



Minutes  
Managing Member Regular Meeting  
Port of Seattle Commission and Port of Tacoma Commission – Special Meetings  
Tuesday, April 2, 2024  
9:30 a.m. Closed Session  
11:30 a.m. Open Public Meeting  
The Conference Center at SEA, 17801 International Blvd. Seattle, Washington  
Live streamed on the meetings page at [www.nwseaportalliance.com](http://www.nwseaportalliance.com)

Commissioners present:

Port of Seattle:

Fred Felleman

Toshiko Hasegawa

Hamdi Mohamed

Port of Tacoma:

Kristin Ang

Deanna Keller

John McCarthy

Dick Marzano

Don Meyer

Commissioners absent:

Port of Seattle:

Ryan Calkins (excused)

Sam Cho (excused)

**1. Call to Order**

NWSA Co-Chair Ang called the meeting to order at 9:46 a.m.

**2. Recess to Executive and Closed Sessions**

The Managing Members immediately recessed for an executive session pursuant to RCW 42.30.110(1)(g) to review the performance of a public employee and RCW 42.30.110(1)(i) to discuss with legal counsel representing the agency litigation or potential litigation to which the agency, the governing body, or a member acting in an official capacity is, or is likely to become, a party, when public knowledge regarding the discussion is likely to result in an adverse legal or financial consequence to the agency.

The executive session was extended twice by public announcement. It was announced that the Managing Members would reconvene in public session at 1:15 p.m. The executive session ended at 12:45 p.m.

Immediately following, the Managing Members held a closed and confidential discussion protected pursuant to Federal Maritime Commission regulations and related laws found at 46 U.S.C. § 40306, 46 C.F.R. § 538.608, 46 C.F.R. § 535.701(i)(1) and as authorized by Port of Seattle/Port of Tacoma Alliance Agreement, FMC Agreement No. 201228. The closed session ended at 12:55 p.m.

**3. Return to Order**

Co-Chair Ang called the regular Managing Member meeting back to order at 1:15 p.m. She announced that the meeting also a special meeting of the Port of Seattle and Port of Tacoma Commissions as to item 9C, a Dual Action, on today's agenda.

**4. Flag Salute**

The Pledge of Allegiance was recited.

**5. Chief Executive Officer’s Report**

Both CEO, John Wolfe, and Deputy CEO, Don Esterbrook, are traveling on behalf of the NWSA attending an international summit with other west coast port executive directors promoting the gateway to potential international customers. NWSA General Counsel, Dana Henderson, was called on to give the report. The agenda was summarized. Ms. Henderson then provided reports on a successful vessel operation at Terminal 46, a successful shore power plug-in at Terminal 5 and rent commencement on Terminal 5 Phase 2 and a report on meetings at the American Association of Port Authorities Spring Conference in Washington D.C.

**6. Public Comment**

Eric Wright, Senior Manager of Business Development of Portland Container, spoke on a need for stable predictable gates and for solutions to improve service levels to truckers.

Matt Ventoza, Vice President of International Longshore Warehouse Union Local 19 in Seattle thanked the NWSA and all involved for their time and efforts in bringing another auto vessel to the Seattle Harbor. He spoke in support of agenda item 9B proposed 2024 Cargo Incentive Programs. He noted that the new collective bargaining agreement provides the ability for a 6 a.m. start time.

**7. Work Group Report**

No reports.

**8. Consent Agenda**

**It was moved and seconded (Meyer/Keller) to approve the consent agenda consisting of:**

- A. Approve the minutes of the March 8, 2024 special meeting.**
- B. Approve the payment of checks 712355 through 712512 and electronic payments issued during the period of February 24, 2024 through March 20, 2024 in the total combined amount of \$18,221,001.81**
- C. Grant additional project authorization in the amount of \$635,000 for a total authorized amount of \$725,000 for the PCT Strad Maintenance Bay Roof Replacement project, Master Identification No. 201191.01**

**The motion carried by the following vote:**

Port of Seattle:

*Ryan Calkins – (absent/excused)*

*Sam Cho – Aye (absent/excused)*

Fred Felleman - Aye

Toshiko Hasegawa - Aye

Hamdi Mohamed - Aye

Port of Tacoma:

Kristin Ang - Aye

Deanna Keller - Aye

John McCarthy - Aye

Dick Marzano - Aye

Don Meyer - Aye

## 9. Actions

### A. Second Reading Resolution 2024-05, the Master Benefits and Salary Resolution

Jean West, Chief Human Resources Officer, Jeniann Kaelin, Manager Human Resources and Trish Perez, Manager Human Resources presented the second reading of proposed Master Benefit and Salary Resolution 2024-05. Changes since first reading include that advance notice of any program changes will be presented to the Managing Members.

Clarification was provided regarding the classification and salary grade structure. In theory, any of the classifications could be applied to any of the salary grades based on the market rate for similar work compares to the midpoint of those salary grades.

Commissioner McCarthy commented that having two readings of the resolution allowed for clarifications and corrections to be made. He also commented that though turning much of the responsibility of determining benefits over to the administration, discussions have taken place to ensure that there is transparency to the Managing Members before benefits would be changed.

**It was moved and seconded (Marzano/Mohamed) to adopt Resolution 2024-05, the Master Benefit and Salary Resolution, superseding Resolution 2023-03 and all prior Master Benefit and Salary Resolutions. The motion carried by the following vote:**

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

### B. 2024 Northwest Seaport Alliance Cargo Incentive Programs

Tong Zhu, Chief Commercial & Strategy Officer, Jeff Bellerud, Chief Operations Officer, Steve Balaski, Director, Business Development, John Tullis Senior Manager, Business Development presented the proposed 2024 Cargo Incentive Programs.

Ms. Zhu provided an overview of comprehensive incentive programs. She noted unique challenges to the gateway compared to other ports to the north and south. For example, the local market is just 20 percent of that for Los Angeles/Long Beach. Ms. Zhu noted the NWSA gateway is highly dependent on discretionary cargo in the form of international Inland Point Intermodal and transload cargo. She highlighted the need to differentiate the gateway by providing best-in-class services, efficient logistics and attractive facilities.

Mr. Balaski presented a summary of the proposed International Container Rail Cargo Incentive Program. The program would be a per-lift incentive payment of \$100 per lift for incremental year-over-year increases in international container rail volume. Staff is recommending an initial funding level for this program of \$8 million.

Mr. Tullis presented a summary of the proposed Voyage Consistency & On-Time Arrival Award Program. This would be a performance award program where the top three performing carriers whose service levels meet the eligibility criteria would receive public recognition at the North Star Awards and may qualify for a cash award. Staff is recommending an initial funding level of \$1 million.

Mr. Bellerud provided the initial framework for an Expanded Gate Hours Program with a goal of having all international marine terminals operating a minimum of Monday through Friday from 8 a.m. to 5 p.m. Staff recommends an allocation of \$1 million to offer extended gate hours and no-cost or reduced cost for the first two months of the program, without significant financial burden to the trucking community.

CFO, David Morrison explained the source of funds and financial impacts. Assuming the total incentive payment for these three proposed programs of \$10 million, they could result in a \$7 million total unbudgeted expense for the NWSA in 2024 and/or 2025.

**After discussion and amendment, a motion to authorize (1) the International Container Rail Cargo Incentive Program at an initial funding level of \$8 million, (2) the Voyage Consistency and On-Time Arrival Award Program at an initial level of \$1 million and (3) the Expanded Gate Hours Program at an initial funding level of \$2 million carried by the following vote:**

Port of Seattle:

*Ryan Calkins – (absent/excused)*

*Sam Cho – Aye (absent/excused)*

Fred Felleman - Aye

Toshiko Hasegawa - Aye

Hamdi Mohamed - Aye

Port of Tacoma:

Kristin Ang - Aye

Deanna Keller - Aye

John McCarthy - Aye

Dick Marzano - Aye

Don Meyer – Aye

Commissioner Felleman expressed concern that the voyage consistency program could incentivize vessels to increase their transit speed. Mr. Balaski responded that weight is given to consistency versus transit speed. Mr. Tullis added the goal of the program is for the ocean carriers to make long-term programmatic change to their pro forma schedules.

Commissioner Marzano appreciates there will be an oversight committee monitoring the programs and expressed concern over the possibility of an operator using a hoot shift to get the incentive dollars, and then closing on a Friday, for example. The NWSA will be looking to the ILWU to do the professional job on the terminal to incentivize moving more cargo through the gateway.

Commissioner Keller commented that initial funding for the Extended Gate Incentive at \$1 million, while not huge, will provide the opportunity to see if it will be a good incentive. She is glad that carriers must be in good standing and current on bills to be eligible for

incentives. In addition to quarterly reports, she would like an annual reporting beginning January 2025 on how volumes have been impacted.

Commissioner Mohamed moved to increase the initial funding of the Extended Gate Program from \$1 million to \$2 million. Commissioner Hasegawa seconded.

Commissioner McCarthy while he supports the program, does not support increasing the initial funding by \$1 million at this time. He supports moving cautiously recognizing a need to further develop the program.

Commissioner Marzano stated that he reluctantly supports the amendment to increase initial funding of the Extended Gate Program. He wants assurances that there will be oversight and that the Managing Members are kept aware of how things are progressing. He does not want to see terminals abusing this program. He emphasized that the Extended Gate Program is an avenue and opportunity not only to help carriers, but to help the trucking community by providing assurances that they will be able to make some turns and the terminals will be open. He noted concerns mentioned during public comment regarding truckers showing up for their appointment window and not being taken care of.

Commissioner Ang supports the amendment stating it shows that the NWSA is serious about expanding gate hours. She expressed her trust in the steering committee that the program be designed strategically.

A point of order was raised by Commissioner McCarthy regarding whether the amendment to add \$1 million to the initial funding of subsection (3) of the motion was in order as the posted agenda reflected an action request of \$1 million. Counsel responded that the meeting is a regular meeting of the Managing Members with a motion squarely on the floor and could occur by affirmative vote.

Commissioner Mohamed noted that the funding is not being spent up front. Progress would be tracked and the Managing Members would be updated and it is within the Managing Members authority to end a pilot program if it is not working.

Commissioner Meyer wants staff to include information on whether the appointment system is working as intended in program updates.

**C. Interlocal Agreement for Economic Impact Analysis**

Dual Action: NWSA Managing Members, Port of Seattle Commission, Port of Tacoma Commission.

Senior Manager, Planning, Deirdre Wilson gave a presentation on staff's recommendation for an updated economic impact analysis. Much of the data used by the NWSA and Ports of Seattle and Tacoma is from prior economic impact analyses completed in 2017. The data is considered stale and staff is recommending a coordinated effort among the three entities to obtain updated data for use in a variety of communications.

Ms. Wilson noted the text of the draft interlocal agreement provided in the materials provided to the Managing Members in their meeting packets and posted to the meeting website contained incorrect information. The parties propose as substitute section 4. Financial contribution to read:

**4. Financial contribution.** The Parties will each contribute staff time and will contribute their proportionate cost of consultant support as follows: Port of Tacoma: 20%; NWSA: 20%; and the Port of Seattle: 60% based on the anticipated additional data provided and analysis requested by the Port of Seattle. The total cost of the consultant may not exceed \$300,000.”

**It was moved and seconded by Commissioners Felleman and Mohamed acting in a dual role on behalf of the Port of Seattle Commission and NWSA and by Commissioners Meyer and Keller acting in a dual role on behalf of the Port of Tacoma Commission and NWSA that the NWSA Managing Members to authorize the NWSA CEO or his delegate and that the Port of Seattle and Port of Tacoma Commissions authorize their respective Executive Directors or their delegates, to enter into the “Interlocal Agreement between the Port of Seattle, Port of Tacoma and The Northwest Seaport Alliance Regarding an Economic Impact Analysis” in substantially the same form as presented today.**

**The motion carried for the NWSA and both Homeports by the following vote:**

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

## **10. Briefings**

### **A. Grants Update**

Senior Manager, Planning, Deirdre Wilson, updated the Managing Members on post-submission of a joint NWSA/Port of Tacoma letter of support provided for the City of Tacoma’s application to the U.S. Department of Transportation’s RAISE program related to Fishing Wars Memorial Bridge. An application was submitted by the to the US EPA Climate Pollution Reduction Grant where the NWSA would be a subrecipient for funds to expand the NWSA’s Zero Emission Drayage Demonstration Program and the Zero Emission Cargo Handling Equipment Incentive Program.

Updates were also provided on the Port Infrastructure Development Program (PIDP), Clean Ports Program, and Puget Sound Regional Council Process (PSRC). Pending grant decisions and notices of funding opportunities were also presented. The next grants briefing in anticipated at the June Managing Member meeting.

Staff clarified for Commissioner Felleman that the PIDP grant project cost is estimated at a cost of \$43 million. Staff has been directed to work toward an ask of 50% of cost. The grant allows for up to 80% of cost, but staff explained that the higher the ask, the lower the score during the scoring process. Director, Environmental & Planning Services, Jason Jordan, provided additional information that the SSA Zero Emission CHE Program is a North Harbor project. It has not been determined whether Zero Emission Drayage Demonstration Program would be via a mobile or fixed station or whether it has to be an 'either/or' situation. The environmental work group will be meeting to gain insight on priorities. Mr. Jordan shared additional information regarding the concept between the switching of the grain elevators and electrification of tugs sharing charging infrastructure.

Commissioner Meyer asked why the list of grant projects focuses on multiple demonstration projects rather than focusing on completing a 100% zero emission project. Mr. Jordan explained the ideal deployment package to the tenants. Commissioner Meyer wants to make certain actual implementation is achieved on at least one of the projects listed.

Commissioner Keller commented that having been awarded state grant funding helps when asking for federal dollars. She commented on the strategy regarding the vehicle for fishing culvert requests.

Commissioner Ang asked whether City of Tacoma applied for Mega Grants related to Fishing Wars Memorial Bridge. The City of Tacoma is working on getting design money. Until they have a design they cannot apply for those larger pots of money. Staff noted that the NWSA is not in a position to apply for some of those grants either for some of the larger projects. Staff informed that perhaps next year it will be in a position to do so for some of the larger projects in queue.

She also asked if staff has reviewed the concept of Justice40 and how competitive the NWSA is on that topic. Justice40 is a part of every application.

## **11. General Business**

### **A. CEO Announcements.**

None.

### **B. Commissioner Comments**

Commissioner Keller thanked staff for organizing successful meetings in Washington D.C. with Representatives Kilmer, DelBene and Jayapal, with the U.S. Army Corp of Engineers and staff for Senators Murray and Cantwell.

Commissioner Mohamed commented on Terminal 46 breakbulk and auto business service. She thanked staff, ILWU 19 and PTSC for their efforts.

Commissioner Felleman also thanked staff for a successful trip to D.C. And thanked all involved in the successful Shorepower plug-in at Terminal 5.

Commissioner Ang will be meeting with Senator Murray's staff on Thursday. Commissioner Ang commented that she is willing to take however long it takes to carry out the business of the Managing Members at their meetings.

**12. Adjournment**

With no further business before the Managing Members, the meeting adjourned at 2:55 p.m.



Kristin Ang, Co-Chair  
The Northwest Seaport Alliance



Hamdi Mohamed, 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