

PORT OF SEATTLE
MEMORANDUM

COMMISSION AGENDA

Item No. 4a

Date of Meeting August 2, 2011

DATE: July 27, 2011

TO: Tay Yoshitani, Chief Executive Officer

FROM: Jane Kilburn, Director, Public Affairs

SUBJECT: Special Order of Business: The Port Centennial 1911-2011

From its founding in the early 1850s, Seattle was a city dependent on trade. In the 1890s, the Great Northern Railway, a predecessor of BNSF, built two of the largest cargo carriers in the world to establish trade between Seattle and Japan, China, and the Philippines. It was only natural that international shipping, especially to Asia, was an important focus for the Port from its earliest days.

Today, China, Japan, and other Asian countries remain among the Port's most significant trading partners. In 2010, more than \$22.7 billion, or 53 percent of the total waterborne commerce, flowed between the Port and China, and cargo valued at \$6.4 billion, or 15 percent, of our total cargo was shipped from or destined for Japan. In fact, over 90 percent of the Seaport's waterborne cargo is either imported from or exported to the Asian market. Asian imports included furniture, machinery, toys, clothing, and footwear. The Port's exports included many products grown or manufactured in Washington state, including animal feed, hay, fruits, vegetables and other foodstuffs, and logs and other forestry products.

As the closest U.S. port to Asia, Seattle markets itself as "The Green Gateway" because we offer the lowest carbon footprint for shipments from Asia to middle America and the East Coast. The Port also has excellent flight and air cargo service to Asia. Nine airlines fly passengers to destinations in Asia, and Delta Air Lines has named the Airport its "Gateway to Asia," investing in facilities and routes out of Seattle-Tacoma International Airport.

The situation today parallels the Port's history. World War I helped the Port expand its Asian horizons as the U.S. government shipped war materiel to Asia, and by the end of WWI Seattle was the second largest port in the country, surpassed only by New York. In 1919, the Port declared Seattle a "World Port," embarked on trade missions, marketed itself as the shortest route to Asia, and promoted Seattle as the "Gateway to the Orient." Trade volume increased 1000 percent in the Port's first ten years, and trade with Asia played a major role in that increase with silk and soybean imports and salmon and grain exports. .

The Port was among the first West Coast ports to embrace containerization, and Asia played a different but important role in the mid-1960s as the "container revolution" was gaining

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adherents. Sea-Land pioneered the container transportation model, and Sea-Land had selected Seattle as its base of operations at Terminal 5 in 1964, initially for the Alaska trade. However, as the Vietnam War escalated in the mid-to-late 1960s, Sea-Land set up container port facilities at Saigon (Ho Chi Minh City), Cam Rahn Bay, Da Nang and Que Nhon (Vietnam). Sea-Land was a major shipper of military supplies to Vietnam, and its operations proved the effectiveness of container shipping for military support in a war zone. Sea-Land was purchased by Maersk in 1999 and remains a customer of the Port.

Finally, the Port figured prominently in the historic 1979 visit to the U.S. of Chinese Vice Premier Deng Xiaoping soon after the U.S. “normalized” its diplomatic relationship with China after a thirty-year hiatus. Deng’s visit helped to re-invigorate the Port’s long-standing trade ties to China. The *M.V. Liu Lin Hai* docked in Seattle at Pier 91 and was the first Chinese ship to enter a U.S. port since 1949.

OTHER DOCUMENTS ASSOCIATED WITH THIS SPECIAL ORDER:

PowerPoint presentation