

PORT OF SEATTLE
MEMORANDUM

COMMISSION AGENDA

Item No. 4a

Date of Meeting November 1, 2011

DATE: October 24, 2011

TO: Tay Yoshitani, Chief Executive Officer

FROM: Jane Kilburn, Director, Public Affairs

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

The relationship between Seattle and the cruise industry is long-standing, and the Port of Seattle has been involved for much of its 100-plus-year history. Pacific Steamship and Alaskan Steamship Companies were just two of the most successful operators of passenger cruises originating in Seattle in the late 1800s. Regular boat service to Alaska began as early as 1867. The steamship companies' primary business was commerce, and in 1886, the *ANCON* brought \$35,000 in gold from Alaska. In 1917, the Port reported nearly 1.8 million passengers arrived and 1.7 million passengers departed from the Seattle Harbor. The Jones Act of 1920 aided in the success of the two steamship companies, as it prohibited foreign-flagged vessels from transferring passengers and goods between two U.S. ports.

As the closest Port to Asia, Seattle was a natural fit for passenger service to the Far East. The Pacific Steamship Company and the Admiral Oriental Line, which later became the American Mail Line, took on the task. The plush interiors of the ships offered passengers luxurious homes away from home. In 1926, the American Mail Line operated the principal passenger service to Asia.

The Great Depression immensely affected the trade and passenger service through the Port of Seattle. During the Second World War, most of the passenger ships were taken over by the War Administration. A major change in the shipping industry occurred as a result of the fighting, and the number of ships serving Alaska after the war, which included many of the passenger ships, was reduced to only seven.

Passenger service was revived in 1946 with Alaska Steamship's *ALASKA*, and the company began its emphasis on tourism. Refreshed by the ending of the war, the Port of Seattle was onboard to ensure the waterfront would have the proper facilities to accommodate the resurgence in the cruise industry. During this time, Alaska Steamship Company operated out of the Port's Pier 42, now Terminal 46.

As the airline industry began to take off in the 1950s, steamship passenger numbers tapered. This change in transportation mode, accompanied by labor issues and the termination of charter privileges and subsidy payments, prompted an end to much of the travel by boat. In 1954, Alaska Steamship sailed its last voyage to Alaska. It was also the year that the Port's present

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CEO, Tay Yoshitani, arrived in Seattle as a child with his family from Yokohama, Japan aboard the *Hikawa-Maru*.

The Port re-entered the cruise business in 1999 after signing a deal with the Norwegian Cruise Lines effective for the 2000 cruise season and improving the facilities at Bell Street Pier Cruise Terminal at Pier 66. Today, the Port of Seattle operates a total of three berths at the Smith Cove Cruise Terminal at Terminal 91 and at Pier 66, with six cruise lines serving Seattle this year. The 2011 cruise season finished stronger than expected, with 10 homeported vessels and nine ports of call making up the 196 ship calls at the Port of Seattle. A total of 885,949 revenue passengers moved through the two cruise terminals, maintaining the consistently high volumes demonstrated over the past five years while solidifying Seattle as a preferred port of origin for Alaska-bound cruises.

Today, each ship call leaves behind about \$1.9 million in our local economy. The local cruise industry is estimated to have generated \$425 million in business revenue, \$18.9 million in state and local taxes and 4,447 jobs in 2011. Those numbers are expected to increase with the addition of Disney Cruise Line home-porting in Seattle for the 2012 cruise season, which will feature the *Disney Wonder*, scheduled for 15 voyages to the Alaska market.

OTHER DOCUMENTS ASSOCIATED WITH THIS SPECIAL ORDER:

PowerPoint presentation