



**Commissioners**

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Courtney Gregoire  
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**APPROVED MINUTES  
COMMISSION SPECIAL JOINT MEETING OCTOBER 14, 2014**

The Port of Seattle Commission met in a special meeting Tuesday, September 30, 2014, together with the Port of Tacoma Commission at Auburn City Hall, 25 West Main Street, Auburn, Washington. Port of Seattle Commissioners Albro, Bowman, Bryant, Creighton, and Gregoire were present. Port of Tacoma Commissioners Bacon, Johnson, Marzano, Meyer, and Petrich were also present.

**CALL TO ORDER**

The special meeting was called to order at 10 a.m.

**WELCOME**

Auburn Mayor Nancy Backus welcomed the two port commissions and offered opening remarks, noting competitive pressures on the ports and the economic opportunity associated with cooperation between the Port of Seattle and the Port of Tacoma.

**OPENING COMMENTS**

Port of Tacoma Commission President Clare Petrich delivered opening comments. She pointed out the appropriateness of Auburn as the venue for approval of the interlocal agreement between the two ports. This meeting is the first public meeting related to the formal process of obtaining Federal Maritime Commission approval for port cooperation, which has so far been conducted privately in accordance with federal law. *[Clerk's note: For additional information on federal regulations applicable to the meetings of the Ports of Tacoma and Seattle see 46 CFR 535.701(1), 46 USC §535.608, and 46 U.S. Code §40306 and the Port of Seattle/Port of Tacoma Discussion Agreement – FMC Agreement No. 201222.]*

Port of Seattle Commission Co-President Stephanie Bowman offered remarks. She characterized the meeting as the culmination of 30 years of work between the ports. She noted that cooperation between the ports would effectively leverage their collective strengths in the increasingly competitive global cargo marketplace. Through the actions taken today, the two ports publicly declare their intention to seek approval from the Federal Maritime Commission to continue their discussions around mutual cooperation.

**PLEDGE OF ALLEGIANCE**

Commissioner Petrich led the flag salute.

**FMC DISCUSSION AGREEMENT AMENDMENT AND PORT INTERLOCAL AGREEMENT**

Documents provided included the interlocal agreement between the Ports of Seattle and Tacoma and a transmittal letter to the Federal Maritime Commission.

Commissioner Petrich announced the formation of the due diligence team, which will be coordinated by Port of Tacoma CEO John Wolfe and Port of Seattle Deputy CEO Kurt Beckett. The team of staff will develop a proposal for the business and operational plan for a Seaport Alliance. Public outreach will accompany development of proposal details.

Mr. Wolfe presented the motion for consideration, which reads as follows:

**Authorize staff to file with the Federal Maritime Commission the Amendment No. 1 to the FMC Discussion Agreement No. 201222, as presented, which includes Commission approval of Exhibit 1, “An Interlocal Agreement between the Ports of Seattle and Tacoma Relating to the Creation of a Joint Seaport Alliance,” and the cover letter to the Federal Maritime Commission.**

Mr. Wolfe described the current competitive environment in global shipping, including formation of shipping line alliances and use of increasingly larger vessels to reduce costs and the resulting impacts to ports. The ports of Seattle and Tacoma are viewed in the marketplace as a single gateway, and cooperation between the ports can increase service to customers and reduce investment in redundant infrastructure.

Within the Alliance, it was reported that both ports will retain their existing governance structures and separate assets and will contribute listed business activities into the Alliance. When Commission action is required for Alliance activities, each Commission will vote as a separate entity. There will be one management team for the lines of business contributed to the Alliance from each port. Financial returns from Alliance business will be shared equitably between the ports, which will coordinate strategic gateway investments.

Mr. Beckett described the steps following approval of the interlocal agreement today. The Federal Maritime Commission will submit the approved materials to the *Federal Register* beginning a 45-day review process. March 31, 2015, is a potential date for completion of a final agreement for approval in public session. An additional 45-day FMC review period would follow before the Alliance becomes effective. The Alliance would officially select its CEO at the time of approval in public of the final Alliance agreement. John Wolfe would likely serve in this position.

Maritime assets that would be contributed to the Alliance by the Port of Tacoma include the following lines of business:

- Container cargo
- Break-bulk cargo
- Automobiles
- Grain shipment

The Port of Tacoma’s industrial real estate will not be part of the Seaport Alliance.

Maritime assets that would be contributed to the Alliance by the Port of Seattle include the following lines of business:

- Container cargo
- Break-bulk cargo
- Grain shipment
- Industrial properties supporting marine cargo

The Port of Seattle's upland real estate, cruise, fishing, and aviation lines of business will not be part of the Seaport Alliance.

The interlocal agreement proposed for approval at this time outlines the Alliance's key expectations pertaining to infrastructure investments, business model, and environmental stewardship. There are provisions for governance, a single delegation of authority to the Alliance staff, budgeting, finances, and management expectations. Elements of the transition planning strategy are described within the agreement. In the interim, the two ports' independent regional planning, capital development, and general marketing efforts will continue.

Upcoming public meetings of each commission were highlighted. Additional public discussions on the Alliance will be scheduled during the due diligence period. Public input can be provided online, via phone, and through other means.

### **PUBLIC TESTIMONY**

Public comment was received from the following individual(s):

- Hal Cooper, King County, who commented favorably on the Alliance and the need for transportation infrastructure development.
- Arthur West, Olympia, who commented on the confidentiality provisions of the FMC discussion agreement and the need for an open, public process in formation of the Seaport Alliance.
- Chris Bromechure, International Longshore Workers Union (ILWU) Local 52, who commented labor's cautious optimism over the Seaport Alliance and the need for protections for Seattle cargo terminals.
- Rick Austin, ILWU Local 19, who commented on the need to maintain the current cargo infrastructure of each port.
- Max Vekich, ILWU Local 52, who commented on the ILWU's regional approach to work at the ports of Tacoma and Seattle and the need to compete with Canadian and other West Coast container ports.
- Gabriel Prawl, ILWU Local 52, who commented in support of the testimony of Mr. Bromechure and Mr. Vekich.
- Chris Green, Economic Development Board of Tacoma-Pierce County, who commented in support of the Seaport Alliance, creation of wealth, and retention of regional jobs.
- Statements in support of the Seaport Alliance were received from U.S. Senators Patty Murray and Maria Cantwell, Congressman Jim McDermott, Governor Jay Inslee, former Governor Christine Gregoire, King County Executive Dow Constantine, Pierce County Executive Pat McCarthy, and several other industry, labor, and agency leaders.

Commissioners Bowman and Petrich read several of these aloud. A copy of these statements is included as minutes [Exhibit A](#) and is available for review in Port offices.

### **COMMISSIONER COMMENTS**

Commissioners of both ports commented on the benefits and historic nature of a Seaport Alliance between the two ports. Preservation and growth of jobs, growth of both ports, importance of regional transportation networks, the collaborative nature of efforts between the two ports, and increased public participation in the development of the Alliance were noted. The relationship between local and global cargo competition was described. The importance of gateway efficiency was discussed. The historic nature of cooperative work between the two ports was noted. Commissioners extolled the leadership of Commissioners Petrich and Bowman in the process of bringing the two ports together and the critical work of staff from each port.

### **VOTES ON THE INTERLOCAL AGREEMENT**

**Motion by the Port of Seattle to authorize staff to file with the Federal Maritime Commission the Amendment No. 1 to the FMC Discussion Agreement No. 201222, as presented, which includes Commission approval of Exhibit 1, "An Interlocal Agreement between the Ports of Seattle and Tacoma Relating to the Creation of a Joint Seaport Alliance," and the cover letter to the Federal Maritime Commission carried in the Port of Seattle Commission by the following vote:**

**In Favor: Albro, Bowman, Bryant, Creighton, Gregoire (5)**

**Motion by the Port of Tacoma to authorize staff to file with the Federal Maritime Commission the Amendment No. 1 to the FMC Discussion Agreement No. 201222, as presented, which includes Commission approval of Exhibit 1, "An Interlocal Agreement between the Ports of Seattle and Tacoma Relating to the Creation of a Joint Seaport Alliance," and the cover letter to the Federal Maritime Commission carried in the Port of Tacoma Commission by the following vote:**

**In Favor: Bacon, Johnson, Marzano, Meyer, Petrich (5)**

### **ADJOURNMENT**

There being no further business, the meeting was adjourned at 11:11 a.m.

Tom Albro  
Secretary

Minutes approved: June 23, 2015.