

THE NORTHWEST SEAPORT ALLIANCE
MEMORANDUM

MANAGING MEMBERS
ACTION ITEM

Item No.	<u>6E</u>
Date of Meeting	<u>April 6, 2021</u>

DATE: March 26, 2021

TO: Managing Members

FROM: John Wolfe, CEO

Sponsor: Tong Zhu, Chief Commercial & Strategy Officer

Project Manager: Andre Elmaleh, Sr. Manager, Business Development

SUBJECT: MOL Vessel Service Agreement

A. ACTION REQUESTED

Request Managing Members of the Northwest Seaport Alliance (NWSA) 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.

B. SYNOPSIS

Currently, NWSA has a Vessel Service Agreement (VSA) with World Logistics Service (WLS) authorized by the Managing Members at the September 2020 Managing Member meeting. WLS announced last month they will cease operations in the United States at the end of March and MOL will handle all future cargo shipments. The NWSA does not currently have a VSA in place with MOL.

C. BACKGROUND

WLS is a wholly owned subsidiary of MOL and specializes in the ocean transportation of high and heavy cargo between the United States and Japan. WLS has been utilizing the Tacoma harbor for over fifteen years. Initially focused on heavy cargo, they have increased their vessel calls in 2018 to include Nissans for the Taylor Way Auto Facility. With WLS ceasing operations, MOL has requested a Vessel Service Agreement with the same terms as the current WLS VSA.

D. FINANCIAL IMPLICATIONS

- **NO CHANGE** - This is a change in operator name only, and will not have a financial impact.

E. ALTERNATIVES CONSIDERED AND THEIR IMPLICATIONS

- **No Action Alternative:** If the NWSA does not enter into a VSA with MOL, there is significant risk of a large volume of high and heavy cargo currently going through the NWSA gateway being diverted to another port.
- **Recommended Action:** Managing Member Authorization to enter in to a VSA with MOL from April 1, 2021 through September 30, 2021.

F. PREVIOUS ACTIONS OR BRIEFINGS

- September 1, 2020 – Managing Member Action on October 1, 2020 through September 30, 2021 Vessel Service Agreements
- October 1, 2019 – Managing Member action: One-year Vessel Service Agreements with multiple ocean carriers
- June 4, 2019 – Managing Member action: Extension of Vessel Service Agreements for three months
- June 5, 2018 – Managing Member action: Ten-year Vessel Service Agreements with multiple ocean carriers
- February 7, 2018 – Managing Member action: Ten-year Vessel Service Agreement with WWL