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APPROVED MINUTES COMMISSION SPECIAL TOWN HALL MEETING MAY 20, 2015

The Port of Seattle Commission held a special town-hall meeting Wednesday, May 20, 2015, at the Georgetown campus of the South Seattle College, 6737 Corson Avenue South, Seattle, Washington. Port of Seattle Commissioners Stephanie Bowman, Port of Tacoma Commissioner Clare Petrich, and Port of Tacoma CEO John Wolfe were present.

The meeting was called to order at 7:09 p.m. by Port of Seattle Commission Co-President Stephanie Bowman, who welcomed guests and summarized the public outreach to date regarding formation of the Northwest Seaport Alliance. Port of Tacoma Commissioner Clare Petrich commented on the Alliance's intent to enable the two ports to respond to unprecedented competition in the shipping industry. An agenda and informational packet were provided at the meeting.

Mr. Wolfe provided the background on the rationale for forming the alliance in light of rapid change in the industry. He noted contributing factors of economic recession, increasing size of vessels, the need for shipping companies to reduce costs, including slotting costs, and the resulting formation of about 16 major corporate alliances. He noted factors that lend to viewing Puget Sound as a single gateway among the ports' customers and the potential consequences of the lessened pricing power of the ports and its detrimental effect on discretionary cargo and regional jobs.

He noted the key roles of labor, railroads, the trucking industry, warehousing sector, terminal operators, and shipping lines as key stakeholders in making a seaport alliance successful. The equal balancing between the two ports of jointly managed assets in the alliance were discussed and the assets of each port intended to contribute to the alliance were summarized. It was noted that the two ports will remain independent and separately responsible to their respective constituents while working together in a collaborative model.

Topics discussed included the governance structure for the alliance, avoiding duplication of capital investment, upcoming actions of the two ports toward alliance formation, and further stakeholder and customer outreach.

The panel discussion with public participants included subjects such as alliance operation with separate local labor chapters, what the alliance plans to do to increase market share in terms of enhanced service, productivity, and reliability, and whether the Port of Everett might eventually become part of the alliance. There were comments promoting competition between the two ports and a discussion of whether the ports should compete individually with each other or jointly with other gateways. The current ship size capacity of each port was discussed. How the alliance would be staffed and where its offices would be located was a topic of conversation, as was the process

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for local and federal permits. It was noted that the Seattle-Tacoma International Airport will not be included in the alliance structure.

There was no further business, and the meeting adjourned at 8:00 p.m.

Stephanie Bowman
Secretary

Minutes approved: February 9, 2016.