

Commissioners present:

Port of Seattle:	Port of Tacoma:
Ryan Calkins - remote	Kristin Ang
Sam Cho – remote	Deanna Keller
Fred Felleman	John McCarthy
Toshiko Hasegawa - excused	Dick Marzano
Hamdi Mohamed	Don Meyer

1. Call to Order
Co-Chair, Commissioner Ang, called the meeting to order at 11:35 a.m.
 2. Flag Salute
The Pledge of Allegiance was recited.
 3. Chief Executive Officer's Report
CEO, John Wolfe, summarized the meeting agenda. He acknowledged outgoing ILWU Local 19 President, Harold Ugles, and thanked him for his leadership.
 4. Special Briefing: Inland Rail Hub Initiative
Steve Balaski, NWSA Director of Business Development provided introductory comments. The NWSA's Inland Rail Hub Initiative supports the launch of intermodal service to non-traditional origin points. Guests from North Dakota responsible for launching the first such facility were introduced and provided updates on the current state of operations and growth plans. Mr. Balaski acknowledged BNSF Railroad, CMA CGM and MSC as critical partners in this initiative. Guests and speakers included:
 - Brekka Kramer, Minot Area Chamber EDC, President & CEO
 - Ryan Akerman, Minot Area EDC incoming Board Chair
 - Dough Goehring, Commissioner North Dakota Department of Agriculture
 - Greg and Monica Oberting, Owners, Rail Modal Group (RMG)
- Discussion:
- The importance of identity preserved products and containerized shipments were discussed.
 - Environmental implications including working lands programs and renewable diesel fuel facilities were discussed.
 - Trends for increasing market share in Southeast Asia, Vietnam and India for North Dakota were discussed. Longstanding trade partnerships with Taiwan, Vietnam and Korea were identified. Complexities with the India market and the implications were briefly discussed.
 - Opportunities for the NWSA and North Dakota to partner to increase trade are welcomed.

5. Public Comment

ILWU Local 19 President, Harold Ugles, commented on agenda items 8B and 8D. Regarding the legislative agenda, he supports a focus on imports and Harbor Maintenance Tax (HMT) issues. Regarding the lease of 7.4 acres from the Puyallup Tribe, he supports the extending of East Blair One Terminal (EB-1) and increasing breakbulk through the gateway.

6. Work Group/Committee Reports

None.

7. Consent Agenda

Item 7A (1) was removed from the Consent Agenda at the request of Commissioner Meyer for separate consideration and vote.

It was moved and seconded (Mohamed/Marzano) to approve the consent agenda as amended. Including:

- A. (2). Approval of the payment of checks 711969 through 712026 in the amount of \$22,067,782.43, and checks 712028 through 712061 in the amount of \$2,910,929.32, and wire transfers in the amount of \$19,156,981.21 issued during the period of November 21, 2023 through December 19, 2023.
- B. Second reading and adoption of NWSA Resolution 2024-02 (superseding 2016-01) appointing Donald Kelley as the statutory Auditor for the NWSA and reappointing Geul (Brian) Lee as Deputy Auditor.

The motion carried by the following vote:

Port of Seattle:	Port of Tacoma:
Ryan Calkins - Aye	Kristin Ang - Aye
Sam Cho - Aye	Deanna Keller - Aye
Fred Felleman - Aye	John McCarthy - Aye
Toshiko Hasegawa - excused	Dick Marzano - Aye
Hamdi Mohamed - Aye	Don Meyer – Aye

It was moved and seconded (Meyer/Keller) to approve item 7A (1) the payment of check 712027 in the amount of \$128.10 issued December 6, 2023 to the State Auditor’s Office.

The motion carried by the following vote:

Port of Seattle:	Port of Tacoma:
Ryan Calkins - Aye	Kristin Ang - Aye
Sam Cho - Aye	Deanna Keller - Aye
Fred Felleman - Aye	John McCarthy - Abstained
Toshiko Hasegawa - excused	Dick Marzano - Aye
Hamdi Mohamed - Aye	Don Meyer – Aye

8. Actions

A. First Reading: Resolution 2024-03 First Amended Code of Governance and Conduct for Commissioners (Code).

NWSA General Counsel, Dana Henderson, presented on behalf of the Internal Governance Work Group (IGWG). The Commissioners serving on the IGWG that developed and reviewed the proposed amendments were Commissioners Calkins, Cho, Keller and Meyer. Their recommendations were presented to the full body at this first reading.

Because the action requested is on the recommendation of the IGWG it is considered moved and seconded. After a presentation by Ms. Henderson on the IGWG's proposed changes, Alliance Co-Chair Ang, called for discussion.

Discussion:

- Commissioner Felleman requested clarification regarding Commissioners speaking outside of their role as a Commissioner, for example in their personal or professional roles. Counsel noted that if the comments are not about the Alliance, nothing in the Code as written, nor proposed amendments prohibit such comments.
- The Code, along with the Alliance Bylaws, identify Alliance Co-Chairs as the representatives and speaking agents for the Alliance.
- In the instance of “breaking news” situations when a Commissioner needs to speak on a subject related to the Alliance, the amended language sets an expectation that the Commissioner would provide as much notice as practicable. If prior notice is not possible, it would not be a violation of the expectation.
- Language at section IB sets the expectation of notice to the other Commissioners and the CEO in instances where Commissioners intend to speak publicly about the Alliance or other Commissioners.
- Commissioner Marzano suggested language at proposed Section II C should require (versus allow) investigation by a third party (versus involvement by Commissioners), when a complaint includes allegations of discrimination, harassment, or other conduct prohibited by local, state, or federal law in the workplace.
- Commissioner McCarthy commented that proposed edits to Section IB Standards of Conduct and Governance, amount to prior restraint, government action that prohibits speech or other expression before the speech happens. He states it is a form of censorship and unconstitutional.
- Discussion occurred regarding whether the words “may” and “should” when used in this document and context, describe permissible actions or mandatory actions.
 - Commissioner McCarthy stated that because the proposed edits are in a document that provides the possibility of punishment, Commissioners may be discouraged from expressing themselves. He added that even though permissive words such as “may” and “should” are used, because the

document imposes penalties and limits free speech, they are no better than using “shall” or “will.” He recommended further analysis on First Amendment issues.

- Commissioner McCarthy also stated clarity is needed surrounding when behavior is considered a violation that could result in an enforcement action under the Code. As written, he finds the document to be more of a statement of preferred behavior.
- Commissioner Marzano was swayed by the use of the word “should” versus “shall” in the document as written. In his opinion the language does not require prior notice, rather suggests it as a courtesy. He stated he does not want anyone’s free speech or opinions to be hindered. He noted the challenges involved in getting prior notice and input from nine other Commissioners when time is of the essence.
- Commissioner Mohamed stated she views the language as a courtesy statement. In her opinion the language does not hinder free speech but asks commissioners to afford the courtesy of sharing information. She also commented that intent matters and noted the differences in the role of politician on the campaign trail versus the official role as a Commissioner. She reminded her colleagues that this is a first reading and that she welcomes the comments and proposed amendments.
- Commissioner Meyer responded to the comment that “may” and “shall” could be used interchangeably. He shared that as a member of IGWG and in the drafting/reviewing of the language, he did not view the use of “should” as an absolute and intended through the use of the word “should” that the notice be as a courtesy to the other Commissioners. He highlighted proposed language at section II Violations and Enforcement section E that states, “Notwithstanding this provision, in enforcing terms of this Code, the Managing Members may not take any action based solely on a Commissioner’s constitutionally protected free speech.”
- Commissioner Mohamed noted the Port of Seattle has similar language in its Bylaws intended as a courtesy. It was reviewed by its legal counsel as well and in her opinion gives precedent as to what was presented for consideration today.
- Commissioner Keller shared that as a member of the IGWG that reviewed the proposed amendments, she can confirm the intent of the IGWG for including language asking a Commissioner to provide as much prior notice as practicable to the other Commissioners and CEO when the Commissioner intends to speak publicly about the Alliance or other Commissioners, was for respect and courtesy.
- NWSA legal counsel commented that nothing in the language at question vests with Commissioners or the CEO, any power to restrict, stop or deny speech, and she further noted that the language on advance notice is permissive, not mandatory. No power to restrict speech exists in the current Code, or in proposed amendments. It was clarified that the intent is not to

- review and approve any statements, etc. There is no requirement that Commissioners or the CEO receiving the notice/material review it.
- Commissioner McCarthy commented that courtesy statements are good idea but should not be in an enforcement document. There are situations other than being on the campaign trail or in official duty as Commissioners, such as speaking to community groups, and he does not want to have to clear all those situations with other Commissioners or the CEO. He states this violates the Constitution.
 - Commissioner McCarthy repeated his concern that the document does not make clear which actions are violations and which are laudatory. He added that there have been judicial conduct cases where it was found that the word “should” could mean “shall” depending on the context.
 - Commissioner Keller recommended that, in the interest of time, the Co-Chair call for the vote to move this to a second reading and further questions or issues be submitted to NWSA Legal Counsel before the second reading.
 - Co-Chair Ang noted she will be submitting questions/comments between now and second reading. She then called for the vote.

The motion carried by the following vote:

Port of Seattle:	Port of Tacoma:
Ryan Calkins - Aye	Kristin Ang - Aye
Sam Cho - Aye	Deanna Keller - Aye
Fred Felleman - Aye	John McCarthy - Nay
Toshiko Hasegawa - Excused	Dick Marzano - Aye
Hamdi Mohamed - Aye	Don Meyer – Aye

B. State and Federal Government Affairs Agendas.

NWSA Director, Government Affairs, Ryan McFarland, and Port of Tacoma Government Affairs Director, Sean Eagan, were introduced by CEO Wolfe.

(1). State

It was moved and seconded (Keller/Mohamed) to approve the NWSA state government affairs agenda.

Discussion:

- Regarding the zero-emission drayage truck recommendation in the NWSA state agenda, Commissioner Felleman asked whether the zero-emission truck collaborative is supportive of the recommendations. Staff provided some background regarding the structure of the collaborative and the pending outcome of a Joint Transportation Committee (JTC) study that will or has informed recommendations. Staff reports that the JTC’s study is basically complete. Staff described the interaction among the NWSA, the parties that make up the collaborative. Mr. Egan has attended the meetings, and he shared with the Managing Members that he senses general agreement with

recommendations, but that he is unaware of any official endorsement of the JTC recommendations. Commissioner Felleman noted that the position would be strengthened by such an endorsement. He would like visibility of any recommendations that come from the collaborative. Staff expects recommendations will emerge from the collaborative in 2024.

- Language regarding the Climate Commitment Act (CCA) was removed from the agenda since first reading. Though Commissioner Felleman was not in support of the initial language, he was surprised that all language in support of the CCA was removed.
- Staff responded with two observations. The first related to how proposed changes in the legislature are addressed. The recommendation from the NWSA's Legislative Work Group was to wait and see what bills are introduced and revisit any issues as necessary or preferred. Staff is in a holding pattern in terms of legislation in Olympia. Secondly, staff reminded all that the Managing Members can take a position on a ballot measure through a resolution. He noted that would have to come from the Managing Members noting there is a need to be mindful of the expenditure of public resources for or against a ballot proposition, when any such a resolution may be developed.
- Commissioner Felleman suggested the agenda include some statement regarding general foundational support for the CCA commenting that it was a groundbreaking piece of legislation that just passed. For the Alliance to lay silent on, he stated, misses the importance of supporting the legislators that stuck their necks out in support of it.
- Staff responded that from its perspective, the Alliance's support for the CCA is already understood from previous Managing Member votes and the Catalogue of Government Affairs Positions and that position of support is communicated.
- Commissioner Mohamed suggested that Commissioner Felleman connect with staff regarding the language he would like added and that body of work can be brought to the Managing Members to amend the agenda at another time.
- Commissioner Ang commented that the Alliance's support of the CCA is known. She relayed comments from her attendance at a Legislative Policy Conference discussing the CCA related to Shorepower.

The motion to approve the NWSA's 2024 State Legislative Agenda carried by the following vote:

Port of Seattle:

Ryan Calkins - Aye

Sam Cho - Aye

Fred Felleman - Aye

Toshiko Hasegawa - excused

Hamdi Mohamed - Aye

Port of Tacoma:

Kristin Ang - Aye

Deanna Keller - Aye

John McCarthy - Aye

Dick Marzano - Aye

Don Meyer – Aye

(2). Federal

NWSA Director of Government Affairs, Ryan McFarland, presented changes to the 2024 NWSA's Federal Government Affairs Agenda since first reading on November 7, 2023.

Changes included those requested by Commissioners to reflect the Alliance's role in issue of

Electrification, Diesel Emissions Reduction Programs and Renewable Energy is to serve a supply chain function.

Issues identified by Commissioners at the first reading were brought to the Legislative Work Group for discussion. The Work Group recommended limiting the agenda to the core issues initially presented but continue to monitor the additional issues raised.

It was moved and seconded (Meyer/McCarthy) to approve the 2024 NWSA Federal Government Affairs Agenda.

Discussion:

- With regard to trade policy advancement, Commissioner Mohamed asked staff to speak to advocacy efforts for imports and exports. Staff emphasized that in addressing trade policy they do not distinguish between imports and exports, it is a two-way street. Sometimes messaging is used to convey benefits of trade to exporters, but trade policy encompasses both imports and exports. Other efforts such as Harbor Maintenance Tax (HMT) reform will impact import competitiveness.
- Commissioner Marzano emphasized two items: (1) HMT has been on the agenda since the beginning of the NWSA and continues to be a focal point. He noted that the NWSA is at a great disadvantage to Canada and Mexico; (2) He noted the significance and impact of upcoming national elections to trade policy and how tariffs, etc. could devastate not only the region, but the entire country.
- Commissioner Felleman noted that in the Catalogue of Government Affairs Positions document, section 3 h. and k. are redundant.

The motion to approve the NWSA’s 2024 Federal Government Affairs Agenda carried by the following vote:

Port of Seattle:	Port of Tacoma:
Ryan Calkins - Aye	Kristin Ang - Aye
Sam Cho - Aye	Deanna Keller - Aye
Fred Felleman - Aye	John McCarthy - Aye
Toshiko Hasegawa - excused	Dick Marzano - Aye
Hamdi Mohamed - Aye	Don Meyer – Aye

C. Parcel 86 Pipe Realignment Project.

Kyle Smith, Project Manager II, Engineering, Port of Tacoma, gave the presentation. The existing stormwater system pipe running under the Parcel 86 environmental cap is broken and causing drainage issues. Staff indicates the concrete pipe system likely the result of simple deterioration over time. The project description and details were described, including objectives, scope, schedule and financials.

Permits required prior to construction include a City of Tacoma Shoreline Substantial Development Permit, a Washington Department of Fish and Wildlife Hydraulic Project Approval, and a US Army Corp of Engineers Section 10 of the Rivers and Harbors act and

Section 404 of the Clean Water Act permit. Standard procedures for exporting soil will be in effect and depending on whether contaminated soil is found, notification to the Department of Ecology may be required. This is a stormwater project.

It was moved and seconded (McCarthy/Keller) to grant project authorization in the amount of \$440,000 for a total authorized amount of \$690,000 for the Parcel 86 Pipe Realignment project, Master Identification Number 201146301.

The motion carried by the following vote:

Port of Seattle:	Port of Tacoma:
Ryan Calkins - Aye	Kristin Ang - Aye
Sam Cho - Aye	Deanna Keller - Aye
Fred Felleman - Aye	John McCarthy - Aye
Toshiko Hasegawa - excused	Dick Marzano - Aye
Hamdi Mohamed - Aye	Don Meyer – Aye

- D. Lease for the Purpose of Cargo Staging and Storage Between the Puyallup Tribe of Indians (Tribe) as Lessor and The Northwest Seaport Alliance as Lessee.

Curt Stoner, NWSA Senior Real Estate Manager, gave the presentation. The NWSA has been leasing 7.4 acres of land next to East Blair One Terminal (EB-1) from the Tribe since February 1, 2023. It was a six-month lease that converted to a month-to-month lease. The Tribe has requested a new lease under essentially the same terms, , but with a higher rental rate.

Increases in breakbulk and high and heavy cargo volumes and a forecast for volumes to remain strong support this request. NWSA Operations needs the 7.4 acres to efficiently handle the breakbulk and high and heavy cargo volumes.

Staff presented the proposed Lease terms.

The 2024 budget increased the monthly Tribal rent expense three percent to \$62,882, while the proposed rent increases 13.3 percent, \$6,300 per month higher than the budget (decreasing the 2024 budget income at EB-1 by \$70,000).

Not leasing the 7.4 acres, could increase Longshore staffing costs at Terminal 7 and cause vessel operators to incur costs of a double call which when combined would exceed the cost of leasing the acres from the Tribe.

It was moved and seconded (Meyer/Felleman) to authorize the NWSA Chief Executive Officer or his delegate to execute the “Lease for the Purpose of Cargo Staging and Storage between the Puyallup Indian Tribe and The Northwest Seaport Alliance” where the NWSA is the Lessee for 7.4 acres of land next to East Blair One Terminal.

Discussion:

- Commissioner Mohamed asked for an explanation for the Tribe’s request for a higher rent. CEO Wolfe explained that the Tribe has other land in the same area that they have been able to lease at a higher rate than the proposed rate to the Alliance. The Tribe believes the new rate to reflect fair market value for the land.
- Commissioner Meyer is an advocate for rebuilding the entire pier structure. CEO Wolfe explained that staff is working to provide rough cost estimates and options for improving Terminal 7.
- Commissioner Ang commented on diversification and increasing breakbulk business. She stated the collaboration between the Alliance, the Tribe and Labor is what will win in 2024.

The motion carried by the following vote:

Port of Seattle:

Ryan Calkins - Aye

Sam Cho - Aye

Fred Felleman - Aye

Toshiko Hasegawa - excused

Hamdi Mohamed - Aye

Port of Tacoma:

Kristin Ang - Aye

Deanna Keller - Aye

John McCarthy - Aye

Dick Marzano - Aye

Don Meyer – Aye

9. General Business

A. CEO Announcements

- Commissioners Cho and McCarthy will be traveling with NWSA executive leadership to Asia in January and will report to the full Managing Members upon their return.

B. Commissioner Comments

- Commissioners recognized ILWU Local 19 President, Harold Ugles, for his years of services.
- Commissioner Mohamed congratulated Commissioner and Alliance Co-Chair Ang on her new role as Port of Tacoma Commission President.
- Commissioners Keller and Ang emphasized diversification of cargo and a focus on going after as much business as possible in 2024.

10. Adjournment

With no further business before the Managing Members, the meeting adjourned at 1:55 p.m.



Hamdi Mohamed, Co-Chair
The Northwest Seaport Alliance



Kristin Ang, Co-Chair
The Northwest Seaport Alliance

ATTEST:



Ryan Calkins, Co-Secretary
The Northwest Seaport Alliance



Dick Marzano, Co-Secretary
The Northwest Seaport Alliance



Juliet Campbell, Clerk
The Northwest Seaport Alliance

