



## 2020 NWSA PERFORMANCE GOALS & EXPECTATIONS

I. BUSINESS DEVELOPMENT / COMMERCIAL INITIATIVES [COMMERCIAL DEPT]		Date Edited: 3/4/20
KEY PRIORITIES FOR 2020 & BEYOND	PERFORMANCE MEASURE	RESULTS TO DATE
<b>1. NORTH HARBOR COMMERCIAL STRATEGY &amp; T-5 MODERNIZATION &amp; WATERWAY DEEPENING:</b> <b>(1)</b> Re-engineer and modernize the North Harbor container terminal footprint to meet future container industry requirements, <b>(2)</b> Increase throughput and terminal utilization supported by a commercial deal that includes leasing the on-dock intermodal yard and is financially viable to support capital investment. <b>(3)</b> Support execution of Army Corps of Engineers' Seattle Harbor Deepening Project for POS/NWSA.	A. Advance commercial negotiation for early commitment of Phase II term lease. Target Q3 2020. B. Deliver Terminal 5 redevelopment project on time and on budget.	
	B. Secure incremental new maritime related activities at the unused terminal acreage at T46. Anticipate to make recommendation to MM in Q1 2020 based on RFP submittals. Evaluate alternative uses for Terminal 46 and seek policy direction from Managing Members.	

	<p>C. Obtain Office of Management and Budget (OMB) approval for and Army Corps of Engineers (ACE) commence preconstruction, engineering and design of the Seattle Harbor channel deepening project and obtain federal funding for continuing this work in subsequent years. Target Q1 2020</p>	
<p><b>2. MAXIMIZE GATEWAY CARGO POTENTIAL:</b> Leverage partnership opportunities to retain, attract and grow cargo (container/non-container) &amp; increase cargo diversification: Expand BB, Auto &amp; Industrial Maritime activity.</p>	<p>A. Retain market share and increase container throughput targeting 1-2% YOY growth. B. Evaluate cargo and operational incentive programs to include first "port of call" strategy. C. Explore inland port match-back strategy.</p>	
	<p>B. Continue cargo diversification efforts, increasing breabkulk exports by 5% and auto business by 2% YOY.</p>	
	<p>C. Develop and execute a Top 50 export &amp; import customer growth strategy with a focus on IPI cargo, by facilitating expansion of warehouse/distribution and transload facilities in the PNW. Targeting to secure 3 new accounts utilizing our gateway.</p>	
	<p>D. Retain the Kia business by renewing the Glovis agreement and amending the AWC lease. Target Q2 2020</p>	
	<p>E. Enhance Rail Competitiveness - Complete feasibility study on the short-haul rail project to/from Eastern WA and other inland hubs. Target Q4 2020</p>	

	F. Conduct joint marketing with the BNSF & UP to promote West coast value proposition. 1) Participate in the BNSF marketing trip to Vietnam and China - Q1 2020; 2) Re-establish and refocus the US West Coast Collaboration Program to improve operational efficiency, reduce port charges and address regulatory requirements.	
	G. Develop a rail incentive program for incremental intermodal cargo. Example: vessel "first port of call". Target Q1 2020	
<b>3. GENERAL CENTRAL PENINSULA (GCP) MODERNIZATION:</b>		
	B. Establish New Husky Gate Complex @ Lot F: Near-dock gate complex at Lot F for Husky Terminal, with fiber optic connectivity to improve site security, support Clean Truck program and truck turn-time performance metrics, and with improved truck staging area for WUT and Husky completed NLT Q2-2020. Support further terminal improvements as ITS/Husky secures additional funding.	
	C. Create Near-Term Container Terminal Expansion in order to improve through-put capability of the container yards opportunities: Thorne Road properties advanced to 30% design NLT Q2-2020. Issue Request for Proposals in Q3-2020.	
<b>4. DIVERSIFY CARGO BUSINESS PORTFOLIO</b>	A. Secure long-term UPRR domestic lease by Q3 2020	
	B. Secure marine related business for the former log yard by Q4 2020	

II. GATEWAY OPERATIONS [OPERATIONS]		
<b>ENHANCE GATEWAY PRODUCTIVITY, EFFICIENCY &amp; OPERATIONAL PERFORMANCE:</b> A. Enhance cargo and transportation (waterway, roadway and rail) visibility within the gateway to drive improved service delivery	A1. Establish ILA & strategic plan with WSDOT / SDOT / TDOT & King and Pierce Counties for electronic monitoring of infrastructure & systems outside the port complex. Through these agreements expand real-time drayage truck electronic monitoring & reporting of total service time at the international container terminals, including both in and around the port complex. Target Q4 2020.	
	A2. Work with marine terminal operators to have a single-user platform for cargo visibility, appointments and other terminal services and information. Target Q4 2020	
B. Enhance and Improve service delivery key performance indicators (KPIs) with a move toward real-time reporting and analytics	B1. Facilitate service delivery improvement initiatives with Marine Terminal Operators, Labor and Rail Roads. Hold regular labor/NWSA/terminal operator meetings to discuss how to improve the performance of the gateway :  - Target improved crane production to 30+ MPH - Reduce full gate turn times at/below 90-min avg - Maintain intermodal transit to Chicago at/below 6 days	
C. Promote improved service delivery by working with stakeholders to match workforce demand with registration availability and training.	C1. Continue to work with PMA/ILWU to ensure registration and casual hiring meet labor demand.	
D. Support off-dock infrastructure investments that support the efficient flow of cargo to and from NWSA facilities.	D1. Support the on-time implementation of the Puget Sound Gateway, including 25% accelerated delivery directed by the WA Legislature in 2019.	
	D2. Support the City of Fife as it seeks additional funding to complete the second phase of the Interstate 5/Port of Tacoma Road Interchange.	

	D3. Support increased funding and program flexibility for port facilities and off-terminal support infrastructure, through MARAD Port Infrastructure Development Grant Program / Port and Intermodal Improvement Program / INFRA and freight formula funding.	
E. Customs and Border Protection Office space agreement.	E1. Develop facility plan to address Customs and Border Protection (CBP)'s request for an upgraded facility. Target Q4 2020	
<b>III. FINANCIAL PERFORMANCE [FINANCE]</b>		
<b>EFFECTIVELY MANAGE 2019 OPERATING ACTIVITIES TO DELIVER EXPECTED FINANCIAL RESULTS.</b>	A. Meet or exceed the budgeted 2020 net operating income.	
	B. Year-over-year comparison and explanation of financial results and opportunities for improvement. Perform a thorough review of service agreements and make recommendations for cost saving measures.	
	C. Enhance and increase public briefing sessions regarding financial performance and forecasted results.	
	D. Meet or exceed required distributable cash to the Home Ports	
	E. Evaluate and make recommendation on the policy for "outside the fence" capital investments	

**IV. ENVIRONMENTAL STEWARDSHIP [ENVIRONMENTAL]**

<p><b>1. IMPLEMENT CLEAN TRUCK PROGRAM</b></p>	<p>A. Launch 2020 truck scrapping program, targeting domestic trucks unable to access previous programs, using remaining Clean Diesel grant from the Clean Truck Fund. \$138k grant funding available 19 trucks planned to be scrapped.</p>	
	<p>B. Provide Quarterly Domestic Truck Data Managing Members. If compliance drops below 75%, return to Managing Members with revised recommendation.</p>	
<p><b>2. NW PORTS CLEAN AIR STRATEGY</b></p>	<p>A. With broad external stakeholder support, adopt an updated NWPCAS, including an updated Clean Truck Program, Cargo Handling Equipment Program, Shorepower Program and other sectors. Finish update by Q4 2020.</p>	
	<p>B. Pursue grant opportunities to further Cargo Handling Equipment (CHE), Shorepower and fleet modernization initiatives. Internal goal of 50% grant match funding on future projects.</p>	
	<p>C. Redirect state capital budget appropriation of \$1.1 million from the alliance's clean truck program to a shore power infrastructure investment at Husky Container Terminal.</p>	
	<p>D. Develop an electrification strategy for the gateway and initiate strategic energy planning effort in the South Harbor (matching effort in the north harbor) to support GHG Resolution and NWPCAS.</p>	
	<p>E. Complete Husky shore power design.</p>	
	<p>F. Complete the WSU Air Emissions Dispersion Modeling Study on port related air emission impacts.</p>	

<b>3. WATER QUALITY (WQ)</b>	A. Assist the tenant with the completion of the T-18 stormwater treatment system construction. Assist the tenant with the design of a cost-effective stormwater treatment system at T-5.	
	B. Resolve current litigation at West Sitcum Terminal.	
	C. Recommend comprehensive and integrated industrial stormwater general permit (ISGP) policy and leasing strategy to establish responsibilities and minimize legal/compliance risk by Q4 2020 (pending Ecology ISGP permit appeal and West Sitcum litigation). Research other ports' regulatory compliance through lease incentives; make recommendation by Q4.	
	D. Develop a policy on open versus closed loop scrubber systems.	
<b>4. GREEN GATEWAY INITIATIVES</b>	A. Work along side the Commercial Depts and our customers to highlight and leverage our Green Gateway initiatives. B. Increase advocacy with the International Maritime Organization and International Association of Ports & Harbors on global carbon reduction measures, along with other West Coast ports. Create visibility to MMs of green gateway goals and performance against those goals.	
<b>V. GOVERNMENT AFFAIRS</b>		
<b>1. HARBOR MAINTENANCE TAX REFORM:</b> Reform the HMT to provide a level playing field with Canada & Mexico, provide donor port equity, enhance waterway infrastructure, all of which boost US competitiveness.	A. Advance HMT reform legislation that addresses NWSA priorities for international competitiveness and donor port equity. Along with AAPA and other US ports, advocate for introduction and advancement of Senate EPW WRDA proposal that includes comprehensive HMT reform, including donor port provisions.	

	B. Achieve implementation of Section 2106 regulation on HMT rebates that reflects port priorities.	
<b>VI. PLANNING &amp; LOGISTICS</b>		
<b>1. TRANSPORTATION PLANNING</b>	<p>A. Protect and improve ingress and egress to alliance and supportive properties by providing technical support and engaging in transportation projects that affect operations, such as; Sound Transit Link and Sounder expansions, East Marginal Way, Interstate 5 and state route projects.</p> <p>B. Document operational efficiencies achieved by providing technical support and data to Seattle Area Joint Operations Group and other regional partners to increase transportation data-sharing and system management; provide annual report by Q4.</p>	
<b>2. LAND USE PLANNING</b>	<p>A. Coordinate staff support on the Tideflats Subarea Plan and Port of Tacoma Strategic Plan efforts, advocating for NWSA cargo business goals.</p> <p>B. Coordinate with Port of Seattle staff regarding City of Seattle industrial lands study, expected to be completed in Q3 2020, and support POS staff, advocating for land uses that supports alliance operations.</p>	
<b>3. FACILITY PLANNING</b>	Develop the Gateway Infrastructure Plan, for both harbors, to inform future investment, land utilization, and business decisions, by Q4 2021.	



<b>4. TERMINAL PERMIT CONDITION COMPLIANCE MONITORING</b>	<p>A. Terminal 5, operationalize City of Seattle Master Use Permit conditions (land use, transportation, and environmental) to support new facility operations Q1 2021.</p> <p>B. Terminal 46, support POS staff as appropriate in the environmental review and city of Seattle permitting, and ensure cargo requirements are met, such as facility gate operations.</p>	
<b>5. GRANT COORDINATION</b>	<p>Coordinate and maximize 2020 grant opportunities, including 2020 DERA, VW, TransAlta and INFRA applications, and provide staff support to the Grant Steering Committee.</p>	
<b>6. TACOMA HARBOR WATERWAY DEEPENING PROJECT</b>	<p>A. Accomplish Tribal Consultation to develop terms for a tentative Cooperative Agreement by Q2 2020.</p> <p>B. Support US Army Corps' Agency Decision Milestone (ADM), expected Q2-2020.</p> <p>C. Identify scoping options and develop a preliminary project phasing and investment plan based on initial order of magnitude project cost estimates with target of Q4-2020.</p> <p>D. Support U.S Army Corps, Final Feasibility Study and Environmental Assessment (with Basis of Design and refined project cost estimates), expected Q4-2020.</p>	
<b>VII. ORGANIZATIONAL PERFORMANCE [HR / FINANCE / IT]</b>		
<b>1. BUSINESS PROCESS IMPROVEMENTS</b>	<p>A. Finalize long-term work space requirements, including physical location.</p>	

	B. Enhance collaboration technology tools (sharepoint) to improve development, review and reliability of Managing Member materials.	
	C. Finalize efficiency improvement of monthly financial data transfers from the NH to NWSA Finance (used to prepare financial statements) by Q4.	
	D. Review existing service level agreements between the homeports and NWSA to identify opportunities to reduce costs and improve processes for managing the agreements.	
<b>2. STAFFING</b>	A. Diversity & Inclusion: Provide employee training and complete development and recommendation of apprenticeship program.	
	B. Review staffing and organizational structure for NWSA in coordination with review of homeport service agreements for 2021 budget.	
<b>3. TECHNOLOGY</b>	A. Execute Digitization Strategy initiatives defined for 2020. Digitization Strategy comprises three pillars, Information Technology, Enterprise Data, and Operations Division Technology, with Cybersecurity forming a foundational cross-strategy platform.	