

**PORT OF SEATTLE**  
**MEMORANDUM**

**COMMISSION AGENDA**  
**BRIEFING**

**Item No.** 7 a  
**Date of Meeting** May 14, 2013

**DATE:** May 7, 2013  
**TO:** Tay Yoshitani, Chief Executive Officer  
**FROM:** Mark Wen, Inland & Export Cargo Business Development Manager  
**SUBJECT:** Central and Eastern Washington Export And Tourism Forum and Tour

**OVERVIEW:**

On April 24 – 26, 2013, the Port Commission and the Chief Executive Officer visited Ellensburg, Wenatchee, Moses Lake, Spokane, Walla Walla, the Tri-Cities and Yakima where they hosted five Export Roundtables and one Tourism Roundtable to learn about the logistical challenges and public policy impediments facing exporters who ship their goods through the Port. In these roundtables, the Commission explored ways to further strategic partnerships and coalitions with the Port's customers and stakeholders throughout central and eastern Washington. The Commission also held joint meetings with the Port of Moses Lake Commission and Port of Walla Walla Commission, as well as toured Anderson Hay & Grain in Ellensburg.

In support of the vision of the Century Agenda to create 100,000 new Port-related jobs over the next 25 years, it is critical for the Port to collaborate with inland exporters in central and eastern Washington, understand their concerns, and work with them to ensure public policies and funding (federal and state) are in place to support our export-focused economy and create jobs for Washington state and King County over the next quarter century. Like similar trips in 2009 and 2011, this visit to key exporting communities provided an opportunity to hear directly from the Port's customers, trade groups and inland exporters.

Inland cargo, especially agricultural export cargo, accounts for more than 50% of the Port of Seattle's total export volume. More than \$16 billion in food and agricultural products were exported through Washington state ports in 2012, the third largest total in the U.S. Washington state ranks first in the nation for production of 10 commodities, including apples, sweet cherries, pears, red raspberries, hay and hops, with a total of some 300 commodities produced commercially overall. The agricultural industry employs more than 160,000 people in Washington State.

Tourism is big business for selected central and eastern Washington communities. The Port's Airport and Seaport provide important passenger gateways to Washington state, and the Port's tourism program encourages visitors to explore all areas of the state. With the demise of the state tourism office in 2011, it is essential that communities all across the state work together to secure long-term, stable funding for tourism promotion.

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### **SUMMARY OF THE 2013 EASTERN WASHINGTON TRIP:**

At each of the roundtable forums, Commissioners and staff met with 20 to 30 regional export shippers, trucking service providers, freight forwarders, trade promotion associations, commodity commissions and local economic development and/or tourism promotion organizations.

The Commission and Port staff gained valuable feedback from hay exporters in Ellensburg on the difference in shipping costs between the Pacific Northwest and LA/Long Beach and active demand from cherry exporters in Wenatchee for increased air cargo lift capacity at Sea-Tac Airport; producers predicted cherry exports would double in two years. In Moses Lake, we heard an update from the manager of the SGL/BMW carbon fiber manufacturing operation and the Port of Moses Lake's foreign trade zone operation. We heard about shipping logistics challenges from Spokane-area companies.

Commissioners and Port tourism staff hosted a tourism roundtable in Walla Walla, which will deepen our partnerships with Walla Walla regional tourism development organizations. Interest was expressed in participating on international tourism and trade missions. In Spokane, Walla Walla, Kennewick and Yakima, we heard strong support for a sustainable funding mechanism to promote statewide tourism, and all areas voiced a willingness to partner with the Port in bringing more tourists to the area.

In Kennewick, regional exporters, local port commissioners and executives (Port of Pasco and Port of Benton) had meaningful exchanges with Commissioners on the need for transportation infrastructure investments. Cherry exporting was the main topic discussed in our Yakima roundtable.

The Port's key messages on the trip were:

- Competitive ports and an efficient transportation system are critical for Washington agriculture export economy and jobs. All exporters were asked to voice support for the statewide transportation investment package currently being debated in Olympia.
- We must work together to ensure public policy to support our export-focused economy and create and sustain jobs in Washington state.
- The federal Harbor Maintenance Tax puts U.S. ports at a disadvantage vis-à-vis Canadian ports. The Port is seeking to level the playing field, and all exporters were asked to communicate the need for reform to the state's congressional delegation.
- To grow the state's export capacity, the Port must continue to develop the seaport's infrastructure and attract additional shipping lines, vessels, containers and other equipment needed by exporters.

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- If we lose market share in tourism, we undercut our ability to help fill the direct overseas air routes with passengers on leisure trips.. Our messages include the lost value in terms of economic growth (i.e. Montana receives \$49 for every \$1 spent on tourism promotion).
- The Port of Seattle has been a major funder of the Washington Tourism Alliance and now is the time for communities across the state to speak with one voice to build and maintain a long-term solution to tourism promotion funding.



## OTHER DOCUMENTS ASSOCIATED WITH THIS BRIEFING:

PowerPoint presentation