

pacifcgateway

STRONGER PARTNERSHIPS

Smoother operations

MAKING PIER 4 'BIG-SHIP READY'

Modernizing Husky
Terminal's Pier 4

DELIVERING EFFICIENCY BY RAIL

New and reconfigured
tracks enhance rail



FROM THE CEO



As we celebrated our second anniversary in August, I had a chance to reflect on our accomplishments and the key investments we have made as The Northwest Seaport Alliance.

From our ongoing work to reconfigure Pier 4 in the South Harbor to securing permits for the Terminal 5 improvements in the North Harbor, our partnership between the ports of Seattle and Tacoma has thrived through a culture of teamwork.

One of our game-changing undertakings has been the work of the Executive Advisory Council.

Since the formation of the NWSA, the Executive Advisory Council has brought industry leaders together twice a year to offer input and exchange ideas on ways to improve rail, trucking and terminal performance across our gateway.

While we facilitate the discussions, these meetings have provided an opportunity for each partner in the supply chain to call out issues and work collectively toward solutions. This collaboration has been vital to kick-starting our Operations Service Center, as part of our unwavering commitment to making our gateway the easiest and most efficient for doing business.

Also in this issue, we'll introduce you to Deanna Seaman, our senior manager of water quality, and learn about how her team tackles the task of keeping our harbors clean and protecting our environment. She rallies tenants from both harbors to implement innovative, cost-effective ways to treat stormwater at our facilities.

Finally, I recently had the honor of accepting the West Coast Connie Award on behalf of The Northwest Seaport Alliance. This recognition goes out to the entire organization and all of our partners for demonstrating the leadership it takes to stay ahead of the changes around us.

As we enter our third year as the alliance, we'll be able to measure our success and continue with our strategy to re-engineer the gateway to better respond to our customers' needs.

John Wolfe
Chief Executive Officer, The Northwest Seaport Alliance

On the cover: Eli Bohm, general manager at Terminals 18 in the North Harbor, meets with Steve Queen, the alliance's senior terminal operations manager.

IN THIS ISSUE

2 News briefs

4 Deanna Seaman

Avid quilter Deanna Seaman unravels the mystery behind innovative and inexpensive stormwater treatment strategies.

6 Making Pier 4 'big-ship ready'

Reconfiguring Husky Terminal's Pier 4 in the South Harbor is more than halfway complete.

8 Delivering efficiency by rail

New and reconfigured tracks enhance rail capacity and flexibility and improve terminal velocity.

10 Big, bigger, biggest

The formation of shipping alliances and introduction of mega-ships call for larger cranes to get the job done.

12 Stronger partnerships

The Operations Service Center taps into the supply chain for a collaborative approach to boosting efficiency and productivity.

18 Success stories

Olympia Coffee Roasting Company and Keen, Inc. are two companies achieving results through the NWSA.

20 No fish tale: Seafood is king in the Northwest

Proximity to Alaska and Asia makes seafood one of the top export commodities through our gateway.

21 Calendar

Port of Tacoma Commission

Connie Bacon
Don Johnson
Dick Marzano
Don Meyer
Clare Petrich

Port of Seattle Commission

Tom Albro
Stephanie Bowman
John Creighton
Fred Felleman
Courtney Gregoire

Chief executive officer

John Wolfe

Subscriptions and information

Pacific Gateway is produced by The Northwest Seaport Alliance. Subscriptions are free by visiting www.nwseaportalliance.com/publications. For information about articles in this edition or for permission to reproduce any portion of it, contact the Communications Department.

Pacific Gateway

© 2017 The Northwest Seaport Alliance
P.O. Box 2985
Tacoma, WA 98401
Phone: 800-657-9808
Email: info@nwseaportalliance.com
www.nwseaportalliance.com

[facebook.com/nwseaportalliance](https://www.facebook.com/nwseaportalliance)

twitter.com/SeaportNW

[instagram.com/nwseaportalliance](https://www.instagram.com/nwseaportalliance)

[linkedin.com/the-northwest-seaport-alliance](https://www.linkedin.com/company/the-northwest-seaport-alliance)

NEWS BRIEFS



Foss Maritime introduced its third state-of-the-art Arctic Class tug, the *Nicole Foss*.



SSA Marine will operate Matson's Tacoma terminal starting Oct. 1, 2017.



NWSA signed a two-year lease agreement with log exporter Merrill & Ring.



The Seattle Propeller Club named NWSA CEO John Wolfe as its Public Official of the Year.

Foss and Crowley celebrate major milestones

The Managing Members of the NWSA celebrated Crowley Maritime's 125 years of service by proclaiming June 6, 2017, as Crowley Maritime Day. Crowley's long-standing service to the maritime industry includes more than 90 years in the Pacific Northwest.

Also in June, Foss Maritime christened its third state-of-the-art Arctic Class tug, the *Nicole Foss*. Designed to operate and maneuver efficiently in extreme conditions of the Arctic, the *Nicole Foss* entered service in the summer to work in locations across the globe.

SSA Marine to operate Matson's Tacoma terminal effective October 2017

Matson announced it will partner with SSA Marine for stevedoring and terminal services at the NWSA's West Sitcum Terminal in the South Harbor starting Oct. 1, 2017. The Tacoma terminal is the only Matson terminal on the West Coast that is not already managed and operated by SSA Marine.

Alliance signs two-year lease with log exporter Merrill & Ring

The NWSA's Managing Members approved a two-year lease agreement with log exporter Merrill & Ring in June. Merrill & Ring, operating under a month-to-month lease prior to the agreement, shipped nearly 29 million board feet during the first half of the year via Pacific Basin Shipping Limited. The main trade lane between Tacoma to Shanghai supplies Douglas fir and hemlock logs to support China's construction industry. The lease went into effect July 1.

CEO John Wolfe recognized locally and nationally

CEO John Wolfe was named the recipient of the 2017 West Coast Connie Award by the Containerization & Intermodal Institute for his visionary leadership of the NWSA. He accepted the award in Long Beach in September.

Locally, the Seattle Propeller Club selected Wolfe as its Public Official of the Year at a Maritime Festival breakfast in May. Wolfe was recognized for leading the alliance, which supports

more than 48,000 jobs, generates nearly \$4.3 billion in economic activity and produces \$379 million in state and local taxes.

Industry honors NWSA

The NWSA's commitment to reducing seaport-related emissions through the Northwest Ports Clean Air Strategy and its innovative solutions for managing stormwater runoff have earned *Inbound Logistics* magazine's 75 Green Supply Chain Partner honors. While the ports of Seattle and Tacoma have been honored individually by this publication for several years, this is the first time our environmental partnership efforts through the NWSA were recognized.

The NWSA also ranked highest on the U.S. West Coast and second overall in the West Coast category in *Logistics Management's* 2017 Quest for Quality awards. Winners were selected by using five criteria: ease of doing business, value, ocean carrier network, intermodal network, and equipment and operations. A port had to receive at least 5 percent of the category vote to win. The NWSA was one of only three West Coast ports to reach that threshold.

HOMEPORT NEWS

Puget Sound Energy breaks ground on its LNG facility

Construction is underway for Puget Sound Energy's liquefied natural gas (LNG) facility at the Port of Tacoma. Over the summer, PSE finished installing the pipeline that will be connected to the 8 million gallon tank.

The \$310 million LNG facility will provide local transportation companies, including TOTE Maritime Alaska vessels, with a cleaner fuel alternative. It will also provide residential and commercial customers with natural gas reserves to maintain dependable service on the coldest days of the year.

Ballard Locks turn 100

The Hiram M. Chittenden Locks in Seattle celebrated its 100th birthday in July. Supporting hundreds of marine businesses and providing safety and environmental benefits to a wide range of stakeholders, the Locks provide \$1.2 billion in annual economic impact to the region. To continue maintaining daily operations at the Locks, the U.S. Army Corps of Engineers estimated that the facility would need \$30 million to \$60 million over the course of the next several years. ■



The Hiram M. Chittenden Locks in Seattle provide \$1.2 billion in economic impact each year.

DEANNA SEAMAN

Adding the human touch to stormwater treatment

Ensuring clean water for future generations doesn't have to be complicated – or expensive.

In fact, it's possible to build a simple water filtration system from materials found at a home improvement store, said Deanna Seaman, senior manager for environmental water quality at The Northwest Seaport Alliance.

“Our mission is to de-mystify stormwater treatment for tenants, so that it's no longer seen as a competitive disadvantage,” Seaman said. “We want to remove some of the economic sting and as much mystery as possible. When our tenants understand how these systems are put together and what each ‘ingredient’ accomplishes, they can make cost-effective choices to handle their stormwater.”

Seaman manages the alliance's stormwater team and the Stormwater Work Group, which helps North and South harbor tenants learn more efficient and cost-effective techniques for meeting stormwater regulations.

Some smaller businesses on port properties may not have a thorough understanding of how to do that, Seaman said. That's one reason she organizes quarterly meetings for customers from both harbors to share stormwater management strategies.

Some strategies are simple ones, like repurposing common materials – pea gravel and compost used in landscaping or ground oyster shells intended for chicken feed – for use in water filtration systems.

Seaman credits teamwork for her program's success.

She points to her Project Manager Anita Fichthorn, who helped develop the do it yourself-approach to water filtration.

“She's the technical genius behind the do-it-yourself workshops,” Seaman said. “With our analyst, Rob Zinkevich, we have a great team that our customers are learning to count on for solutions.”

Jason Jordan, Port of Tacoma's director of environmental and planning services, said Seaman brings energy to the program, as well as an understanding of customer needs.

“It's good to be a technical wizard,” he said. “But it's also important to be emotionally connected to our customers.”

“Her ability to cross teams and get things done is amazing.”

Seaman joined the NWSA in August 2016, following a career that began more than 20 years ago in the field of solid waste management.

Her childhood ambition was to become a veterinarian. By the time she entered college, she was focused on becoming a physicist.

That lasted until the second half of quantum mechanics. The professor told her, “You have to learn to trust the math.”

She switched her major to chemistry, with a minor in technical writing.

One of her first jobs out of San Francisco State University was helping people properly dispose of hazardous household waste.

“I got hooked on the fact that I was making a difference,” Seaman said.

She spent more than a decade working for Snohomish County in Washington state in solid waste management where she helped grow an electronics recycling network, advocate for green building, and write continuity of operations plans and a Disaster Debris Management Plan. In 2014, that role thrust her into the aftermath of the Oso mudslide north of Seattle as debris manager.

“I was up there every day for five months,” Seaman recalls. “My job was to facilitate the cleanup.”

Today, she's based in the NWSA's South Harbor, but usually spends a few days a week in the North Harbor.

“I have customers in both harbors, and I try to get out to meet all of them and listen to their concerns and help with solutions,” Seaman said. “There's a lot of cross-pollination that happens when we all talk to each other.”

Sharing what's learned – through regional networks or at professional conferences – is an important part of her role.

“We figure out how to generate a solution that will work for multiple sites,” she said. “And everybody benefits.” ■

ALL ABOUT DEANNA SEAMAN

HOMETOWN:
Novato, California

ALL IN THE FAMILY:
Her job-appropriate last name comes from her dad, a chief mate in the Merchant Marine who joked that if he'd joined the Navy, his rank would have been “Seaman Seaman.”

HIDDEN TALENT:
She's an avid quilter, a hobby that started after she wandered into a shop in search of fabric for her daughter's Christmas dress.

YOU'D NEVER GUESS:
She played the bassoon in high school and currently plays the flute.

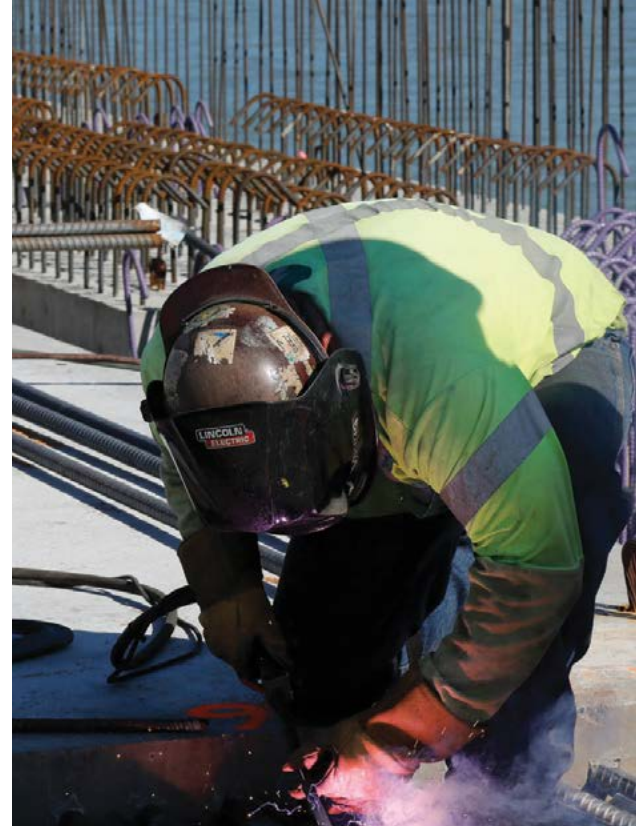
FAVORITE PLACE TO TRAVEL:
Yellowstone National Park. She and her husband plan to travel there this winter for snowshoeing and take a photography class.

“Her ability to cross teams and get things done is amazing.”

Jason Jordan, director of environmental and planning services, Port of Tacoma

MAKING PIER 4 'BIG-SHIP READY'

Pier 4 construction taking shape in South Harbor

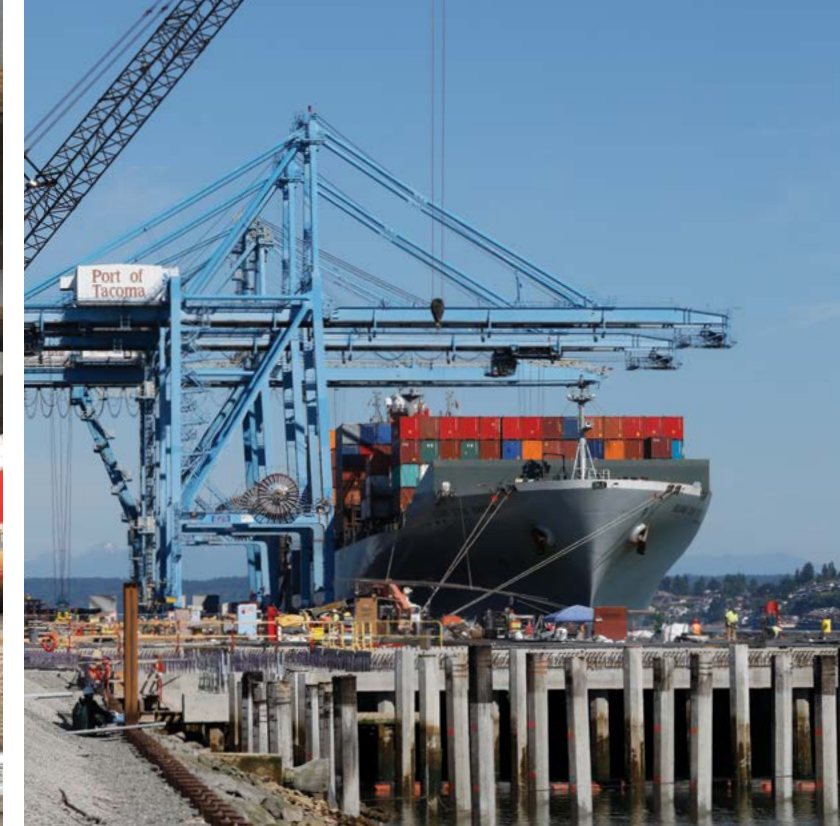


The pier is equipped with new utilities including power, communications, sewer, stormwater treatment and a substation to serve the new cranes and ships.



Above: Port of Tacoma employees made several trips to China to inspect and learn about the cranes.

Right: Once completed, Pier 4 will have the capacity to handle two 18,000-TEU ships at the same time.



Crews are more than halfway done with major improvements at Husky Terminal's Pier 4 in the South Harbor to make it "big-ship ready." When completed next spring, Pier 4 will offer bigger cranes and be physically aligned with Pier 3.

The introduction of ever-larger container vessels triggered dramatic changes across the container shipping industry and the ports that serve them.

Pier 4's new alignment will create a 2,960-foot contiguous berth that will allow two 18,000-TEU ships to berth at the same time. Vessels with capacity of more than 14,000 TEUs are currently calling at West Coast ports, and 18,000-TEU vessels are expected in the near future.

"A ship that size is like a skyscraper tying up to the pier," explained Trevor Thornsley, senior project manager for the Port of Tacoma. "It's massive, and it's happening now. We need to be ready with the necessary infrastructure to support the bigger ships and their operations."

Pile driving at Pier 4 resumed in July after a short hiatus for the spring fish migration. While the in-water portion was suspended, work on land continued. "We've been focusing on completing the northern 700 feet of the pier structure and necessary utilities," said Thornsley, "including power, communications, sewer, stormwater treatment and a substation to serve the new cranes and ships."

Manson Construction began work on the 1,724-foot pier in September 2016. Crews began at the north end and are working their way south. The project calls for a total of 1,244 piles supporting the pier. As the remaining 596 piles are

neatly and precisely driven into place, crews cap them off using rebar, concrete and other materials designed to withstand the heavy loads the pier will bear.

Complementing the pier structure is a 7,000 square-foot marine operations building that acts as a hub for longshore workers and other terminal personnel. There will be break-rooms, restrooms and full communications capability. "That's where the action is—where they coordinate terminal operations," said Thornsley.

Near the end of the project, workers will cover the pier with three to six inches of pavement. They also will grade, pave and stripe the areas just behind the pier that will be used for container storage and vehicle traffic.

Thornsley expects the entire pier structure to be built by the end of April next year. In the meantime, work on the northerly 700 feet should be done by the end of November this year. Completion of this section is important to accommodate the delivery of the first four container cranes in February 2018.

Built in China by Shanghai Zhenhua Heavy Industries Co., Ltd. (ZPMC), the super post-Panamax cranes will be capable of serving ultra-large container vessels with an outreach of 24 containers and a lift height of 165 feet above the pier deck. ZPMC is the largest heavy-duty equipment manufacturer in the world.

Though the cranes are being built in China, alliance staff members are monitoring the work closely through regular communications and a number of in-person inspection visits.

"It's been beneficial for us to see firsthand how these cranes are built," said Joe Caldwell, who's coordinating the crane inspection. "We're able to track the progress and identify any concerns before the structures are assembled."

The cranes will arrive at Husky Terminal fully assembled. According to Thornsley, it will take about 10 days to carefully offload the cranes. The cranes will then undergo endurance testing and final commissioning one at a time, each taking about a month. The last of the four cranes is expected to be operational by June 2018.

Four more cranes are on order for Husky Terminal, thanks to the approval of NWSA's Managing Members at its June 2017 meeting. The total investment to reconfigure Pier 4 to align with Pier 3 including the purchase of the eight new cranes, is \$266 million.

"As the alliance, we can invest holistically in our facilities to ensure they remain competitive in this fast-changing industry," said Dick Marzano, co-chair of the NWSA. "These improvements will help us serve our customers better and continue to create the trade-related jobs so vital to our state."

Meanwhile, efforts to improve the North Harbor's capability to handle ultra-large ships are underway as well. The City of Seattle published the Master Use Permit (MUP) Analysis and Decision with Draft Conditions for the Terminal 5 Improvements Project in April. The MUP decision granted conditional permission to deepen berths, retrofit water/storm-water utilities, add electrical capacity and redesign upland cargo facilities to seek efficiencies. ■

PUGET SOUND GATEWAY PROJECT

The Washington state 2017-2019 transportation budget contains a shot in the arm for the Puget Sound Gateway project. Lawmakers advanced \$36 million in accelerated funding that will hasten the purchase of right-of-way needed to build the remaining six miles of State Route 167 between Puyallup (State Route 161) and Tacoma (State Route 509). "This means we can get to construction sooner," said Sean Eagan, director of government affairs for the alliance.



DELIVERING EFFICIENCY BY RAIL

North Lead Rail improvements add flexibility to South Harbor



The rail improvements add 34 percent of operational efficiency to cargo movement.

The Northwest Seaport Alliance continues to make major investments throughout our gateway.

Wrapping up in mid-May, ahead of schedule and under budget, the North Lead Rail improvements in Tacoma added two new 7,000-foot-long arrival and departure tracks. In addition, all of the support tracks were re-aligned, including investments in new tracks to enhance efficiency on the west end of the South Harbor's rail infrastructure.

"Before this work was done, we could only 'depart' or 'arrive' a single train through our infrastructure," said Mike Reilly, director of business development for intermodal services for the alliance. "Now we have a lot more flexibility."

Reilly added that the new tracks and rail yard configuration improves operational efficiency by 34 percent and also allows more flexibility and efficiency for the alliance's short-haul rail partner, Tacoma Rail.

Construction began last summer on the \$18 million project after an extensive planning process that involved simulating hundreds of train route scenarios. It was the alliance's biggest rail project in a decade.

Reilly commended the alliance's project partners—the state Legislature, Tacoma Rail, BNSF, Union Pacific, Northwest Container Services, the ocean carriers and the marine terminal operators as well as the South Harbor engineering department—for all their work and patience during construction.

The new and reconfigured tracks play an important role in the South Harbor's future growth, as they enhance rail capacity and flexibility and improve terminal velocity.

"We want to be the most efficient and the easiest gateway for our customers to do business with, so our rail product has to be second to none," said Reilly.

WASHINGTON STATE DEPARTMENT OF TRANSPORTATION'S POINT DEFIANCE RAIL BYPASS

Another milestone in reducing rail congestion is in sight. By the end of 2017, the Point Defiance Bypass will be complete.

The bypass reroutes passenger trains from the coastal rail line surrounding Point Defiance to an inland rail line along the west side of Interstate 5 through Tacoma, Lakewood and



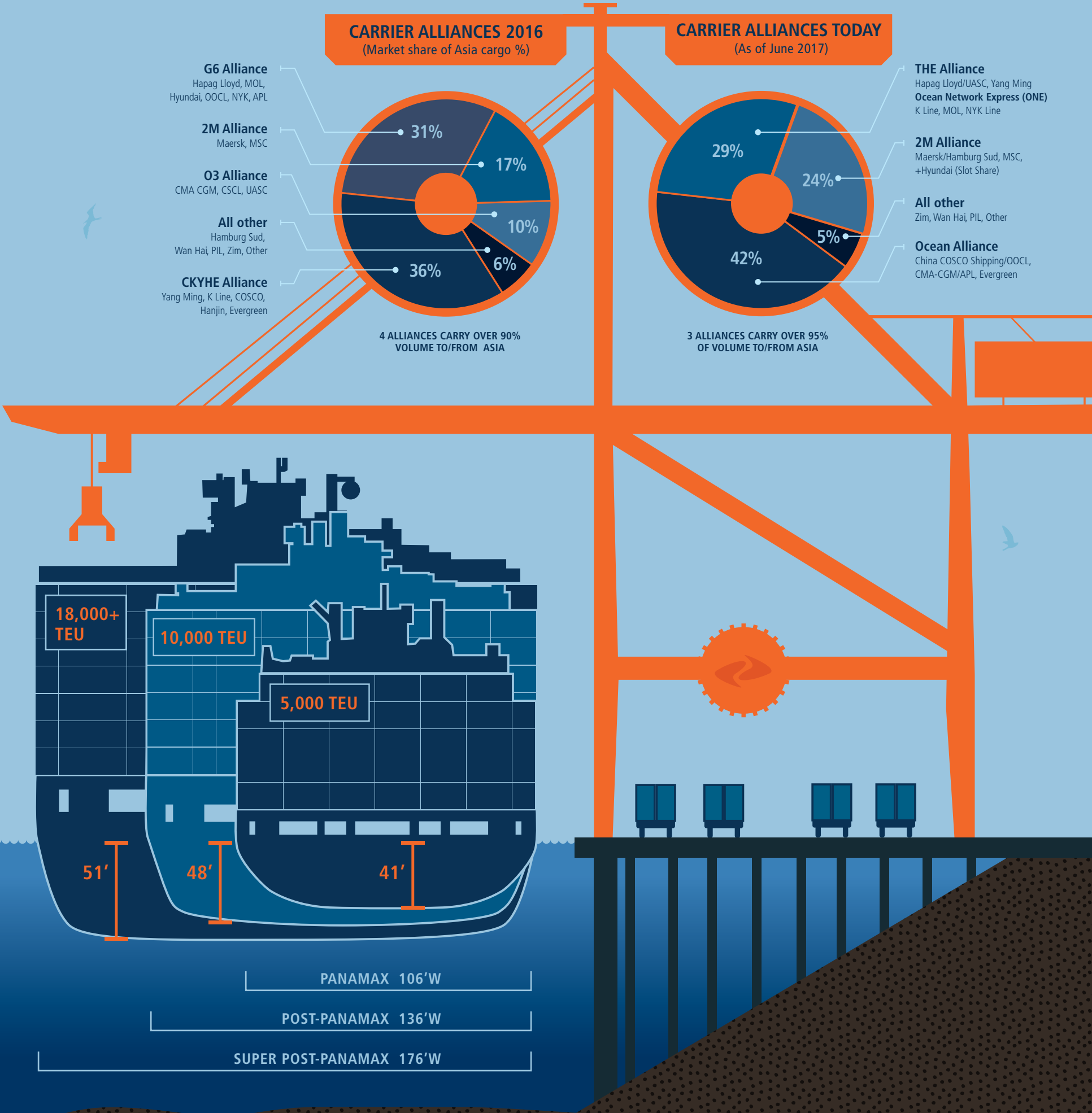
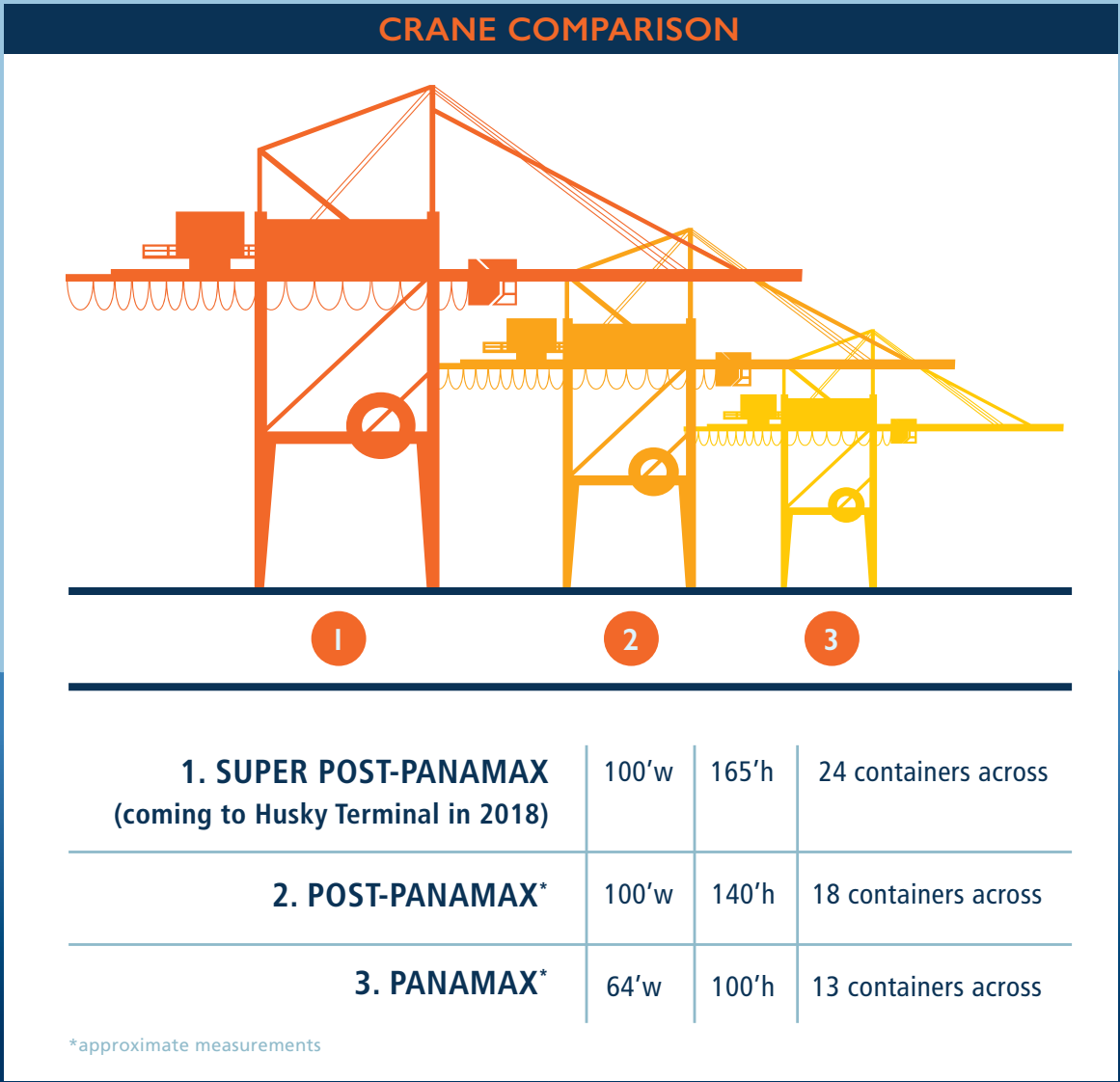
DuPont. Removing passenger trains from this congested corridor will increase speed and reliability for both freight and passengers.

Freight trains serving NWSA facilities will continue to use the mainline rail route along Point Defiance. The few freight trains serving local markets that currently use the bypass route will continue to use it after the project.

The bypass is part of a larger \$590 million investment improving mainline rail in Washington state. This investment includes additional tracks near Kelso-Longview, a bypass around rail yards in Vancouver, Washington, and other rail improvements. Separating freight from passenger traffic brings additional benefits. Freight capacity could increase by up to 15 train trips per day and passenger capacity could increase by up to two trips per day. ■

BIG, BIGGER, BIGGEST

The shipping industry is evolving rapidly as major carriers are consolidating and re-shuffling alliances through a series of mergers and acquisitions. Over the past few years, shipping lines have invested in increasingly larger vessels to drive economies of scale. As a result, port authorities are investing in larger cranes that are capable of serving these mega-ships. There are currently 19 super post-Panamax cranes in operation at the terminals between the ports of Tacoma and Seattle, with eight more on the way.



STRONGER PARTNERSHIPS



The NWSA's collaborative approach to innovation and operations keeps it competitive

Time is money. That's always been the case for shipping companies. But in recent years, the ability to move quickly has become just as critical for the facilities that serve them.

The Northwest Seaport Alliance realized it needed to become more than a landlord to its container terminals when it formed two years ago. In that short time, it's been confronted with Panama Canal improvements favorable to East Coast ports, as well as consolidation of global shipping lines into three alliances that now control 77 percent of the global market. Staying competitive in this environment has meant staying nimble and uniting the alliance's stakeholders in ways they hadn't considered in the past.

"Everybody understands that businesses can no longer operate in a silo, and we have to start reaching out. And really, the group that's in the best position to do that is the port authority," said NWSA Director of Operations Zack Thomas. "Our only mission is to get the whole system more efficient, and so we became the trusted intermediary."

This Photo: NWSA's Operations Service Center works with its partners to develop new strategies to drive efficiency.

Top Right: Members of our operations team, including Steve Queen (right), engage regularly with terminal operators.



The second annual peak planning meeting brought supply chain leaders together to share information, encourage ongoing planning efforts and establish best practices to help us continue delivering best-in-class customer service.

“The fact that we’re engaged day to day in operations sets us apart. It allows us to grow closer to our supply chain partners and gives us a much better understanding of their business.”

Dustin Stoker
Chief Operations Officer for NWSA

COLLABORATING TO COMPETE

Terminal operators, drayage companies, trucking firms and beneficial cargo owners (BCOs) rarely have an incentive to talk shop beyond their immediate contracts. When they do, though, Thomas said they often discover substantive ways to increase their productivity.

Shortly after the NWSA formed an Executive Advisory Council (EAC) in June 2015 to guide its decisions, terminal operators shared two practices now widely in use: One was the creation of peel-off piles of containers destined for specific importers, so a company’s trucks could drive straight to a designated pile, take the top container and go. Another best practice subsequently adopted by multiple terminal operators was the use of quick gates to pre-clear trucks for importers that finalize their paperwork in advance.

This year, the alliance also fostered discussions that could create substantial savings for companies processing cargo off-site. By sharing information on street turns, they could potentially deliver empty containers to each other directly, rather than driving them empty to a terminal for storage and retrieval later. That kind of innovation can make the NWSA more competitive overall, even though the details would be handled by the individual businesses involved. As Thomas put it, “The NWSA is not going to solve the problem, but we are going to bring together the people who can help solve the problem.”

Day to day, the alliance gathers feedback and puts it into action through a dedicated Operations Service Center. Team members have industry backgrounds in shipping, drayage, container terminal operations, stevedoring services and tugboat operations. They help stakeholders troubleshoot immediate issues at the North and South harbors while conducting regular outreach to seek improvements. It’s not

uncommon for 50-plus companies to participate in an EAC meeting. Attendees come for a heads-up on regulatory changes or guidance during complex projects, such as April’s gate realignment to accommodate the new shipping alliances. Stakeholders also share their experiences and concerns. These exchanges have led to improvements like terminal websites that now show vessel and gate schedules, as well as live cameras.

PEAK PLANNING

Few challenges illustrate the alliance’s commitment to collaboration better than planning efforts for the hectic months between August and October for importers, followed by a rush from November through March for exports. To prepare, the alliance surveyed more than three dozen BCOs this year and also prepared forecasts on equipment availability, dwell



Federal Maritime Commissioner Rebecca Dye at the peak planning meeting in May.



Face-to-face meetings with our stakeholders create opportunities for collaboration.

times and other relevant information. The BCOs anticipated that, compared to non-peak periods, imports would increase by 38 percent and exports would increase by 26 percent.

More than 150 people from every corner of the industry processed this information during a May meeting and shared their insights on initiatives to make the busy season run smoother. These touched on extended gate hours, better communication processes, export receiving windows and outreach to warehouse operators.

“I felt that the right people were in the room to listen to opinions, that we had been heard and the time was taken to clearly understand,” said Jason Schweizer, assistant manager of logistics division, Yamaha Motor Corporation. “As a BCO, it’s

always nice to participate in these roundtable events with decision makers.”

The meeting also was attended by Federal Maritime Commissioner Rebecca Dye, who told the audience, “I am convinced that port planning efforts like this one hold the key to greater American port competitiveness.”

The NWSA’s leadership believes that as well. Sue Coffey, director of business development, said her team held meetings across the country to discuss the priorities of agriculture organizations, the National Retail Federation and similar groups. They also hosted a growing number of customers visiting the gateway as they scrutinize all parts of their supply chain in search of better reliability and speed to market.



How outreach and communication smoothed the way for April's extensive gate reconfiguration

Even in an industry accustomed to consolidation, this year's debut of three mega-alliances all launching at the same time was unprecedented.

PortEconomics estimates the combined capacity of these shipping alliances – called The Alliance, Ocean Alliance and 2M+H – will be nearly 16 million TEUs worldwide. Much of that capacity destined for Puget Sound has shifted to Husky Terminal and Terminal 18 from other facilities in The Northwest Seaport Alliance. Volume increased more than 50 percent at T-18, while the Tacoma terminal went from one vessel weekly to two, generating about 7,000 moves per week.

"This put a lot of pressure on the terminals – all aspects of it," said NWSA Director of Operations Zack Thomas.

Queuing trucks posed one of the biggest challenges, as shippers sent their drivers to different, more-crowded gates. Before reconfiguration, we repurposed an unused space called Lot F to give drivers a place to wait without overflowing into surrounding streets. The NWSA worked with the operator of T-18 to provide a similar solution in Seattle by allowing trucks into the facility early to wait for the 7 a.m. start of the workday.

Both solutions worked well, said Thomas, thanks in large part to the alliance's outreach to stakeholders. This included regular meetings with trucking companies that received updated route maps, as well as live updates via email and text. The NWSA coordinated with the terminal operator and the City of Seattle's transportation department to deploy variable message signs to nearby roads directing drivers to one of three gates at T-18, preventing a backup at the main entrance.

The NWSA and its partners successfully completed the reconfiguration within a week of the new shipping alliances' launch. Well in advance, the NWSA kept the state transportation department, police and other government agencies informed of the traffic changes the new traffic configuration would bring. Larger meetings also incorporated the full slate of stakeholders, including U.S. Customs and Border Protection and businesses surrounding the busier terminals.

"We want to be good neighbors," said Thomas. "By doing this, we were able to keep many trucks off the streets and keep all the other people that work down here in the port industrial areas happy." ■

"We're not just coming up with ideas in house and pushing them out. We're going out to the marketplace and bringing them to the table," Coffey said.

LOOKING AHEAD

Relationships account for just one part of the NWSA's strategy to differentiate itself from competing ports. It's also pursuing measurable business results.

Since the EAC formed, crane productivity has increased by more than one move per hour. Leaders also track other key performance indicators, some of which were not measured before the alliance formed. These include on-time vessel arrivals and departures, truck turn times and transit times to a mainline railroad.

The alliance had these measures in mind in 2016 when it earmarked \$2 million to reimburse terminal operators for extra gate hours during peak season. The program was renewed this year, which helped terminals extend their workweek to reduce congestion and improve wider port operations. The NWSA is working with the industry on a more permanent program.

Other strategic investments include a sophisticated port community system, said Chief Operations Officer Dustin Stoker. Developers worked earlier this year to improve

accuracy of the DrayQ smartphone app that tracks trucks through the harbors and estimates service times. By the end of 2017, the alliance hopes to complete design work on a platform that can track not only trucks, but also cargo, terminals, ships and other stakeholder assets, potentially processing enough data along the way to produce forecasts and inform planning decisions.

The NWSA doesn't run the shipping operations it wants to optimize. Nonetheless, the ability to help them work better together can differentiate the alliance from other ports.

"The fact that we're engaged day to day in operations sets us apart," said Stoker. "It allows us to grow closer to our supply chain partners and gives us a much better understanding of their business."

Above: Terminal 18 is in the North Harbor (Seattle).

Right: Husky Terminal in the South Harbor (Tacoma).



COMPANY STATS

-  **ESTABLISHED:** 2003
-  **LOCATION:** Portland, Oregon
-  **EMPLOYEES:** 300
-  **PRODUCT:** Outdoor-focused shoes, sandals and boots for women, men and children. Work boots and shoes. Clothing and accessories.
-  **WEBSITE:** keenfootwear.com



KEEN, INC.

A shoe company knows the importance of a good fit.

Keen, Inc., a company known for its outdoor footwear, found the perfect fit for its import requirements in The Northwest Seaport Alliance.

Keen moved to Portland in 2006 after three years in Alameda, California. The Northwest made sense for a brand focused on outdoor adventure and committed to environmental preservation.

Keen's original shoe – the iconic Newport sandal – answered the question, “Can a sandal protect your toes?” Since launching the brand in 2003, it has expanded into hiking footwear, running shoes, snow boots, work boots and casual shoes.

The company is about more than footwear. Keen seeks to be a change engine for good business by “giving back, taking action and reducing its impact.”

Since its launch, the company has donated more than \$15 million to nonprofit organizations. Keen partners with The Conservation Alliance, Leave No Trace, American Whitewater, Forest Park Conservancy, Outdoor Alliance and others.

“I really like what The Northwest Seaport Alliance has done over the last couple of years as far as keeping us informed with daily and weekly updates.”

Brad Voelpel
Head of Keen's global logistics operations

The move to Portland's historic Pearl District brought a big added benefit. The ports of Tacoma and Seattle are much less congested and more efficient than what they had experienced in the past.

“It's a nice fit for our operation,” said Brad Voelpel, who heads Keen's global logistics operations. “We like (The Northwest Seaport Alliance) for the efficiency of the operation and for the ease of moving the containers in and out of the ports. We now get quicker turns than we were getting.”

Voelpel said Keen manufactures about 400,000 pairs of shoes per year in Portland, however 95 percent of the finished footwear is made in Asia. Keen imports about 1,000 FEUs (40-foot equivalent units) through the NWSA per year, about half from China, half from Southeast Asia.

Much of that comes through the NWSA's South Harbor. The shoes are transloaded in Fife into 53-foot intermodal trailers for shipment to Keen's U.S. distribution centers in Louisville and Hebron, Kentucky.

“I really like what The Northwest Seaport Alliance has done over the last couple of years as far as keeping us informed with daily and weekly updates,” Voelpel said. “It's very customer focused. They're on the leading edge of that, working with the import-export community.”

“During last holiday's peak season, the NWSA subsidized extended gate hours, which is unheard of. It was a nice win for us.”



COMPANY STATS

-  **ESTABLISHED:** 2005
-  **LOCATION:** Three locations in Olympia
Coming in 2017: West Seattle and Tacoma locations
-  **EMPLOYEES:** 35
-  **PRODUCT:** Slow-roasted coffee, brewed and packaged, other drinks, café items and merchandise. More than 100 wholesale customers such as cafes and restaurants.
-  **WEBSITE:** olympiacoffee.com

OLYMPIA COFFEE ROASTING CO.

For many of us, a steaming cup of coffee is a morning ritual. In recent years, more and more coffee drinkers in the Pacific Northwest have become more discerning about the coffee they purchase. They want a brew that tastes amazing but that is also ethically sourced.

Since coffee beans don't grow in the Pacific Northwest, they need to rely on others to bring it here.

Enter Oliver Stormshak and Sam Schroeder, who own Olympia Coffee Roasting Co. Their motto is “quality coffee + quality of life.” Stormshak is president, green coffee buyer, a “super taster” and a master roaster. Schroeder is retail director. He was the 2015 Northwest Barista Champion and has placed in the U.S. Barista Championship competitions.

The company has direct trade partnerships with some 40,000 small-scale coffee farmers in eight countries, spanning three continents. In direct trade partnerships, roasters visit the farms regularly to agree on fair prices, to confer on growing and processing practices and to test the coffee quality. The farmers make living wages and invest in

their businesses, homes, families and children's educations.

Stormshak works with growers in Africa, Central America and South America, including Burundi, Colombia, Costa Rica, Ethiopia, Guatemala, Kenya, Rwanda and El Salvador.

With coffee beans shipping into the Puget Sound region from thousands of miles away, it pays to have world-class ports in the backyard. “Our ports are a vitally important piece to how we trade as a region,” Stormshak said.

Each season Stormshak and his sourcing team negotiate with the farmers for the lots of coffee beans to purchase – after meticulous tasting. To prepare the beans for shipment, the parchment skins are peeled off the green beans. They are then loaded into 150-pound burlap bags, which are sewn closed by hand.

The Olympia team hires an exporter in each country. The exporters are specific to coffee, which in most of the countries is the largest source of income. The bags must be stacked in the containers in a specific way to protect the beans. It takes 250 bags of coffee beans to fill a 20-foot container.

“Our ports are a vitally important piece to how we trade as a region.”

Oliver Stormshak
Co-owner of Olympia Coffee Roasting Co.

“When we're moving a full container, we ship directly to Seattle,” Stormshak said. “That would be 100 percent of our Ethiopian and Colombian coffee, or 1,000 bags annually.”

Once in Seattle, containers are loaded to trucks and taken to The Green Room, a climate-controlled warehouse in Auburn that stores green coffee beans for more than 40 importers.

That morning cup of joe is well traveled. ■

NO FISH TALE: SEAFOOD IS KING IN THE NORTHWEST

When consumers around the world enjoy wild Alaskan halibut or sockeye salmon, the fish likely journeyed through one of the ports of The Northwest Seaport Alliance.

Seafood is one of the top export commodities shipped out of the ports of Seattle and Tacoma, with a total value in 2016 of \$637.9 million.

The products will make a seafood lovers mouth water: sockeye, pink, king, silver and chum salmon; halibut; Pacific cod, lingcod; rockfish, pollock, and sablefish (black cod); crab, shrimp, clams, oysters and mussels.

But this is no fish story. The facts speak for themselves.

Puget Sound's fourth-largest trading partner – in the U.S. or abroad – is Alaska at approximately \$5.4 billion annually.

With its pristine waters and 34,000 miles of shoreline, Alaska has the most prolific fishing industry in the United States and accounts for more than 60 percent of all U.S. wild-caught seafood.

"Each year Alaska seafood companies ship more than 1 billion pounds of Alaska seafood products through Pacific Northwest ports," said Jeremy Woodrow, communications director of the Alaska Seafood Marketing Institute. "The Alaska seafood industry considers the NWSA a valuable partner in the process of distributing Alaska's high-quality seafood across the globe."

Container vessels travel between Alaska and Puget Sound. Each week, both TOTE Maritime Alaska and Matson ships make two voyages between Tacoma and Alaska harbors and back, a trip that takes four days each way. Seafood is moved in refrigerated containers, often referred to as reefers. A significant amount of waterborne cargo also moves by conventional barge on Alaska Marine Lines through Seattle. Southeast Alaska is supplied almost entirely by barge; southbound barges largely transport seafood back.

NWSA is the second-largest gateway for seafood exports in North America. The Pacific Northwest commands a 30 percent market share of total seafood exports from the U.S.

Frozen fish is the leading commodity segment by TEU volume. In 2016, shipping lines calling at NWSA terminals exported 14,190 TEUs (20-foot equivalent units) of seafood. The top destinations were China, Japan, Ukraine, South Korea, Spain and Germany, in that order. Frozen fish accounts for most of this volume, according to Georgette Reidburn, business representative with the NWSA.

"The majority of the inbound volumes of seafood are from Alaska. Cargo is then held in cold storage facilities until further shipments are determined," Reidburn said. "Often times, seafood is exported to Asia for processing and then can be imported back in its finished state." This includes product that has been filleted, packaged, breaded, canned or smoked.

A number of the top seafood shippers in the U.S. are located in Seattle because of its proximity to Alaska and Asia, access to the trans-Pacific trade lane and the 2 million-plus square feet of cold storage capacity in the area.

Ocean Beauty Seafoods, one of the largest producers of salmon in the United States, has a distribution location in Seattle. From there, both fresh and frozen seafood can be delivered to food service and retail businesses.

"Operational efficiency at the NWSA harbors is important to the local supply chain," said Jan Koslosky, vice president of supply chain management for Ocean Beauty Seafoods. "Enhancements, such as the extended hours program at the terminals, is a huge benefit."

The peak season for salmon fishing – and therefore the busiest time for NWSA seafood shippers – is May through September. Five major salmon species are caught, beginning with king in May. Sockeyes, pink, silvers and chum run strong in July and August. The peak period for exports continues into October. ■

CALENDAR

Meet Northwest Seaport Alliance staff at upcoming events.

Sept. 19

West Coast Connie Awards Dinner
Long Beach, California

Sept. 24 – 27

**Council of Supply Chain
Management Professionals (CSCMP)
EDGE 2017**
Atlanta, Georgia

Sept. 26

**34th Annual Quest for
Quality Gala Celebration**
Atlanta, Georgia

Sept. 27 – 29

**U.S. Pea and Lentil Trade
Association Annual Meeting**
Indian Wells/
Palm Springs, California

Oct. 10 – 12

TPM Asia Conference
Shenzhen, China

Oct. 12 – 15

WESCCON 2017
Rancho Mirage, California

Oct. 17 – 19

Breakbulk Americas 2017
Houston, Texas

Oct. 18

**Foreign Commerce Club of NY
103rd Steamship Night Dinner**
New York, New York

Oct. 22 – 25

**FDRA Footwear Trade & Distribution
Conference (FTDC) 2017**
Long Beach, California

Nov. 2

**CONNECT 16th Annual Northeast
Cargo Symposium**
Providence, Rhode Island

Dec. 4 – 6

**Washington State Tree Fruit
Association 113th Annual Meeting**
Kennewick, Washington

Dec. 5

**Agricultural Transportation
Coalition Workshop**
Minneapolis, Minnesota

Dec. 6

**Agricultural Transportation
Coalition Workshop**
Boise, Idaho

Dec. 11

East Coast Connie Awards Luncheon
Newark, New Jersey

Dec. 12 – 13

**JOC Port Performance
North America**
Newark, New Jersey

Jan. 23

**Agriculture Transportation
Coalition Workshop**
Portland, Oregon

Jan. 23 – 25

**Washington-Oregon
Potato Conference**
Tri-Cities, Washington

Feb. 25 – 28

RILA Supply Chain Conference 2018
Phoenix, Arizona

March 4 – 7

18th TPM Annual Conference
Long Beach, California



The Northwest Seaport Alliance | Fall 2017

P.O. Box 2985
Tacoma, WA 98401

ADDRESS SERVICE REQUESTED

PRESORTED
STANDARD
U.S. POSTAGE
PAID
TACOMA WA
PERMIT NO 543



Please include mailing label with request

COMMERCIAL CONTACTS

We're here to help. If you have questions or need help moving your cargo, contact us.

Tong Zhu
Chief commercial officer & chief strategy officer
EMAIL: tzhu@nwseaportalliance.com
TEL: 253-428-8642

BUSINESS DEVELOPMENT TEAM

Steve Balaski
EMAIL: sbalaski@nwseaportalliance.com
TEL: 253-888-4403

Sue Coffey
EMAIL: scoffey@nwseaportalliance.com
TEL: 253-230-3282

Mike Reilly
EMAIL: mreilly@nwseaportalliance.com
TEL: 253-383-9418

Tom Bellerud
EMAIL: tbellerud@nwseaportalliance.com
TEL: 253-383-9405

Andre Elmaleh
EMAIL: aelmaleh@nwseaportalliance.com
TEL: 253-592-6792

John Tullis
EMAIL: jtullis@nwseaportalliance.com
TEL: 253-428-8603

Todd Bring
EMAIL: tbring@nwseaportalliance.com
TEL: 253-428-8676

Georgette Reidburn
EMAIL: greidburn@nwseaportalliance.com
TEL: 253-383-9415

