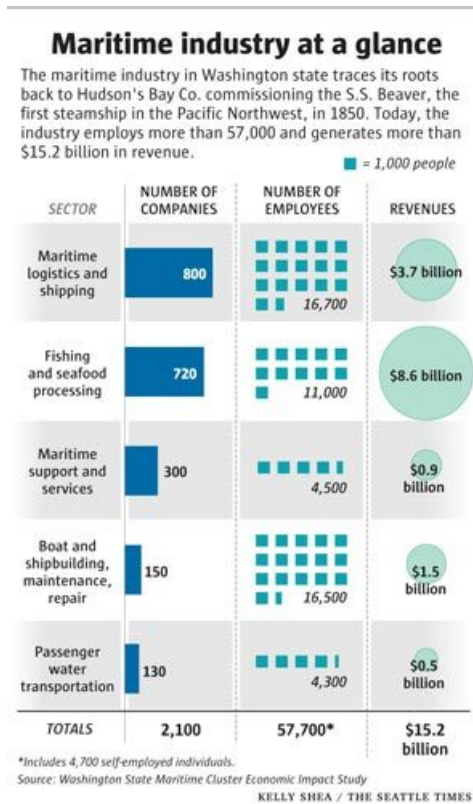


Maritime industry worth \$30 billion to state economy

Participants in the Pacific Marine Expo were blown away by the big numbers posted by the state maritime industry.

By [Coral Garnick](#)

Seattle Times business reporter



As the second day of Seattle's Pacific Marine Expo kicked off Thursday, the buzz among the attendees — fishermen and legislators alike — was a newly released economic report boasting of Washington's \$30 billion maritime industry.

In the state, a maritime industry that traces its roots back to Hudson's Bay Co.'s commissioning of the S.S. Beaver, the first steamship in the Pacific Northwest, generates \$15.2 billion in direct revenues and is responsible for 57,700 jobs.

When combined with indirect revenues, the numbers increased to \$30 billion and more than 148,000 jobs in 2012, according to the comprehensive study commissioned by the Economic Development Council of Seattle and King County and the Workforce Development Council of Seattle-King County.

Among the 250 people at the Maritime Industry Forecast Breakfast on Thursday morning at CenturyLink Field was state Rep. Gael Tarleton, D-Seattle, who said she was blown away by the numbers.

“It is staggering,” said Tarleton, a former Port of Seattle commissioner. “The maritime industry is much more intertwined in the critical economy of Washington state than anyone would have imagined.”

The industry includes boat and shipbuilding, repair and maintenance; maritime-support services; fishing and seafood processing; maritime logistics and shipping; and passenger water transportation. As a unit, Tarleton estimated, the maritime industry is second only to the aerospace industry, and is critical for the middle class of the state.

Chris Mefford, president of Community Attributes, which produced the study, said he was pleased to present his findings at this week’s expo, commonly referred to as the Fishing Expo, because all the industries dependent on Puget Sound are often discussed separately.

“Fishing is totally different from shipbuilding, which is different from ferries, but for other policy and economic development purposes, they are similar,” he explained after his presentation. “They are all affected by common regulations — so it is good to appreciate it as a whole.”

The fishing expo is the one time during the year when all the members of the maritime industry come together under one roof.

This year is the 47th expo, and it attracted more than 450 exhibits, ranging from boat engines to shipbuilders and from life jackets to electronic gadgets. And with more than 8,000 attendees, 70 percent of whom are Washington residents, people from the different industries have the opportunity to mingle and see the impact they can have.

Thursday afternoon, Frank Foti, president of Vigor Industrial, a shipbuilding and repair company in Seattle, was the expo’s keynote speaker. He explained the resurgence of the maritime industry in the Pacific Northwest to an eager crowd of boatsman.

“Events like this help bring people together and connect the pieces of the industry,” he said after his presentation. “Every piece has its own small corner of the industry, but we don’t realize they are all connected.”

During his speech, Foti talked about the growth of Washington’s maritime industry, which he said could be demonstrated simply by stopping and listening to the buzz around the expo floor.

“The best proof of the vibrancy of the industry returning is the energy in the room here,” he said.

David Hansen, who fishes in Alaska and Washington, said he couldn't agree more. He has been going to the fishing expo for the last 25 years and said the past couple of years more people have attended, demonstrating the growth of not only in fishing, but the maritime industry as a whole.

"In the early 2000s, it was pretty grim down here," Hansen said.

"They were pretty much writing the obituary for the fishing industry back then," his fishing buddy Jeremy Brown added.

Coral Garnick: 206-464-2422 or cgarnick@seattletimes.com. On Twitter @coralgarnick

Senators tour Seattle boat to study loans for new fishing fleet

Sens. Maria Cantwell and Mark Begich spend time with maritime leaders talking about the importance of the fishing industry to the economy.

By [Coral Garnick](#)



Seattle Times business reporter

Weaving through the passageways of the Blue Pacific, a 165-foot fishing boat that catches, processes and freezes Alaskan cod, U.S. Sens. Maria Cantwell of Washington and Mark Begich of Alaska found themselves one step closer to understanding the ins and outs of the fishing industry that closely connects their two states.

Fishing and seafood processing make up more than 60 percent of the \$30 billion maritime industry in Washington and accounts for 33,500 jobs, [according to a report released last month](#). But, as the industry continues to grow, ship builders are finding it difficult to finance new boats, which can cost more than \$50 million apiece.

“Imagine if you could just replace the word agriculture with fishing and get those same benefits,” Begich said about legislation such as the farm bill.

“If we labeled this another industry, like manufacturing, this type of issue would be front and center in the sense of financing mechanisms,” he continued. “But, we call it maritime or fishing and people move it over to the side.”

Because Washington and Alaska are so closely intertwined when it comes to the fishing industry, both senators serve on the Senate Oceans Subcommittee, which is responsible for legislation and oversight of marine fisheries, Coast Guard, ocean policy and NOAA, the National Oceanic and Atmospheric Administration.

While standing in the processing factory section of the F/V Blue Pacific on Thursday morning, the senators heard about the steps involved in rebuilding the freezer longliner owned by Seattle-based Blue North Fisheries. After nearly five months of work, the 70-year-old boat is going to be finished in less than two weeks at a cost of \$800,000.

“The fishing industry is tenacious. They will take any piece of machinery and make it work,” Begich said after the tour. “They go from one season to the next, patching up what they have to.”

Even though the fishing industry is great at rebuilding old ships, maritime industry leaders say it would be more competitive globally if financing were available to build new, more efficient boats.

Blue North Fisheries is in the process of building a sixth boat that will cost more than \$35 million. Finding the financial backing for such a project was difficult, said Kenny Down, president and CEO of the company.

Down and Kristian Uri, general manager of Fishermen's Finest, both explained during a discussion period how shipbuilders could put more energy into building a new fishing fleet if low-interest, long-term loans were available to them.

"We'll finance almost anything in this country, but ship building is like pulling pennies," Begich said.

"The maritime industry is a vital part of our economy and we want it to get the attention it deserves," he said.

Washington Gov. Jay Inslee has identified maritime as one of the state's key industries. In October he appointed former Port of Seattle executive Steve Sewell to the Department of Commerce as economic-development director for the state's maritime industry sector.

Sewell said he agrees that federal financing is key to growing the state's maritime industry but also hopes there are ways to assist on the state level.

"I call the maritime industry the stealth industry because too few people understand the importance," he said during the session.

Coral Garnick: 206-464-2422

Tugboats are the little engines that can

Without them, billions of dollars of goods would be stuck offshore. Without them, there would be no need for any of the people who work in maritime shipping and logistics, a sector that directly employs 16,700 people statewide.

By [Susan Kelleher](#)

At the Port of Seattle, U.S. Customs and Border Protection officer Keevin Simon inspects a container of household goods from Singapore after it was flagged for review. All incoming cargo is scanned for radiation in a process designed to keep cargo moving as quickly as possible.

CAPT. GREG PHILLIPS is standing in the wheelhouse of a supercharged tugboat, his next nerve-wracking assignment still making its way down Puget Sound.

As he eyes the horizon from the command center of the Wedell Foss tug, Phillips checks the radar, fiddles with dials, and folds and unfolds his tattooed arms across his chest.

Even on idle, the Wedell Foss vibrates like an excited dog, its engines so powerful they could rupture the hull of a ship with a single misguided pull. Phillips is going to tap some of that power shortly to help dock a 50,400-ton cargo ship carrying cars and commodities from Alaska.

A deck below, the tug's affable on-duty deckhand, Chris Gordon, is checking the lines, the engines and the beef stroganoff he's cooking for dinner. The Wedell Foss used to have its own cook, but these are lean times in the shipping industry, and tug operators have pared back, too. Now, just four men are on board: Phillips and Gordon, and their counterparts who are sleeping in bunks downstairs — or trying to — before their 12-hour shift starts.

It's 2:32 p.m. when the steel-blue hull of the North Star finally slides into view. The knifelike silhouette of the ship is a familiar one: from a distance, it could be any of the thousands of ships that come to call on Seattle and Tacoma, carrying anything from Christmas decorations to ceramic tile.

“He'll come and make a turn, and then we'll spin him back up the waterway,” Phillips says, describing what will eventually become a giant parallel parking job involving two tugs, each connected by a single line to a ship that is longer than the Space Needle is tall.

The North Star is among the smaller cargo ships circulating in Puget Sound. It was built 10 years ago, about the time when ship owners began super-sizing their fleets. Still, the North Star is plenty huge, especially from the water line. As it closes in on the Wedell, the sky disappears, and its scarred hull becomes an abstract painting done in rust stains and rubber marks.

Capt. Phillips sidles the Wedell up to the ship's stern. Gordon is out front, his head tilted upward as the shrunken silhouette of a man drops down a line. Gordon nabs it with an aluminum pole

and attaches the tug's own line, thick as an elephant's trunk and colored like cotton candy. It quickly ascends the ship's flank and disappears.

Another tug ties up to the ship's bow. For the next 50 minutes, they engage in an elaborate dance of pushing and pulling as the ship's pilot issues dozens of clipped commands: "Wedell stop." "Wedell toward." "Wedell stop."

As the North Star edges close to the dock, it feels like the Wedell is digging a hole in the water as it tilts sideways, pulling the ship with its powerful line.

The smell of beef stroganoff wafts up the stairwell as the ship is tied to the dock and longshore workers move in to begin loading and unloading the cargo and cars with hivelike efficiency.

The Wedell will return in about 10 hours to pull the North Star away from the dock for its trip back to Alaska. But first, there's another job waiting: the Sofia Express, a behemoth container ship that has to be pulled away from the dock for its 12-day journey to Japan.

AT 43, GREG Phillips is one of the youngest captains in the fleet of green and white tugs owned by Foss Maritime Co., which has run tugs and barges in Puget Sound for 125 years.

Phillips got into the business as a teenager, towing logs in Everett when there was still money in it, and when life jackets were considered optional.

Nineteen tattoos later, the captain now moves some of the largest vessels in the world.

Phillips commands one of only seven tugs that assist most of the 2,000 cargo vessels that call at the Seattle and Tacoma ports each year.

Without them, billions of dollars of goods would be stuck floating offshore. Without them, there would be no need for crane operators or longshore workers. No need for the trucks and trains that transport containers from the docks to points East. No need for shipping agents and maritime lawyers or any of the other people who work in maritime shipping and logistics, a sector that directly employs 16,700 people statewide and generated an estimated \$3.7 billion in gross business income in Washington in 2012.

Without harbor tugs, Seattle would be a very different Seattle.

Phillips spends half his life on the water in a job that runs in fits and starts. On average, the tug travels at 8.5 knots — less than 10 mph.

The measured pace suits Phillips. He drives "like an old man" on the freeway, he says, and lives with his family at the end of a dirt road in rural Eastern Washington. At home, he sometimes stays awake until 4 a.m. to enjoy the silence that eludes him at work.

Phillips has assisted thousands of ships into dock, but even on a clear day, with relatively calm waters, he knows there's no room for complacency, and absolutely no room for error.

Working in the fog, he says, “can get pretty intense. You’ve got an 1,100-foot ship coming at you, and you don’t see him till he’s 100 feet away coming at you at 3.5, 4 knots . . . With the wind blowing, it gets nerve-wrackin’. It gives you gray hair on your chin.”

The tug runs ’round the clock. It has to. Commerce doesn’t stop.

Ships like the North Star can move forward and backward, and, given enough room, they can turn. But they can’t move sideways to reach the docks. For that, it takes a tug that can spin and move in any direction on a dime.

“We’re their eyes and ears,” Phillips says, putting the tug in high gear.

PHILLIPS AND his crew have already begun training for even larger ships, which are expected in Seattle and Tacoma as early as next year.

How big? Think aircraft carrier or Amazon warehouse. Or imagine this: The Columbia Center tower, downtown Seattle’s tallest, is 933 feet tall. The expected ships are longer than 1,200 feet, about 28 percent longer than the North Star.

The industry talks in terms of TEUs, a unit of measure that stands for 20-foot equivalent units, the capacity of one of the smaller containers on a ship. The bigger ships will carry 13,000 TEUs.

Even larger ones are out there. They’re called “ultra large container vessels,” and they represent the direction of the industry, says Mike Stone, manager of Pacific Northwest regional operations for Foss Maritime.

“They’re more efficient,” he says, explaining that ship owners can move the same amount of goods in fewer trips by supersizing their fleets. That has demanded adjustments from everyone in the industry — from the tug operators to the ports that own the docks.

Foss’ captains are already practicing to move the behemoths. They train on simulators that take into account the dead weight of the ship, tides, wind, time, etc., and create extreme conditions they could face on the water: high winds and waves, power outages, other boats . . .

Being able to handle the biggest ships is a matter of survival, not just for Foss but for the entire industry.

Much of the ship traffic that now comes to West Coast ports used to go primarily through the Panama Canal, the main route for cargo destined for the East Coast. The ships eventually got so big they couldn’t fit through the canal’s locks, and shipping companies began looking for other places to dock. Seattle and Tacoma installed new cranes large enough to reach across the ships’ span to quickly load and unload them, and the ships came.

“Puget Sound is unique in that we don’t deal with some of the problems other major ports do,” says Stone, a retired U.S. Coast Guard captain. “The Port of Houston, for example, has to dredge. We’re a naturally deep-water port so we don’t have that working against us.”

The Panamanians, however, are trying to get that business back. They're widening the canal in a multibillion-dollar project that is supposed to be finished next year. No one expects the ship traffic to dry up here then, but how much business Seattle will ultimately hang onto is anyone's guess.

Seattle also is competing against other ports, including Long Beach and Los Angeles, as well as Vancouver and Prince Rupert in Canada.

Behind the competition is a ruthless game of math: It takes about 12 days for a container ship to go from Asia to the West Coast, and another six days for the cargo to reach the East Coast by rail: 18 days total.

Ports that can save shipping companies money by beating that time stay in the game.

The East Coast is ramping up to do that, says retired Coast Guard Capt. John Veentjer, who heads the nonprofit Marine Exchange of Puget Sound.

From offices on Lower Queen Anne, the Exchange tracks vessels for 75 customers to help choreograph all the people involved in getting the ship and its cargo to a final destination. The vessels shown on tracking screens paint a vibrant picture, but Veentjer seems worried. The past two years have shown a shrinking number of vessels, he says. "The high point was 1992."

He shows a graphic of trends in the number of containers and vessels arriving in Seattle and Tacoma from 2000 to 2011. Fewer ships are carrying more containers. More tankers are calling here, and bulk cargo ships have picked up from last year. But it's the cargo traffic, the biggest chunk of business, that everyone's got their eyes on.

"Washington is one of the most trade-dependent states in the nation," Veentjer says. The containers that bring imports are used for exports on the return trip, which helps keep export costs down for Washington businesses.

Given the relatively high wages in the maritime industry — one recent study put the annual average at \$70,800 — you can sense the pressure everyone's feeling to keep ships and jobs here.

Once containers hit the docks in Seattle, most — about 70 percent — are put on rail cars and shipped to places such as Chicago and New York. The rest are either stored in SoDo and Auburn or put on a truck for destinations within 500 miles of here.

It used to be that the longshore workers who unload ships could count on work in Seattle. But with shipping companies running fewer ships, and moving the work to whichever port gives them the best deal, members of the International Longshore and Warehouse Union Local 19 have less work and are more likely to travel to other ports to get it.

Two years ago, an alliance of four shipping concerns moved their operation from Seattle to Tacoma. The shift has meant more Tacoma-based work for Capt. Phillips and his crew.

That's why, on a recent day, they were called in to move a massive container ship that used to call in Seattle.

AS PHILLIPS approaches the bow of the 1,099-foot-long Sofia Express, orange cranes are busy piling containers onto its deck.

Instead of two tugs, the Sofia is going to need three to get out of here safely.

The Sofia has two pilots — one to direct the tug captains who will jockey the ship out of the harbor, one to direct it safely to sea.

The tugs take up position. It's dark now. Lights from the terminal join the ship and tug lights flashing on the water, turning the channel into a breathtaking show of white lightning.

Phillips starts the job, but his shift ends after about 15 minutes, and Capt. Herb Metz takes the helm without missing a beat.

His shock of white hair has a hint of bed-head, but he's wide-awake as he picks up the radio dangling from a cord in the ceiling.

Metz, who lives in Everett, started working tugs 40 years ago when he was in high school. He's been a captain since 1979, working 15 days straight, then 15 days off.

He's loved his job, he says, but he's ready to give someone else a turn.

When the pilot's voice comes over the radio with a command, Metz smiles. He recognizes Jack Bujacich; they've known each other for decades.

Bujacich directs the Sofia down a narrow channel where the North Star is still unloading and refueling. When he's done, the Wedell swings by to give him a ride back to the dock.

"It's extremely stressful," Bujacich says of his job. "You have to go slow."

Bujacich says someone recently told him they were planning to build a 24,000 TEU ship. That's almost twice as big as the ones Foss is readying its captains to handle.

"There's less than 10 feet of water beneath us," Bujacich says. "There's no room for error."

Bujacich makes more money as a ship's pilot, but says it's a lonely job, especially compared to life on a tug.

"You're walking down a terminal at night in the rain. You get on a ship where most of the crews don't speak English . . ."

The Wedell drops Bujacich at a nearby dock. He turns and waves.

The engines thrum as Metz takes the tug back to its berth. It's a happy sound, and Metz is looking like a happy man.

He says the tug crew has become his family. "I wouldn't trade it for the world."

Susan Kelleher is a Pacific NW magazine staff writer. Bettina Hansen is a Seattle Times staff photographer.