

Commissioners

Bill Bryant
Chair and President
John Creighton
Patricia Davis
Lloyd Hara
Gael Tarleton



Tay Yoshitani
Chief Executive Officer

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An audio of the meeting proceedings and meeting materials are available on the Port of Seattle web site - <http://www.portseattle.org/about/organization/commission/commission.shtml>

*(The approximate point in the audio recording for the specific item is identified by minutes and seconds; example: **01:30.**)*

**APPROVED MINUTES
SPECIAL JOINT STUDY SESSION
PORT OF SEATTLE - PORT OF TACOMA
OCTOBER 12, 2009**

The Port of Seattle Commission met in a special work session with the Port of Tacoma at 12:00 p.m., Monday, October 12, 2009 in the International Conference Center, Airport Office Building, Seattle-Tacoma International Airport, Seattle, WA.

Present were:

Port of Seattle

- Commission President, Bill Bryant
- Commissioner Lloyd Hara
- Commissioner Pat Davis
- Commissioner Gael Tarleton
- Tay Yoshitani, Chief Executive Officer

Port of Tacoma

- Commission President, Clare Petrich
- Commissioner Connie Bacon
- Commissioner Don Johnson
- Commissioner Richard Marzano
- Tim Farrell, Executive Director

Port of Seattle Commissioner Creighton was absent from the meeting.

CALL TO ORDER

The special joint study session was called to order at 12:03 p.m. by Port of Seattle Commission President Bryant.

PLEDGE OF ALLEGIANCE

(00:01:03) OPENING REMARKS

Commissioner Petrich made opening remarks, thanking the Port of Seattle for the invitation to participate in the joint study session at the Seattle-Tacoma International Airport (Airport) Conference Center. She also commented on the last joint study session, held in April, and what has been done since then to address initiatives and items of concern which had been raised at that time. She stated that today's study session would address competitive issues, not between the two ports, but all along the coast as well as world-wide.

In his opening comments, Commissioner Bryant spoke about the conference in British Columbia which had been attended by the two Commission Presidents, and noted that at that conference it was very clear that the Canadian government is working hand in hand with their ports, principally Vancouver Metro and Prince Rupert, on developing a corridor between those ports and the American Midwest, specifically Chicago and St. Louis.

Opening comments were made by Port of Seattle CEO Tay Yoshitani as well as Port of Tacoma Executive Director Tim Farrell, including remarks regarding challenges to the competitive environment as related to current economic conditions; expectations of a relatively long-term recovery in growth to where the economy was a few years ago, meaning that competition will remain for quite some time.

CEO Yoshitani then introduced [John Martin, President, Martin Associates](#), who provided a presentation on competitiveness. A computer slide [presentation](#) titled "The Dynamics of the US Container Market and Shifting Trade Patterns – Resulting Implications" was provided.

Mr. Martin noted the importance of recognizing not only competitiveness issues of the west coast and Pacific Northwest ports, but also of the significance of changing dynamics.

Items covered as a part of Mr. Martin's presentation included:

- Growth in containerized cargo since 1990
- TEU's (twenty-foot equivalent unit) of various locations
 - North Atlantic (Boston, New York, Baltimore, Philadelphia, Wilmington, DE)
 - South Atlantic (Norfolk, Charleston, Savannah, Jacksonville, Miami, Port Everglades)
 - Gulf Port (Gulfport, Houston, New Orleans, Freeport)
 - West Coast (Long Beach, Los Angeles, Seattle, Tacoma, Oakland, Portland, OR)
- Changes in logistics patterns of importers
- Growth of all water services, including Panama Canal and Suez Canal
- Related growth of distribution centers
- Increasing distribution center activity near East Coast and resulting Asian services
- Significance of all-water routes vs. use of intermodal
- Implications for Atlantic and Gulf Coast Ports
- Implications for West Coast Ports

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- Implications on infrastructure funding
- Two major issues of importance
 - Regaining the seamless flow of transportation that Seattle-Tacoma had, with a focus on moving freight directly from a ship, right on to a rail car, and right to the importer.
 - Making sure that rail is a partner with the ports since Seattle and Tacoma have an intermodal market.

Discussion followed regarding next steps to be done before next February when the next joint study session is likely to occur. Steps included:

- Identify gaps in transportation and labor through the Joint Inland Infrastructure Committee
- Market each others' strengths
- Influence the Army Corps of Engineers' regarding dredging schedule
- Identify available Federal funding sources and submit proposals
- CEO's and Commission Presidents meet with Labor before February

Further comments by Mr. Yoshitani and Mr. Farrell were made on the topics of

- Recent POS/POT engagement with major west coast ports to recognize the importance of the ports and competitive issues being faced
- Engagement with the two western railroads at the CEO level and work on strategies to make the west coast gateways more attractive
- Ongoing efforts and engagement with Labor and with the Pacific Maritime Association
- The need to assure that the West Coast remains competitive

Additional discussion followed regarding the following:

- Importance of marketing and necessary budgeting
- Harbor Maintenance Tax issues
- Relief funding possibilities to Northwest areas should flooding occur

Highlights of collaborative efforts were noted, including:

- Recent meeting in Washington D.C. with Congressional delegation to discuss competitive challenges being faced and the importance of West Coast ports to the economic success of the nation
- The hopes of creating an overall US freight strategy
- Pursuing large grants at the federal level
- Leveraging key strengths and focusing on 'green initiatives'

A brief overview was of the Maritime and Port Security Summit which was held in May at Bell Harbor Conference Center and co-chaired by Commissioner Tarleton. Commissioner Tarleton suggested drafting a joint statement to be sent to Congressional delegations regarding efforts being made to enhance regional security.

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ADJOURNMENT

There being no further business, the joint special study session was adjourned at 2:22 p.m.

Lloyd Hara
Secretary