



August 24, 2012

Port of Seattle Commission
2711 Alaskan Way
Seattle, WA 98121

Dear Port of Seattle Commissioners:

We are concerned about the appearance of a conflict of interest and ethical issues raised by the Port of Seattle CEO's dual employment on the board of directors of an international logistics company, Expeditors' International, with direct economic interest in the Port's operations.

As the board president of Expeditors' International, Mr. Yoshitani will receive additional annual compensation of approximately \$250,000, including stock options, for a total annual compensation of more than \$600,000. It is our understanding that no other major port director in the U.S. sits on the board of a private company in the transportation or logistics industry.

Expeditors' reported revenues exceeded \$6 billion in 2011. Expeditors' directs their customers' goods through different ports and negotiates directly with local service suppliers on their customers' behalf. Expeditors' International provides freight forwarding services for shippers that have contracts or may have contracts at the Port of Seattle, including Foxxcon, Nike, Cisco, Intel, Kodak and many other shippers.

As stated in Expeditors' 2011 Annual Report: "The global logistics services industry is intensely competitive... Depending on the location of the shipper and the importer, the Company must compete against both niche players and larger entities." Expeditors' International has been under investigation since 2007 by the U.S. Department of Justice for anti-competitive behavior.

It appears to the public that Mr. Yoshitani may directly and personally benefit by giving Expeditors' customers a competitive advantage over other Port of Seattle customers, and as Port CEO he has the power to prioritize his personal profit over the public mission of the taxpayer-supported Port of Seattle.

We understand the Port of Seattle Commission did not publicly review or approve the CEO's outside employment, leaving that decision to one of the CEO's subordinates. Under state law it is the Port Commission's responsibility to supervise the managing officer of the Port. We are concerned about the precedent this sets for public officials, as well as the message this sends to Expeditors' competitors, their customers and other Washington Ports.

Sincerely,

Rep. Zack Hudgins
11th District

Rep. Derek Stanford
1st District

Sen. David Frockt
46th District

Rep. Dave Upthegrove
33rd District

Rep. Tina Orwall
33rd District

Sen. Sharon Nelson
34th District

Rep. Joe Fitzgibbon
34th District

Rep. Patrick Sullivan
47th District

Rep. Luis Moscoso
1st District

Rep. Gerry Pollet
46th District

Sen. Karen Keiser
33rd District

Rep. Bob Hasegawa
11th District

Sen. Adam Kline
37th District