024 through June 30 2025:
    - CPI-U April 2024 –April 2025:3.8%
    - ILWU – PMA July 1 Change (Non-PMA Member): 7.24%
    - Increase would be: 4.7% (((3.8*7.4)= 2.8%) + ((7.24*2.6)=1.9%)) =4.7%

4.C. Special Conditions: Above Rates Include Wharfage, Service and Facility, and special Ro-Ro Handling. "K" Line shall not be required to pay Tariff Item #239.010 or Item #239.020 with respect to the truck loading/unloading fee for cargo imported or exported via the NWSA at the East Blair One (EB1) terminal**, so long as "K" Line is acting as consignee for the cargo and would otherwise be responsible for payment of charge.** Rail Car Loading/ Unloading shall be per applicable NWSA Tariff (currently 336.000 – 336.500).

5. Rates and Conditions for Terminal 7 and Blair Terminal:

5.A. Wharfage: Wharfage shall be assessed per the current NWSA Tariff #300 Item #333.500 (currently $.32/MT) except as otherwise provided in this Agreement.

5.B. Labor/Equipment: The amount of labor and equipment required for handling cargo at Terminal 7 or Blair Terminal will be determined by each vessel call. If labor is required to receive/release cargo, terminal operations and gate, NWSA shall provide the labor, and "K" Line shall be charged at the actual cost of labor and benefits plus 25%. "K" Line may reduce the potential cost of a vessel call by coordinating with NWSA Operations and the trucking companies to limit the number of days labor is hired to receive or issue out cargo.

5.C. Exemptions: Except as otherwise provided in this Agreement, NWSA will not charge the following when cargo is imported or exported via the NWSA at Terminal 7 or Blair Terminal:

1. Service and Facilities
2. Handling
3. Administrative or Superintendent Costs.

5.D. Limitations: This Agreement is subject to the following limitations which may affect operations at Terminal 7 or Blair Terminal:

1. Weight and axle spacing of cargo
2. Availability of equipment required for safe and efficient operations
3. Availability of supervisory personnel required for safe and efficient operations
4. Other NWSA operations at Terminal 7 or Blair Terminal

6. General Conditions:

6.A. Dockage and Security shall be per NWSA Tariff, except as provided in 6.B. below.

6.B. If "K" Line elects to make a "Double Call" in Tacoma to include the East Blair One Terminal and Terminal 7 or the Blair Terminal during the same voyage, "K" Line will be responsible for paying the Dockage and Security Fees at the terminal where the charges are greater and exempt from the Dockage and Security Fees normally due at the other terminal.

6.C. Equipment located at Terminal 7 or Blair Terminal and available for "K" Line vessel operations at the location and time of such operations is included. Equipment required for "K" Line vessel operations but not located at the place of such operations or not available for "K" Line vessel operations at the location or time of such operations shall be per NWSA Tariff.

6.D. Autos going to or from processors will be charged Wharfage and S&F as per NWSA Tariff. POV vehicles will be charged Wharfage, S&F, Ro-Ro handling, as per NWSA Tariff. Minimum charges shall not apply on Ro-Ro handling for POV's.

6.E. The rates under this Agreement do not apply to military cargo from any nation. The rates under this Agreement do not include overweight or over-dimensional cargo that requires additional outside services and NWSA labor.

6.F. This Agreement may be terminated prior to the end of the Term only in the event of a breach. The party claiming breach shall give the other party written notice and a description of the claimed breach, and thirty (30) business days to cure or otherwise reach agreement between the Parties on resolution. If the claim of breach has not been cured or resolved, this Agreement will terminate on the thirty-first (31) business day after the written notice of breach

6.G. If this Agreement continues beyond June 30, 2026, then the rates under this Agreement shall be increased effective July 1, 2026 and each July 1st thereafter by amounts to be mutually agreed to by the parties. If the parties are unable to agree to the amount of an increase, then the applicable NWSA Tariff shall apply.

6.H. Unless expressly stated otherwise in this Agreement all other terms and conditions of the applicable NWSA Tariff #300 shall apply, including, but not limited to: commodity rates, overtime, standby, shift differentials, and other NWSA services. Other rules and regulations of the NWSA Tariff and of the NWSA generally shall apply.

The Northwest Seaport Alliance As licensee/agent for the Port of Tacoma and Port of Seattle	**"K" Line America, Inc. As General Agents on behalf of Kawasaki Kisen Kaisha, Ltd. ("K" Line)**
By: ______________	By: ______________
Tong Zhu	Yosuke Yokoyama
Its: CCO & CSO	Its: President & CEO
Date: ______________	Date: 9/20/2024

SERVICE AGREEMENT

The Northwest Seaport Alliance and GLOVIS

Reference #24-506B

This Agreement is by and between The Northwest Seaport Alliance as licensee/agent for the Port of Tacoma and Port of Seattle (collectively "NWSA") and Hyundai Glovis Co., Ltd.("GLOVIS") GLOVIS (together, "Parties").

WHEREAS, since July 14, 2014 the Parties have entered into a series of prior service agreements to set rates for services in the NWSA gateway, including GLOVIS Agreement Reference 21-506 with an effective date of October 1st to September 30th,2024:and

WHEREAS, the Parties now wish to set rates and provide for services in the NWSA Gateway as more fully set forth herein.

Now therefore, the parties hereby agree as follows:

1. **Term**: This Agreement is effective from October 2, 2024, through June 30, 2026, unless otherwise extended by mutual agreement of the Parties, or terminated earlier pursuant to section 6.F herein.

2. **Applicable Facilities:** This Agreement covers rates and services for commodities imported and exported via the NWSA at East Blair One (EB-1) Terminal, Terminal 7, Blair Terminal, and T-46 only, except as otherwise agreed in writing by NWSA. This Agreement supersedes any and all prior service agreements between the parties regarding commodities imported and exported via the NWSA at these facilities, including the Interim Agreement, except for the account reconciliation provisions related thereto as set forth in Section 4.B of this Agreement.

3. **Exclusive Gateway:** In consideration for this Agreement, the NWSA will be the exclusive U.S. Puget Sound port for GLOVIS pure car carrier and roll on – roll off (PCC/RoRo) cargo for the duration of this Agreement; provided, however, that GLOVIS may from time to time call on other U.S. Puget Sound ports with respect to PCC/RoRo cargo, but each such call shall occur only on the prior written consent of the NWSA after written request by GLOVIS, which consent shall not be unreasonably withheld. The remedy for breach of this provision by GLOVIS shall be termination of this Agreement.

4. Rates and Conditions for East Blair One (EB-1) Terminal:

4.A. Rates: Effective October 2, 2024 through June 30, 2025

Description	Applicable Tariff Number	Agreed Rate	Calculation
Machinery & Construction Equipment (Import and Export)	333.400	$29.35	Per 1,000 kgs
Agricultural Equipment	333.400	$29.35	Per 1,000 kgs
Vehicles (NOS) other than automobiles, vans and pickup trucks (import and export)	333.400	$29.35	Per 1,000 kgs
Modular Houses and Buildings	324.000	$29.76	Per 1,000 kgs
Pleasure Boats on Trailers (import and Export	309.000	$70.90	Per 1,000 kgs

HYUNDAI GLOVIS CO.,LTD.

4.B. Mid-Agreement Rate Adjustment: The Rates in this agreement will be adjusted on July 1, 2025 using the following methodology:

- 74% of the CPI-U Seattle Tacoma Bellevue (April to April)
- 26% of the ILWU-PMA West Coast Agreement net impact between wages and benefits/assessments
- If a rate other than the one derived using the above formula is requested, both parties will work in good faith agree to a different rate
- In no case will the rate be lower than the preceding year
- Example: October 2, 2024 through June 30 2025:
    - CPI-U April 2024 –April 2025:3.8%
    - ILWU – PMA July 1 Change (Non-PMA Member): 7.24%
    - Increase would be: 4.7% (((3.8*7.4)= 2.8%) + ((7.24*2.6)=1.9%)) =4.7%

5 Rates and Conditions for Terminal 7 and Blair Terminal:

5.A. Wharfage: Wharfage shall be assessed per the current NWSA Tariff #300 Item #333.500 (currently $.32/MT) except as otherwise provided in this Agreement.

5.B. Labor/Equipment: The amount of labor and equipment required for handling cargo at Terminal 7 or Blair Terminal will be determined by each vessel call. If labor is required to receive/release cargo, terminal operations and gate, NWSA shall provide the labor, and GLOVIS shall be charged at the actual cost of labor and benefits plus 25%. GLOVIS may reduce the potential cost of a vessel call by coordinating with NWSA Operations and the trucking companies to limit the number of days labor is hired to receive or issue out cargo.

5.C. Exemptions: Except as otherwise provided in this Agreement, NWSA will not charge the following when cargo is imported or exported via the NWSA at Terminal 7 or Blair Terminal:

1. Service and Facilities
2. Handling
3. Administrative or Superintendent Costs.

5.D. Limitations: This Agreement is subject to the following limitations which may affect operations at Terminal 7 or Blair Terminal:

1. Weight and axle spacing of cargo
2. Availability of equipment required for safe and efficient operations
3. Availability of supervisory personnel required for safe and efficient operations
4. Other NWSA operations at Terminal 7 or Blair Terminal

5.E. Special Conditions:

1. NWSA will use commercially reasonable efforts to honor specific requests by GLOVIS to use Terminal 7 or the Blair Terminal; however, the final decision on which terminal may be used for each vessel call is in the discretion of NWSA.

2. GLOVIS must provide a manifest stating the weight, dimensions, and axel spacing of all high and heavy cargo in advance of vessel arrival for discharge or load-back. NWSA's engineering department must review and approve all high and heavy cargo crossing the docks at NWSA.

HYUNDAI GLOVIS CO.,LTD.

3. The use of Terminal 7 and Blair Terminal is subject to the size and total laydown area required of the high and heavy cargo.

4. Blair Terminal has limited area, and in general can handle only 5 pieces of high and heavy cargo at one time. Please contact NWSA in advance of vessel arrival to ensure that the cargo size and expected duration of stay can be accommodated.

5. Blair Terminal has limited lift capacity, and if cargo is not self-loadable then additional equipment may be necessary.

6. General Conditions:

6.A. Dockage and Security shall be per NWSA Tariff, except as provided in 6.B. below.

6.B. If GLOVIS elects to make a "Double Call" in Tacoma to include the East Blair One Terminal and Terminal 7, the Blair Terminal, or T-46 during the same voyage, GLOVIS will be responsible for paying the Dockage and Security Fees at the terminal where the charges are greater and exempt from the Dockage and Security Fees normally due at the other terminal.

6.C. Equipment located at Terminal 7 or Blair Terminal and available for GLOVIS vessel operations at the location and time of such operations is included. Equipment required for GLOVIS vessel operations but not located at the place of such operations or not available for GLOVIS vessel operations at the location or time of such operations shall be per NWSA Tariff.

6.D. Autos going to or from processors will be charged Wharfage and a service and facilities fee ("S&F") as per NWSA Tariff. Privately owned vehicles ("POVs') will be charged Wharfage, S&F, Ro-Ro handling, as per NWSA Tariff. Minimum charges shall not apply on Ro-Ro handling for POV's.

6.E. The rates under this Agreement do not apply to military cargo from any nation. The rates under this Agreement do not include overweight or over-dimensional cargo that requires additional outside services and NWSA labor.

6.F. This Agreement may be terminated prior to the end of the Term only in the event of a breach. The party claiming breach shall give the other party written notice and a description of the claimed breach, and thirty (30) business days to cure or otherwise reach agreement between the Parties on resolution. If the claim of breach has not been cured or resolved, this Agreement will terminate on the thirty-first (31) business day after the written notice of breach.

6.G. If this Agreement continues beyond June 30, 2026, then the rates under this Agreement shall be increased effective July 1, 2026 and each July 1st thereafter by amounts to be mutually agreed to by the parties. If the parties are unable to agree to the amount of an increase, then the applicable NWSA Tariff shall apply.

6.H. NWSA will make commercially reasonable efforts to accommodate a request to load / unload high and heavy cargo at NWSA; however, the final decision to accommodate any particular cargo is in the discretion of NWSA.

6.I. GLOVIS will be the sole billable party and responsible party for all costs and charges related to a vessel call under this Agreement. NWSA will not split out or apportion any costs or charges related to this Agreement, including but not limited to costs or charges associated with labor or equipment or any particular cargo.

HYUNDAI GLOVIS CO.,LTD.

6.J. Unless expressly stated otherwise in this Agreement all other terms and conditions of the applicable NWSA Tariff #300 shall apply, including, but not limited to: commodity rates, overtime, standby, shift differentials, and other NWSA services. Other rules and regulations of the NWSA Tariff and of the NWSA generally shall apply.

The Northwest Seaport Alliance As licensee/agent for the Port of Tacoma and Port of Seattle		Hyundai Glovis Co., Ltd.	
By:	Tong Zhu	By:	
Its:	Chief Commercial and Strategy Officer	Its:	83-21, Wangsimni-ro, Seongdong-gu, Seoul, Korea HYUNDAI GLOVIS Co., Ltd.
Date:		Date:	

HYUNDAI GLOVIS CO., LTD.

Item No.: 9C
Meeting Date: Oct. 1, 2024

Vessel Service Agreements

THE NORTHWEST SEAPORT ALLIANCE
SEATTLE + TACOMA

Andre Elmaleh
Sr. Manager, Business Development

1

ACTION REQUESTED

Request the Managing Members of The Northwest Seaport Alliance (NWSA) authorize the CEO or his delegate to enter into Vessel Service Agreements (VSAs) with the following customers from October 2, 2024, through June 30, 2026, in substantially the same form as presented.

- MOL (Americas) LLC acting for an on behalf of Mitsui O.S.K. Lines, Ltd.
- “K” Line America, Inc. on behalf of Kawasaki Kisen Kaisha, Ltd. (“K” Line)
- Hyundai-Glovis Co., Ltd.

THE NORTHWEST SEAPORT ALLIANCE
SEATTLE + TACOMA

2

2

Key Terms

- **Term:** October 2, 2024, through June 30, 2026
- **Considerations:**
  - o Gateway Exclusivity Commitment
  - o Discounted Tariff on certain commodities (average 31%)
  - o Formula using CPI-U for calculating the mid-term increase which provides the customer a fair expectation of their increase while protecting the NWSA
  - o All Carriers have the Secondary Dockage costs waived if calling more than one pier in the same voyage. GLOVIS adds T-46 to the list of piers which qualify for the waiver

Background

- Service agreements have been key to attracting and retaining the world's largest Roll-on/Roll-off (Ro/Ro) shipping lines and their breakbulk cargo to The Northwest Seaport Alliance facilities. The negotiated discount from the public tariff is designed to anchor existing customers and to entice new cargo. When negotiating an agreement, staff and the customer focus on the highest volume commodities and specific pieces of business targeted to move under this agreement.
- VSAs provide the NWSA with the following:
  - New cargo opportunities
  - Exclusivity of port calls and/or a minimum annual guarantee of cargo

5

Background (Cont.)

Typical Port Operations Include:

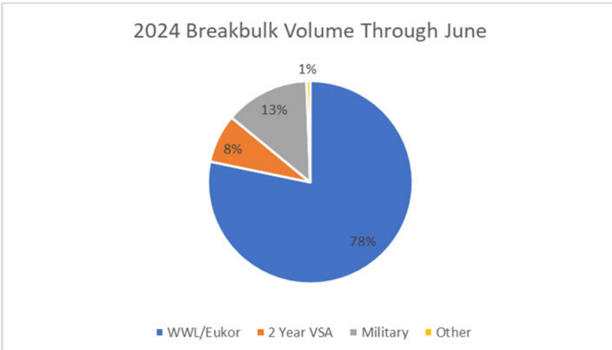
- Receive and Release Cargo to the Ocean Carrier
- Inspect cargo
- Move to a place of rest
- Receive from or load/release cargo to the trucker, or railroad
- The vast majority of vessel service agreement customer operations occur at the East Blair One terminal
- VSA customers including WWL account for 86% of the NWSA operated Breakbulk business

THE NORTHWEST SEAPORT ALLIANCE
SEATTLE + TACOMA

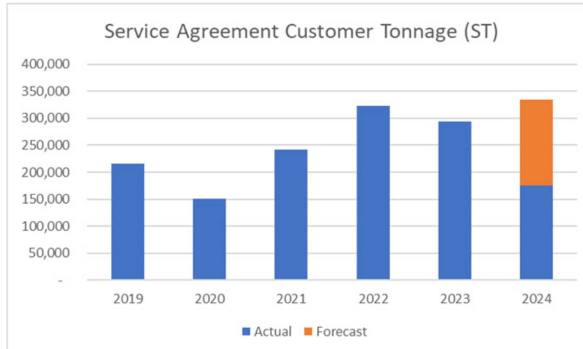
6

6

Total NWSA Breakbulk Business



Service Agreement Customer Volume*



THE NORTHWEST SEAPORT ALLIANCE SEATTLE + TACOMA

7

* WWL/Eukor and 2-year VSA customers only

7

EB-1 Terminal Operations Revenue ($M)

	2022 Actual	2023 Actual	2024 Budget	2024 July YTD
Revenue	$11.3	$13.4	$12.4	$8.2
Operating Expenses before Depreciation	$8.8	$10.6	$10.4	$6.2
Operating Income before Depreciation	$2.5	$2.9	$2.0	$2.0
Operating Margin	22%	21%	16%	24%

THE NORTHWEST SEAPORT ALLIANCE SEATTLE + TACOMA

8

8

ACTION REQUESTED

Request the Managing Members of The Northwest Seaport Alliance (NWSA) authorize the CEO or his delegate to enter into Vessel Service Agreements (VSAs) with the following customers from October 2, 2024, through June 30, 2026, in substantially the same form as presented.

- MOL (Americas) LLC acting for an on behalf of Mitsui O.S.K. Lines, Ltd.
- “K” Line America, Inc. on behalf of Kawasaki Kisen Kaisha, Ltd. (“K” Line)
- Hyundai-Glovis Co., Ltd.

THE NORTHWEST SEAPORT ALLIANCE SEATTLE + TACOMA

9