

MINUTES

Tuesday, April 6, 2021, 9:00 a.m.

Managing Member Regular, Port of Seattle / Port of Tacoma Special

Remote. Dial in: 1 253 617 4257 Conference ID: 121 693 99#

1. CALL TO ORDER

The meeting was called to order at 9:01 a.m. Port of Seattle Commissioners Stephanie Bowman, Sam Cho, Fred Felleman and Peter Steinbrueck were all present. Port of Tacoma Commissioners Kristin Ang, Deanna Keller, John McCarthy, Dick Marzano and Don Meyer were all present. Port of Seattle Commissioner Ryan Calkins joined at 9:06 a.m.

2. RECESS TO EXECUTIVE SESSION

The Managing Members then recessed for an executive session to discuss with legal counsel representing the agency, three matters relating to litigation or potential litigation to which the agency is, or is likely to become, a party. The executive session ended at 10:29 a.m. No votes or actions were taken.

3. CLOSED SESSION

Following executive session, at 10:30 a.m., the Managing Members, the commissions of the Port of Seattle and Port of Tacoma, held a closed confidential session as authorized under Federal Maritime Commission (FMC) regulations and related laws found at 46 U.S.C. § 40306; 46 C.F.R. §535.608; and 46 C.F.R. 535.701(i)(1) and as authorized by the Port of Seattle/Port of Tacoma Alliance Agreement, FMC Agreement No. 201228. The closed session lasted 45 minutes. No votes or actions were taken.

4. RETURN TO ORDER AND PLEDGE OF ALLEGIANCE

The Managing Members reconvened at 11:30 a.m. Roll was taken. A quorum was present. Commissioners Bowman and Cho were briefly delayed.

7*. PUBLIC COMMENT

*Without objection, the agenda was reordered to take public comment prior to the Chief Executive Officer's Report.

Public comment was taken from the following regarding the Northwest Ports Clean Air Strategy (NWPCAS) – agenda item 8G:

- Craig Kenworthy, Puget Sound Clean Air Strategy
- Adrienne Hampton, Climate Policy and Engagement Manager, Duwamish River CleanUp Coalition
- Mike Moore, Pacific Maritime Association
- Sheri Call, Executive Vice President, Washington Trucking Association
- Kelly Barber, SSA Marine
- Leah Missik, Washington Transportation Policy Manager Climate Solutions
- Karen Zima, OneRoad Intermodal Logistics

5. CHIEF EXECUTIVE OFFICER'S REPORT

- He summarized the agenda.
- First new international container service from Wan Hai Lines called Terminal 18 and is a first port of call to our gateway on the west coast.

- Port of Seattle, Port of Tacoma and The Northwest Seaport Alliance recently filed an appeal of the 2020 Industrial Stormwater General Permit (ISGP). The Pollution Control Hearings Board granted the Ports' and Alliances motion for summary judgement.
- The first virtual State of the Port event took place March 30, 2021. The NWSA announced its 2020 North Star Award winners, recognizing SSAS Marine with the Environmental Stewardship Award and MacMillan-Piper with the Cargo Anchor Award.
- Steve Balaski, Senior Manager, Business Development and Brig Skoy, Director, Business Development from Savage, provided briefing highlighting a new Inland Rail Hub in Pocatello, ID.

6. CONSENT AGENDA

- A. Approval of the minutes from February 4, 2021 and March 2, 2021.

- B1. Approval of the payment of checks 707919 through 708074, excluding check 707974, and wire transfers in the amount of \$24,883,968.23 during the period of February 13, 2021 through March 19, 2021.

- B2. Approval of the payment of check 707974 in the amount of \$10,145.07 dated February 26, 2021 to the State Auditor's Office (SAO) for the NWSA Accountability Audit.

- B. NIM Lighting Retrofit. Request project authorization in the amount \$480,000 for work associated with the Lighting Upgrade at the North Intermodal Yard (NIM) Master Identification No. 201127.01.

- C. Terminal 5 (T5) Quiet Zone MOU Amendment - Authorization to amend the existing T5 Quiet Zone Memorandum of Understanding (MOU) with the City of Seattle.

- D. MOL Vessel Services Agreement - Request authorization for the Chief Executive Officer or their delegate to enter into a Vessel Service Agreement with MOL Americas LLC (MOL), from April 1, 2021 through September 30, 2021.

Item 6B2 was pulled from Consent by Commissioner Marzano for separate consideration.
 Item 6D was pulled from Consent by Commissioner McCarthy for separate consideration.

It was moved and seconded to approve the consent agenda as amended - items 6A, 6B1, 6C, and 6E.

The motion passed unanimously.

ITEMS REMOVED FROM CONSENT:

It was moved and seconded to approve item 6D.

Discussion:

- Commissioner McCarthy noted that the MOU was entered into in 2017 predating the service of six of the current commissioners. It was amended in 2019 predating three of the current commissioners. He asked what this amendment accomplishes.
- Staff explained that the MOU is part of the permit conditions of the Terminal 5 (T5) Master Use Permit (MUP). The NWSA worked closely with the City of Seattle, and the collaboration led to the inclusion of five additional adjacent interrelated MUP conditions and other transportation improvements to be incorporated into the Quiet Zone MOU. The City of Seattle/SDOT has requested the additional MUP conditions work that they did be included in the MOU document. Doing so adds no financial impact to the NWSA.

The motion passed unanimously.

It was moved and seconded to approve item 6B2, the payment of check 707974 in the amount of \$10,145.07 dated February 26, 2021 to the State Auditor's Office (SAO).

Discussion:

- This check is for a payment to the State Auditor's Office for the Alliance's Accountability Audit.
- Commissioner McCarthy is related to the State Auditor and has requested to abstain from voting on payments to that office.

The motion passed by the following vote:

Port of Seattle – 1

Port of Tacoma – 1 (McCarthy abstained).

7. PUBLIC COMMENT

(Heard prior to agenda item 5 – the CEO report)

8. ACTIONS

8A. *Item pulled prior to the meeting.*

8B. Resolution 2021-05. Comprehensive State Transportation Funding Package
Presentation by Sean Eagan, Government Affairs Director

It was moved and seconded (Calkins/Keller) to waive two readings and adopt at first reading Resolution 2021-05 urging the Washington State Legislature to work collaboratively to pass a comprehensive transportation funding package in 2021.

The motion passed unanimously.

Discussion:

- Staff provided a background on the issues. Commissioner Bowman thanked staff for their work and particularly for highlighting the impact of the decrease in gas tax revenues. Inform legislators of the importance of these issues.
- Commissioner Marzano commented that the Alliance does not like to waive its process of two readings for Resolutions, but it is allowed for in the Alliance's bylaws. A transportation funding package is critical, particularly the Puget Sound Gateway Project, to the NWSA. He is in support of the Resolution and the waiver of two readings.

8C. Terminal 30 (T30) Substation Replacement Project

Presentation by Thais Howard, Director of Engineering and Ann Porter, Capital Program Leader POS

It was moved and seconded (Felleman/Keller) to grant project authorization in the amount of \$1,800,000 for a total authorized amount of \$2,800,000 for work associated with the T30 Substation Replacement Project CIP Nos. U00660 (Capital) and U00661 (Expense).

The motion passed unanimously.

Discussion:

- Staff provided background on the transformer failure at Terminal 30. A Notice of Emergency Declaration was filed December 8 2020. The Managing Members were updated in January and February 2021.
- Under the Emergency Declaration, Staff received authorization of \$1 million to put in temporary generators, investigate the cause of the failure, and look at a more permanent solution. The NWSA is covering the cost of the generators and the tenant is covering the cost of the fuel.

- Today's request is for a less costly temporary interim solution. The interim solution is designed and ready to be procured and installed. It will allow power to the facility without using diesel generators and without the ongoing cost for fuel. A root cause analysis for the failure is in draft form and being reviewed by staff along with the tenant.
- Staff noted that the request is just for the interim solution. A request for authorization for a permanent solution will occur at a later time once the design is completed.
- Staff provided the scope of work, phasing/schedule and financial implications of the proposed project.
- Commissioner Felleman asked if the project could be looked at in the context of the overall Waterfront Electrification Plan the North Harbor is exploring. Staff responded that the current plan is designed to replace "as is" for current loads, but staff can look at the design to accommodate anticipated future load over the next 50 years which would be the service life.
- The equipment for the temporary substation and for the generators is being leased and are sunk costs.
- Staff informed commissioners that this sight is not under consideration for shore power so it is not currently within the scope. Including shore power would mean additional design work, an impact study by Seattle City Light. Substation costs would likely to increase as well as the costs related to upgrading of the service, the power feed from City Light to the terminal. This will also impact the schedule for delivering a permanent solution.
- Commissioner Meyer commented that the expectation by the community is that the NWSA can somehow change things over night. Often there are long term leases and very seldom is there the opportunity to spend money looking forward. He said what he hears is that even though this is an international terminal, we do not have any interest in bringing in cold ironing capability. He suggested that this is the time to at least raise that questions, especially when the NWSA is likely to be spending somewhere around \$7 million.
- Commissioner Felleman commented there are opportunities short of cold ironing. The NWSA should be looking at electrification of cargo handling equipment and trucks as well.

8D. GLOVIS Amendment

Presentation by Andre Elmaleh, Senior Manager Business Development

It was moved and seconded (Steinbrueck/Cho) to authorize the Chief Executive Officer or his delegate to enter into the First Amendment to the GLOVIS Use Agreement.

The motion passed unanimously.

Discussion:

- GLOVIS has expanded its business offering automobile processing and ocean shipping for automobile manufacturers beyond Hyundai and KIA. Competition for GLOVIS in the Pacific Northwest is strong and other ports are interested in providing solutions. GLOVIS is interested in exploring a solution with the NWSA, this amendment allows an interim solution which retains the current book of business in Tacoma.
- The key terms to the GLOVIS Amendment were presented.
- Commissioner Meyer asked for clarity regarding what staff meant by finances, "adequately cover the retention program."
- Staff expanded on the financial impact noting that the auto industry has multiple incentive programs to multiple players – shippers and auto processors. The various incentives kick in at different levels. The original budget was \$4.6 million of income for the NWSA auto business. The \$1 million expense drops it down to \$3.6 million. If

shippers/auto processors do less than a certain level of volume, there are other incentives that either engage or are foregone based on the total volume not just of GLOVIS but of the auto processor as well. The \$1 million is a ceiling.

8E. First Amendment to ConGlobal Industries Lease at Terminal 106 (T106)

Presentation by Erin DeBroux, Real Estate Manager

It was moved and seconded (McCarthy/Ang) to authorize the Chief Executive Officer or their delegate to enter into the First Amendment to Lease between the Northwest Seaport Alliance as Lessor and ConGlobal Industries, LLC (CGI) as Lessee.

It was then moved and seconded (Meyer/McCarthy) to amend the motion to add after the last sentence of the original motion: The Northwest Seaport Alliance and Port of Seattle will enter into an Interlocal Agreement (ILA) to formalize use of the area to be removed from CGI's premises for use by Port of Seattle and its tenant(s). The ILA will also address compensation with the intent that the project remains cost neutral to the NWSA. Compensation provided by Port of Seattle to the NWSA will be in an amount not less than the total loss in revenue under the CGI lease and any future lease and remitted on an annual basis.

The motion to amend passed unanimously.

The motion passed unanimously as amended.

Discussion:

- Staff provided a background and reasons the amendment is needed. The Port of Seattle and ConGlobal entered into a lease in January 2015 for certain premises located at T106 and T108. The NWSA assumed management of this Lease in August 2015. Development contemplates modifications to the current ingress/egress routes.
- The NWSA and CGI will not bear any costs or expenses for the project. All work, including restoration of CGI's premises is to be completed at the sole cost and expense of the Port of Seattle.
- The work will benefit the NWSA as the widening the ingress/egress route to 2-lane traffic will make it more usable and staff anticipates the ability to market the property at a higher rate in the future.
- Staff will return to the Managing Members with an Interlocal Agreement between the NWSA and the Port of Seattle that formalizes the area to be removed from CGI's premises, address financial compensation with intent that the project remains cost neutral to the NWSA, compensation to the NWSA to be an amount not less than total loss in revenue under CGI lease and any future lease.
- Commissioner Meyer moved to include condition regarding entry into an ILA with the Port of Seattle included in the action requested.

8F. DUAL ACTION - First Amendments for Maritime Access and Impact Mitigation Agreements with the Muckleshoot Indian Tribe and the Suquamish Tribe

Presentation by Lindsay Wolpa, Senior Manager Strategic Projects and Mike McLaughlin, Director of Cruise Operations and Maritime Marketing, Port of Seattle.

It was moved and seconded (Bowman/Felleman) that the Managing Members of the Northwest Seaport Alliance and the Port of Seattle Commission authorize execution of the First Amendments to the Maritime Access and Impact Mitigation Agreements with the Muckleshoot Indian Tribe and the Suquamish Tribe in substantially the same form as presented and the NWSA Managing members further direct the NWSA

Governance Work Group to evaluate and make a recommendation to the Managing members on whether costs related to tribal matters should be borne by a Homeport, the NWSA, or as a shared matter. If the Managing Members determine that tribal agreement payments should be borne by a Homeport, the Managing Members will also address reimbursement to the NWSA by the Homeport.

The motion failed 1-0 by the following vote:

<u>Port of Seattle – 1</u>		<u>Port of Tacoma – 0</u>	
Bowman:	Aye	Ang:	No
Calkins:	Aye	Keller:	Aye
Cho:	Aye	McCarthy:	No
Felleman:	Aye	Meyer:	No
Steinbrueck:	Aye	Marzano:	Aye

Port of Seattle: It was moved and seconded (Felleman/Bowman) that the Port of Seattle assume the full cost of the Suquamish Tribe Maritime Access and Impact Agreement presented for this five-year period, and that the Port of Seattle share the cost of the Muckleshoot Indian Tribe Maritime Access and Impact Agreement for this five-year period. The cost allocation will be revisited before the agreements are up for renegotiation.

The motion failed 2-3 by the following vote:

Bowman:	Aye
Calkins:	No
Cho:	No
Felleman:	Aye
Steinbrueck:	No

Discussion:

- The purpose of the agreements is to support vessel coordination movement in the North Harbor around the primary tribal fishing areas in Elliot Bay to avoid regular and constant conflict during seasonal fishing harvest periods.
- There was confusion regarding the parties to the agreements back in 2016. Staff recalled that the NWSA executed agreements with both the Muckleshoot Indian Tribe and the Suquamish Tribe in 2016. Predating the formation of the NWSA, the Port of Seattle had an agreement with the Muckleshoots. To staff's understanding, the Suquamish approached the Port of Seattle in 2015, again prior to the formation of the NWSA, to begin conversations regarding an agreement. Staff reported that the Suquamish did not come forward until after the 2013/2014 valuation discussions.
- Staff reported that prior to the 2016 five-year agreements, the agreements with individual recognized tribes were all related to permit concurrence items. The Port of Seattle would manage the individual claims, pay for the vessel coordinator program, pay for the vessels used, pay for net damage, gear loss and lost fishing time. Staff stated those elements are rolled up into these agreements.
- Commissioner McCarthy noted that the agreements terminated and there are no 'five-year' agreements in place at this time with either tribe.
- Discussion took place regarding the basis of the payments to the tribes. Including whether it is appropriate that the two tribes be compensated at the same rate based on treaty rights, regardless of the fishing activity, or whether actual damages to nets/equipment or impacts to fishing activity is or should be the basis.
- A change in the proposed agreements from the former five-year agreements, is to include a provision that continues a "Pilot Program" created under separate Terminal 5 Agreements. The separate agreements provide for compensation to each of the

tribes, in addition to that provided in these five-year agreements, specific to the displacement of nets as a result of larger ships.

- Commissioner McCarthy noted that this request is for \$1.5 million per year for five years and that soon staff will be bringing additional, separate agreements for additional money to the same parties. Commissioner McCarthy commented that both sets of agreements seem to be based on impact to fisheries. Staff stated that the agreements at issue here are regarding vessel coordination. The other agreements, the Terminal 5 Agreements, are regarding construction in the west waterway. Commissioner McCarthy commented that the timing of the presentation of the agreements feels piecemeal.
- Commissioner Ang opined that the valuations at the time of the formation of the NWSA were not accurate and these appear to be more of a Port of Seattle expense. She noted the Port of Tacoma has handled its own tribal relations and payments in the South Harbor.
- Commissioner Meyer wants more clarity regarding the financial implications. He also commented that he is not questioning the validity, but it appears to him that somewhere the basis for compensation has changed from actual damage and time to treaty rights. He does not want to delay Terminal 5 and suggested that perhaps the critical path is to work on the Terminal 5 Agreements first.
- Commissioner Marzano commented that Internal Governance Work Group is focused on reviewing valuations and homeport obligations. Those issues will be brought to the full Managing Members for later discussion.
- Commissioner Ang commented that Terminal 5 is a key priority. She does not argue what is owed to the tribes, the issue is who bears the costs. Until that is resolved, she is hesitant to vote in support of the agreements.
- Commissioner Calkins expressed his support of both elements of the NWSA motion. The motion exemplifies the spirit of the collaboration created by the NWSA. The system set up with the tribes to address an ongoing point of friction between sovereign nations and the NWSA has worked well. He urged commissioners to proceed with due haste.
- Commissioner Felleman also expressed the need to move forward. He commented that the assertion that the Port of Tacoma 'paid at the office' because of the Puyallup Tribal Land Claim Settlement isn't true. He referenced a potential \$45 million bill coming due in the South Harbor related to tribal issues.
- Commissioner McCarthy suggested Commissioner Felleman may not have all the information as to the breadth of the Puyallup Land Claim Settlement. He also stated that the NWSA Charter is silent on whether it is a NWSA obligation to enter into agreements and negotiate with tribes. Historically this has been left to the Homeports. In his opinion, because the Charter is silent, it means the Homeports have not given authority to the NWSA to do those negotiations. These are Homeport issues that shouldn't be imposed on the NWSA. He commented that in 2016, there were six commissioners that are no longer serving and the Managing Members are not bound by their interpretation.
- He repeated that there are no agreements in place now and added that the Charter should be interpreted on a case-by-case basis. He acknowledged concerns regarding impacts to Terminal 5 but noted those are the subject of separate agreements. He agreed with Commissioner Meyer, that those separate Terminal 5 Agreements should be the focus. He repeated that the five-year agreements at issue here are Homeport issues and urged commissioners to vote no on the NWSA motion.
- Commissioner Meyer repeated his position that the Terminal 5 project agreements should be addressed before the agreements at issue here.
- Commissioner Steinbrueck sought clarification and staff confirmed that the NWSA voted to approve the agreements in 2016 and that at that time, no issue was raised about who should pay and the propriety of making those payments. He asked why

then would the NWSA reverse course now when there is so much at stake concerning both honoring the tribal rights and ensuring a smooth future for the opening of Terminal 5 at the earliest date possible.

- Commissioner Steinbrueck further commented that the conversation taking place at this time is inappropriate. He said the Internal Governance Work Group has been charged to consider questions as to who should pay, not whether to pay at all. He stated the motion on the table establishes a path forward for the NWSA to reconsider the policy established in 2016. To change the policy requires reconsideration by the Managing Members for the future. He does not support any call for reimbursement of prior payments or reimbursement of any payments made per these proposed five-year agreements.
- Commissioners Marzano commented that one of his sole objectives is to get Terminal 5 up and running and generating revenue for the NWSA. Agreements with the tribes are needed and he considers them to be an operational aspect of doing business in the gateway. He stated that is why in 2016 there weren't questions about how to move forward. Now that there are questions about how to handle certain things not addressed in the Charter, those discussions can take place, but he does not want Terminal 5 held up.
- It was moved and seconded on behalf of the Port of Seattle Commission (Felleman/Bowman) that Port of Seattle assume the full cost of the Suquamish Tribe Maritime Access and Impact Agreement presented for this five-year period, and that the Port of Seattle share the cost of the Muckleshoot Indian Tribe Maritime Access and Impact Agreement for this five-year period and that the issue be revisited before the next time up for renegotiation. After discussion, the motion and second were withdrawn without objection.
- Staff commented that there will be no further negotiation on the Terminal 5 Agreements until these five-year agreements have passed through the Managing Members. If the five-year agreements are not approved, there may be risk to the schedule of Terminal 5 development.
- Commissioner Calkins offered a motion to specify using NWSA revenues from the lease of the north end of Terminal 46 to pay for the agreements until such time the Managing Members agree on a path forward. The motion was withdrawn without having received a second.
- Commissioner McCarthy expressed disappointment that the NWSA is in the position where the Terminal 5 Agreements cannot be negotiated without first entering these five-year agreements.
- Commissioner Bowman urged commissioners to approve the motion before the Managing Members. She stated the action isn't precedent setting, it is following what has been done since the formation of the NWSA. If the motion is voted down, all that is accomplished is a delay of Terminal 5 and increased consternation.
- Commissioner McCarthy does not agree the 2016 actions created any precedent. The agreements are over. His opinion is that the 2016 actions reflect a misinterpretation of the Charter.
- The NWSA motion was voted on and did not carry. Discussion was allowed to continue.
- Commissioner Steinbrueck wants a report on the full impact and consequences on the continuity of business as to Terminal 5. He wants an analysis of the potential costs that the NWSA will bear and delays. He then wants a discussion on who pays for those costs and delays.
- It was moved and seconded on behalf of the Port of Seattle Commission (Felleman/Bowman) that Port of Seattle assume the full cost of the Suquamish Tribe Maritime Access and Impact Agreement presented for this five-year period, and that the Port of Seattle share the cost of the Muckleshoot Indian Tribe Maritime Access and Impact Agreement for this five-year period and that the issue be revisited before

the next time up for renegotiation. The motion was withdrawn by Commissioner Felleman however discussion was allowed to continue and the motion remained before the Commission.

- Commissioner Bowman does not support the Port of Seattle motion. She said besides comments made by Commissioner Ang that she appreciates the Port of Seattle putting the motion forward, she doesn't understand what the Port of Tacoma wants in order to move toward resolving the issues.
- Commissioner Ang responded that she was clear in earlier comments that if the Port of Seattle's motion by Commissioner Felleman would have passed, it would have changed her vote on the NWSA motion. She understood Commissioner Felleman's motion to be a sign of good faith that talks would take place regarding tribal matters as to the NWSA and Homeports.
- Commissioner Meyer stated that if the Port of Seattle motion would have passed, he could have gotten to yes as well.
- Commissioner Keller suggested the Port of Seattle Commissioners vote on the motion before them and then perhaps the Managing Members could reconsider the motion they just voted down.
- Commissioner Calkins commented regarding the Port of Seattle's motion, that what was heard by the Port of Tacoma Commissioners, is that they would be very happy to have the Port of Seattle give the NWSA \$2.5 million. He does not support the idea of the Port of Seattle unilaterally choosing to support a very significant change at its cost. He sees such an action as much more than as sign of good faith in a negotiating and would have a difficult time justifying to his voters.
- Commissioner Bowman agreed with Commissioner Calkins' comments. However, the area that is pushing her to support the Port of Seattle motion is her belief in the path forward of providing the same amount of support for both the five-year agreements. She is also motivated by avoiding potential delays to Terminal 5.
- Commissioner Calkins wants a legal opinion from the Port of Seattle's legal counsel as to any potential legal risks based on differential treatment of the tribes. He also noted that Port of Seattle is in this position because the Managing Members could not get to a yes on an agreement to fund amendments that are critically important to ongoing operations. If the Port of Seattle's response is going to be, "we'll just pay for it" that doesn't create the sort of relationship he wants to have in this alliance. He stated he thought that the Ports of Seattle and Tacoma were in this together.
- Commissioner Steinbrueck stated his sentiments are similar to those of Commissioner Calkins and that Terminal 5 is being held hostage and that the Port of Seattle is being called upon to pay in order to break a stalemate which doesn't sit well with him.
- Commissioner Bowman agreed with the sentiment as well. She restated that she is likely to support due to the potential impacts to Terminal 5. She said what is happening here, harkens back to the issue of the cranes at Terminal 46 where the Port of Seattle agreed to pay for the cost of purchasing the cranes. She commented that this is the second time in two and a half years where the Homeports have failed to act as an alliance and instead as two individual ports. She said that is not the spirit of the NWSA. The NWSA is responsible to the taxpayers and voters in Pierce and King Counties to create jobs and Terminal 5 is a job creator. That is the reason she will be supporting the Port of Seattle's Motion.
- Following the Port of Seattle vote on its motion (failed 2-3), next steps were discussed.

8G. DUAL ACTION – NWSA / Port of Tacoma / Port of Seattle: Northwest Ports Clean Air Strategy Adoption.

Presentation by Steve Nicholas, Senior Manager, Air Quality & Sustainable Practices, NWSA and Alex Adams, Senior Manager, Environmental Programs, Port of Seattle

It was moved and seconded (Meyer / Cho for the NWSA), (Cho / Felleman for the Port of Seattle) (Meyer / Ang for the Port of Tacoma), that the Northwest Seaport Alliance, the Port of Seattle Commission, and the Port of Tacoma Commission adopt by joint resolution (NWSA Resolution No. 2021-01, Port of Seattle Resolution 3785 and Port of Tacoma Resolution 2021-05-PT), the 2020 Northwest Ports Clean Air Strategy (NIPAS). **The motion passed unanimously by the NWSA Managing Members, Port of Seattle Commission and the Port of Tacoma Commission.**

Discussion:

- The NWPCAS is a voluntary collaboration among the Port of Seattle, Port of Tacoma, The Northwest Seaport Alliance and Vancouver-Fraser Port Authority to reduce air and climate pollution from seaport activities throughout the Georgia Basin-Puget Sound airshed.
- The vision is to, “phase out emissions from seaport-related activities by 2050, supporting cleaner air for our local communities and fulfilling our shared responsibility to help limit global temperature rise to 1.5°C.”
- Staff provided a background of the NWPCAS. Guiding principles, objectives and preliminary metrics were described. The four collaborating port authorities will report annually on progress.
- Staff from each of the participating port authorities are leading a process to develop detailed, customized implementation plans specific to each port’s line-of-business and emission profiles. Implementation plans are emerging.
- Staff provided a high-level introduction to the emerging draft NWSA implementation plan. Its scope includes the areas of areas of ocean going vessels/container ships; cargo-handling equipment; drayage trucks; harbor vessels; locomotives; and cross-cutting actions such as infrastructure development, policy advocacy and community engagement. The Port of Seattle and Port of Tacoma draft implementation plans were also briefly discussed.
- Commissioner Steinbrueck would like a definitive legal opinion regarding the regulatory authority to require cargo vessels to hook up to shore power. His understanding is that electric cargo-handling requirement can be a required. Staff agreed that through lease agreements, electric cargo handling equipment can be required. Commissioner Felleman commented that lease agreements can also require vessels to use shore power. Commissioner Steinbrueck commented that incentives that pay for cargo vessels to use shore power could be considered a gift of public funds.
- Commissioner Meyer commented that voted no on Terminal 5 in part because even though the EIS required shore power, the NWSA didn’t require it. The NWSA could require its use through its leases. He also commented that some of the leases are 30 plus year leases and without the opportunity to amend the leases, the NWSA cannot effectuate the desired changes.
- Commissioner Felleman commented on the difference between something being technically possible versus possible, especially without revenue from Terminal 5 and Terminal 46. It is important for communities to understand why California can do what it does as far as requiring certain standards. He believes this gateway can make progress regarding cleaner fuels if the state legislature will work on it. He stated that the NGOs that are legitimately frustrated with speed in which the NWSA/ports are able to do the work, need to sign on to grants being written to the new administration. There is no lack of desire to do the work; funding is a limitation. More time is needed for community outreach. The proposed timeline of June 2021 for implementation should be extended.
- Commissioner Bowman commented that the \$110,000 marked for the SCRAPS program, only allows for approximately 10 scrap and replace bonus incentives. That leave 50-60 trucks accessing the terminals unable to benefit from the SCRAPS

program. She appreciates the plan, but echoed earlier comments that, once in the details, there isn't enough funding. She wants to see a detailed plan regarding funding and timelines. She notes the impact to the community, especially the most economically hurting communities.

- She added that electric trucks are the goal. She estimates those cost around \$175,000,00 or more. She commented that getting to a 2007-year engine truck isn't moving toward the goal quick enough.
- Commissioner Felleman noted that the goals set are floors not ceilings and the Port of Seattle is committed to exceeding them.
- Commissioner Meyer commented that he likes the individual port framework. He also stated there is a commitment to quickly move toward the goals when the technology and finances allow it. Regarding the trucks, he hopes someday to ramp up addressing the fundamental issue of the replacement cost for electrical or hybrid vehicles.
- Commissioner Steinbruck does not see a path toward carbon neutrality beyond 2030 and asked staff to explain the 20 year gap between 2030 and 2050 before zero emission. Staff provided that there is a tremendous amount of uncertainty as to how fast technology develops, cost of ownership of zero emission technology, infrastructure and public policy. Staff is confident in its adaptive strategy of tracking annually and with five-year reviews. This will allow adjustments to be made as more is learned.
- Staff described factors considered in the timeline for drayage goals.
- Commissioner Ang commented that she hopes the Alliance and the ports will use their influence to advocate on local, state and federal levels for standards and funding. She echoed earlier comments that these goals are floors not ceilings. Adjustments to the pace can be made along the way as technology comes available. She stressed working with the community groups in implementation. She stressed the importance of the next five years in setting the infrastructure. The NWSA and Port of Tacoma need to be more aggressive on clean fuel standards.
- Commissioner Calkins shared that we are in a moment where many of the steps needed are systemic steps not within the jurisdiction of ports. This is why the ports have been advocating so hard at the state and federal level for the changes that the ports think necessary to be able to institute programs needed to reach the goals. He stressed the importance of a low carbon fuel standard. He supports aspirational goals that spur innovative thinking. He believes there is a "first mover" advantage in maritime that the ports can benefit from as there are shift in global logistics.
- Commissioner McCarthy supports the joint resolution. He thanked those that provided comments from the public. He appreciated the specific actions and priorities set out in the draft five-year action plan for the Port of Tacoma.
- Commissioner Felleman sought clarification regarding a comment from the public regarding the target for getting to zero emission, light duty fleets owned and operated by the ports. The timeline to reach that goal has not changed between first and second readings of the joint resolution – it is 100% by 2030.

GENERAL BUSINESS

9A. Draft 2021 Scorecard

- Staff will include the draft in the commissioner's Friday packets. If questions regarding the scorecard, commissioners should reach out to the NWSA CEO.

9B. CEO Announcements

- None.

9C. Commissioner Comments

- Commissioner Felleman expressed his “complete dismay” at the earlier discussion regarding the tribal agreements. He stated the nature of the NWSA continues to erode.
- Commissioner McCarthy commented that tribal agreement discussion was completed over an hour ago. He commented that one of the agreements was a bad agreement, there isn’t an agreement in existence, and the actions in 2016 were not precedent setting.
- Commissioner Marzano acknowledged the frustration expressed by commissioners. He said one thing all can agree on is that the success of the gateway will be the success of the NWSA into the future.
- Commissioner Ang thanked Commissioner Marzano for his unifying leadership and commented on the importance of in-person meetings.
- Commissioner Keller appreciates everyone’s sentiments and said that is important that the Commissioners not shy away from these difficult conversations. Continued candor is how the best work gets done.
- Commissioner McCarthy echoed the need for in-person meetings.
- Commissioner Calkins encouraged all to get vaccinated.

10. ADJOURNMENT

There being no further business, the meeting adjourned at 3:56 p.m.



Fred Felleman, Co-Chair
The Northwest Seaport Alliance

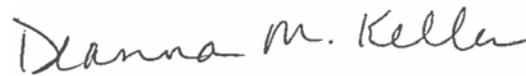


Dick Marzano, Co-Chair
The Northwest Seaport Alliance

ATTEST:



Sam Cho, Co-Secretary
The Northwest Seaport Alliance



Deanna M. Keller, Co-Secretary
The Northwest Seaport Alliance



Juliet Campbell, Clerk
The Northwest Seaport Alliance