

# pacifcgateway



## THE SUPPLY CHAIN GETS REAL

How technology is improving  
port users' experience

### NORTH HARBOR PREPARES TO GO DEEP

The plan to deepen  
waterways

### MOMENTUM: TERMINAL, TRUCK PROGRAMS

Exports and imports fill  
holiday shelves



## FROM THE CEO



**D**uring 2016, we experienced what we once thought impossible: 18,000-TEU ships, larger shipping alliances among fierce competitors and Hanjin Shipping's bankruptcy announcement.

This year is likely to see wild swings as well in the trans-Pacific trade.

Ocean carriers are forming larger alliances among themselves and sharing space on ever-larger ships. With these alliances slated to take effect this spring, we are likely to see a shuffle among terminals and ports of call.

These changing times mean we need to think and act differently, too.

Our people have always been one of our greatest strengths, connecting the supply chain to make our gateway the easiest with which to do business. Read more in this issue about the technology we're introducing to improve efficiencies, smooth cargo movement and deliver on customer expectations.

In these pages you'll also meet a few more of the people and customers that generate the jobs so valuable to our state.

Meet Mike Campagnaro, our real estate director, who also has a fondness for baseball. Let us introduce you to Western Distribution Services and SSA Marine, two businesses finding success through our gateway. Learn, too, about the role we play in getting potatoes, one of the Northwest's top exports, to Asian markets.

We know there are no guarantees in this fiercely competitive marketplace—other than, if we don't adapt, we risk losing the jobs and economic benefits for which our communities and customers rely on us.

We're committed to making you successful.

A stylized, handwritten signature in black ink, likely belonging to John Wolfe.

**John Wolfe**  
Chief Executive Officer, The Northwest Seaport Alliance

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Don Meyer  
Clare Petrich

### Port of Seattle Commission

Tom Albro  
Stephanie Bowman  
John Creighton  
Fred Felleman  
Courtney Gregoire

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### Pacific Gateway

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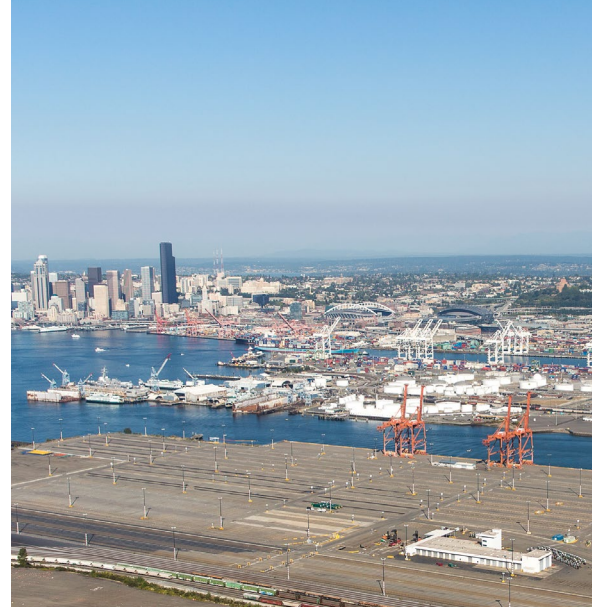
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# NEWS BRIEFS



Nick Demerice directs The Northwest Seaport Alliance's public affairs team



Terminal 5's final EIS is complete

## Nick Demerice joins NWSA to direct public affairs

Nick Demerice joined The Northwest Seaport Alliance in September to lead the public affairs team.

Demerice brings more than 10 years of experience in government affairs. Before joining the NWSA, Demerice served most recently as assistant director for external relations at the Washington State Department of Commerce.

In his new position, Demerice oversees the communications and government affairs departments, which handle internal and external communications, local, state and federal government relations and community relations.

Demerice holds a bachelor's degree in political science from the University of Washington.

## Port of Seattle completes environmental study on Terminal 5

In preparation for modernizing the cargo-handling facility to serve larger cargo vessels, the Port of Seattle completed the environmental analysis of Terminal 5 in October.

The proposed upgrades to Terminal 5 are wharf rehabilitation, berth deepening, electrical service and improvements to the upland portions of the property.

"Based on public comments, we included a number of improvements, such as shore power for vessels, installing gates for noise and safety mitigation for rail, and significant traffic improvement measures," said John Creighton, Port of Seattle Commission president and co-chair of The Northwest Seaport Alliance. "We want to thank the public for weighing in on this proposal during the comment period."

The final Environmental Impact Statement evaluated potential impacts to earth, air, water, plants, animals, energy and natural resources, environmental health, noise, aesthetics (including light and glare), historic and cultural resources, transportation and public services.

The NWSA managing members still must approve the recommended improvements in public session.

## Hamburg Süd ranks #1 in 2016 AgTC Ocean Carrier Performance Survey

As the export gateway to the world, the NWSA's major commodities include agricultural and lumber products. International shipping line, Hamburg Süd, was named the top-ranked carrier for 2016 in the 10th Annual Agriculture Transportation Coalition (AgTC) Ocean Carrier Performance Survey.

The AgTC's membership comprises mainly U.S. exporters and importers of agricultural and timber commodities. Each year, the AgTC surveys its diverse membership of ocean carriers in all geographic locations to rank from the best to worst. The categories for the survey include: availability of equipment, availability of space on vessels, document accuracy and efficiency, willingness to accept export documentation as late as possible, advertised versus actual vessel schedule and transit time.

Hamburg Süd accepted the honor at the Annual Dinner of the AgTC's Annual Meeting in June.





Extended gate hours supported peak season efficiency

## NWSA extended gates program adds terminal times to support peak season shipping

The Northwest Seaport Alliance reimbursed international container terminal operators to extend gate hours during peak season.

The alliance launched the program to help marine terminal operators avoid congestion on surface streets in the port industrial areas and keep import and export cargo flowing efficiently during peak season, which typically starts in late August and this year continued through early December.

“We are pleased that the marine terminal operators have been willing to participate in this pilot program,” said Dustin Stoker, NWSA chief operations officer. “The goods we import and the agricultural and manufactured products we send elsewhere create valuable jobs for our communities. We want to continue to make it easy for our customers to do business here to benefit everyone.”

Each terminal participated in the program, offering various extended hour options, including flexed gates from 7 a.m. to 8 a.m., lunch gate hours Monday through Friday, an off-shift gate after 5 p.m. Monday through Friday, or Saturday or Sunday shift.

Terminal operators added about 50 to 70 hours per week during the fall peak season.

Study released on North Pacific fishing fleet



# HOMEPORT NEWS

## Port of Seattle partners on fishing fleet study

The Port of Seattle and the Washington Maritime Federation recently released a detailed analysis of the North Pacific fishing fleet infrastructure and factors related to modernizing the fishing fleet.

“Modern ships are safer, more sustainable and more profitable, but also require more capital,” said Port of Seattle CEO Ted Fick. “As a business and infrastructure partner to the fishing fleet, we need to make sure we capture this opportunity for our regional economy.”

The report also finds that while the North Pacific fishing fleet plans to spend \$1.6 billion on modernization in the next decade, shipyard competition, economic conditions and public policy will determine how much of this vessel construction will be done in Puget Sound.

“The fishing industry has provided generations of Washingtonians with good paying jobs and sustainably harvested seafood,” said Mark Gleason, director of the Washington Maritime Federation. “With the right investment we can keep—and grow—jobs here in our maritime industry.”

If Washington state can capture 50 percent of the modernization projects (versus 33 percent today), the region could generate 510 to 750 middle class jobs, generating approximately \$40 million to \$60 million in wages.

A 2012 economic impact study found the economic impacts associated with the fishing and seafood processing industry in Washington state supported \$1.1 billion in wages and 15,400 jobs.



# MIKE CAMPAGNARO

Real estate director  
racks up early hits

“Mike is calm and collected,” Zhu said. “Those qualities, coupled with his determination and tenacity when approaching a tenant issue are exactly what we need in dealing with this chaotic industry.”

Tong Zhu, chief commercial officer—containers and real estate, NWSA



**M**ike Campagnaro was 18 years old when he scored his first real estate deal. He and his brother bought a fixer-upper house while he was a student at Seattle University.

A year later, he had his real estate license and worked part time at a real estate firm while pursuing his college degree. And his career path was set.

"I was interested in real estate from a young age," said Campagnaro, who manages all the leases for Northwest Seaport Alliance properties. "I've been doing this a long time now. People might think it's the same thing over and over, but I can honestly say that's never been the case. Every day is a challenge."

As director of real estate for the NWSA commercial team, Campagnaro is in charge of not only negotiating leases but also of managing properties—working with tenants on maintenance, payments or lease extensions.

Just a few years after earning his bachelor's degree in business, Campagnaro joined the Port of Seattle's real estate division, assigned to Sea-Tac Airport. It was the mid-1980s, during airline deregulation—a time of tremendous change for airport tenants. There were only two runways then, and Campagnaro remembers working with one tenant in particular—a regional carrier named Alaska that was just starting to grow. It's now North America's fifth-largest airline. (Sea-Tac today, he said, is "barely recognizable" from those days.)

Campagnaro spent 13 years at the airport before moving to the Port of Seattle's downtown office. There, he recalls a proud achievement: negotiating the leases and obtaining full occupancy for the World Trade Center Seattle building, and leasing the Bell Street

Pier parking garage across from the cruise terminal—significant projects for the north end of Seattle's waterfront. Then, when the NWSA formed in 2015, Campagnaro took on properties in the South Harbor, as well. Since the second quarter of this year, the NWSA Real Estate team has executed seven new industrial leases covering about 175,000 square feet, including a lease with BNSF for an equipment storage yard.

"Now that our territory has expanded, it forces us to look at things more holistically," he said. "We're trying to find what the best uses for properties are, and it's not so much as a Seattle deal or a Tacoma deal, but the two together. When we look at an opportunity, we look at where the best fit is in both harbors."

Consolidation within the shipping industry, along with other global and local economic trends, have made the job of real estate director more demanding. Even a local development, such as the massive Alaska Way Viaduct along the Seattle waterfront, can have real estate implications. All the excavated soil from tunneling, for example, had to go somewhere. Campagnaro worked with the Washington State Department of Transportation and Total Terminals International to identify space at Terminal 46.

Tong Zhu, the NWSA's chief commercial officer for containers and real estate, said that over the years, Campagnaro has had to sort out some thorny issues. But his ability to be fair and open-minded has enabled him to navigate the territory.

"Mike is calm and collected," Zhu said. "Those qualities, coupled with his determination and tenacity when approaching a tenant issue are exactly

## ALL ABOUT MIKE CAMPAGNARO



**HOMETOWN:**  
West Seattle



**FURRY FRIEND:**  
Stryker, a 19-pound,  
12-year-old cat



**FAVORITE SPORT TO WATCH:**  
Baseball (Close second:  
NCAA College Basketball  
tournament)



**A FAN OF:**  
Any local college or pro team  
("with a soft spot for the  
Mariners")



**ON HIS BOOKSHELF:**  
"Moneyball"  
by Michael Lewis



**ON THE BUCKET LIST:**  
Catching a game at every  
Major League Baseball  
stadium in the U.S.

what we need in dealing with this chaotic industry."

But it's that change, the constant prospect of new developments, that keeps Campagnaro happy to be in the thick of it.

"Things are always changing," Campagnaro said. "It's a new game, needing to constantly stay informed and keep up with changes, because if you don't, the change will bypass you."





# NORTH HARBOR PREPARES TO GO DEEP

The news out of the plan to deepen the North Harbor's East and West waterways seems obvious.

Study looks at deepening North Harbor to 57 feet

With a depth of up to 57 feet, the channels would be among the deepest in the United States, ready to accommodate megaships by early in the next decade.

But behind the scenes, the planning process has hit its own milestones—and is being held up as a model for other federal projects. Among the first to undergo the U.S. Army Corps of Engineers' new "3-by-3-by-3" approach, the Seattle Harbor Feasibility Study is on track to be completed and reviewed by three levels of agency leadership within a three-year period, for less than \$3 million. The next step, upon concurrence by the Corps next year: Propose to Congress for authorization and budget appropriation.

Key to its success thus far? The relationship between The Northwest Seaport Alliance and the Corps of Engineers.

"We have a strong partnership with our non-federal sponsor, the seaport alliance," said Rachel Mesko, the Corps of Engineers' lead planner on the feasibility study. "The fact that we have an engaged sponsor, one with whom we can leverage their expertise and have open coordination and dialogue—that's something we share with other districts that are conducting their own studies."

Elsewhere, Corps of Engineers feasibility studies have taken years, sometimes more than a decade, to complete. But in 2012, a new directive from Corps commanders established the 3-by-3-by-3 strategy, aiming to reduce the backlog and move forward on projects that have real potential and significance. The Port of Seattle submitted its application in 2014 (a year before the alliance formed) at just the right time: The Corps was able to launch the Seattle Harbor Feasibility Study, from scratch, using the new process. That, too, has helped facilitate smoother sailing, Mesko said.

And unlike port-deepening projects in other parts of the country, the North Harbor waterways are relatively straightforward. The construction zone within each waterway would stretch only about a mile, with few alternative deepening scenarios to evaluate. Work would be conducted over at least two years, to mitigate the impact on salmon and other fish species.

The alliance has identified its preferred alternative: deepening the waterways from the current depth of about 50 feet to a new depth of 57 feet, which would dredge more than 1 million cubic yards of sediment. The Corps is also analyzing a slightly shallower option, a depth of 56 feet. The goal: with



**“The ships are bigger, and we don’t have a choice of handling small ships. There’s not a segment of shipping lines that wants smaller gateways.”**

**Bari Bookout**

Alliance’s Chief Commercial Officer for non-container business

18,000-TEU ships like the Benjamin Franklin heralding the future, ports need to provide enough water for their draft.

The preferred alternative would ensure that water is deep enough for megaships to safely navigate the waterways, even when fully loaded—of course, the more cargo a ship takes on, the greater its deadweight and draft. That’s important, given the volume of exports out of the Northwest—such heavy commodities as potatoes, hay and forest products—that travel by sea to market. A ship with a draft of 51 feet, then, can’t be loaded to capacity.

That would pose a problem for producers trying to get their product to market, such as Washington potato growers.

“Our family farms cannot bear the cost of hauling products to California for export services,” wrote Matt Harris, director of government affairs for the Washington State Potato Commission, in a letter to the Corps of Engineers.

“Shipping lines are always looking for maximum efficiency,” said Bari Bookout, the alliance’s chief commercial officer for non-container business. “Not being able to utilize a ship fully means it will cost them money, and they’ll deploy ships to gateways that will handle cargo efficiently. We will be able to offer depth to these ships.

“There’s not an alternative,” she added. “The ships are bigger, and we don’t have a choice of handling small ships. There’s not a segment of shipping lines that wants smaller gateways.”

Deepening to this level also helps ensure the longevity of the project, Bookout said. Ports that have excavated their waterways to shallower levels risk being bypassed by carriers that don’t want the potential navigation hazards.

Navigation was the focus of the Puget Sound Pilots, which advised on technical issues for the feasibility study. President David Grobschmit said his group has to consider not just megaships, but those in the 14,000-TEU range—larger than today’s typical 10,000-TEU vessels and more than twice the big ships of old at 6,000 TEUs.

Early on in the project, Grobschmit explained, the pilots looked at the waterway entry points: Would there be enough room—below and around—to navigate in the ships and swing them around as they approach the terminals, or would ships have to turn around outside the waterway and back in? The

answer: Study a depth of -57 feet Mean Lower Low Water, with channel widths of up to 550 feet and entry widths up to 700 feet.

The pilots felt their expertise was valued, Grobschmit said, and the process has been thorough for all involved. “The ultimate goal would be to for this to be the best and most viable gateway port on the West Coast, and we’re doing everything to accommodate that goal.” ■



**While the Seattle Harbor Feasibility Study proceeds toward a summer 2017 release date for the final draft and environmental assessment, two other megaship-related project are underway:**

**TERMINAL 5:** The final Environmental Impact Statement was released in October on the plan to deepen the berth, strengthen the pier to hold heavier cranes and add utilities.

**PIER 4:** Pile driving and dredging at this South Harbor terminal began in September. When completed in 2018, Pier 4 will offer a straighter, contiguous, 2,960-foot berth with Pier 3.

And like the East and West waterways in the North Harbor, the South Harbor may be subject to its own Corps of Engineers Feasibility Study. The alliance has submitted a request to the Corps to evaluate the possibilities of deepening the Blair and Sitcum waterways.

# THE SUPPLY CHAIN GETS REAL



New terminal operating system will provide additional efficiency in moving breakbulk cargo





## How technology offering real-time data and visibility is improving port users' experience

In an increasingly connected world, technology that provides real-time information can open up a whole new realm of opportunities. Consumers take advantage of these technologies every day, from tapping apps that tell you which commute route is less congested to altering your Amazon order based on what's in stock.

The Northwest Seaport Alliance is putting the power of real-time data and analytics to work in various aspects of the supply chain. Last fall, the alliance debuted two new tech solutions that will provide increased visibility into breakbulk operations and reduce wait times for truck drivers in Tacoma and Seattle harbors.

These and other innovations not only save port customers time and ultimately money, but they help the Puget Sound ports better compete for business on a global scale.

"A lot of this is about understanding how your supply chain is connected and listening to what your customers need," said Bob Meyer, NWSA operations director. "These are investments that really offer bang for the buck, and also provide a stepping stone to the next level of technology we'll see in the industry."





Technology will help provide more visibility throughout the supply chain

## THE RIGHT POSITION

The recent opening of the new widened Panama Canal has only expanded port options for shippers and shipping lines, making it imperative that Northwest ports provide as much value as possible.

The slowing growth of global trade also adds urgency. Consider that prior to 2008, global trade volumes were growing 10 percent to 12 percent per year, compared to the more recent 2 percent to 3 percent, according to the World Trade Organization. Meanwhile, the increasing size of ships and consolidation of shipping lines can mean fewer port calls, but far more cargo to handle when ships arrive, and ultimately congestion at container terminals.

“We want to position ourselves as the easiest gateway to do business and that comes from operational efficiencies and customer focus,” said Bari Bookout, the NWSA’s head of non-container and commercial strategy teams.

NWSA’s top-notch people and deep water harbors have long provided a competitive advantage. In fact, the NWSA ranked highest among U.S. West Coast ports for ease of doing business, according to an industry survey by Logistics Management magazine. Tapping into new technology – and reaping its benefits – not only adds value for customers, but ensures that NWSA ports stay competitive with other ports in the U.S. and Canada.

## THE GROWING ROLE OF TECH

In his keynote address at the Global Liner Shipping Conference in March, APM Terminals CEO Kim Feifer noted that the need for change has been “more pronounced in the past two years, than in the past 20 years.”

“Changes in shipping require not only investment and increased efficiency at the individual port level,” Feifer said, “but the configuration of port complexes needs to adapt to cope with current trade flows, increased ship sizes and demands for lowest possible costs.”

The NWSA has already made use of technology to provide customers with increased visibility in a few innovative ways, including offering a live feed of terminal gate cameras as well as access to a real-time, searchable database of vessel call schedules. Both resources are some of the most frequented pages on the NWSA’s website.

The recent innovations offer more visibility – and the potential for our harbors and their users to increase their efficiency, grow their business and even reduce emissions.





The NWSA's Operations Service Center arms people with technology to provide faster responses

## THE NEW BREAKBULK BEHEMOTHS

**The high-tech, environmentally friendly HERO ships from WWL carry more cargo**

Last summer, the first of a fleet of new, high-efficiency roll-on, roll-off (HERO) ships, debuted by Wallenius Wilhelmsen Logistics, called at the East Blair One Terminal in Tacoma. Designed specifically for the widened Panama Canal, these HERO ships are significantly larger than other Ro/Ro vessels and capable of transporting 8,000 vehicles at once.

Beyond its new and bigger size, this fleet of ships includes several technology advancements aimed at reducing fuel use, decreasing emissions and improving efficiency. For example, the HERO employs an exhaust gas cleaning system, which ensures that its sulfur emissions meet environmental regulations.

WWL plans to launch eight of these ships by the end of 2017.

**“We want to position ourselves as the easiest gateway to do business...”**

**Bari Bookout**

Chief commercial officer—non-containers and commercial strategy, NWSA







DrayQ and Dray Link apps make information mobile



New breakbulk terminal operating system speeds information sharing



## STREAMLINING BREAKBULK OPERATIONS

With millions of tons of breakbulk cargo passing through the Puget Sound ports each year, proper planning can make all the difference. The NWSA's new breakbulk terminal operating system, or TOS, will provide a real-time view of exactly where cargo is – as well as data analysis that will help the alliance maximize the use of its facilities.

"The TOS keeps things all squared away in terms of product location in the yard to planning to understanding what's coming off the ships," Meyer said. "And all the information lives in one place."

The new software system, called Bellerophon, provides users with a dashboard of important data. Information autofeeds into the system from the shipping lines and customers. Meyer, who used a similar system when he worked in Australia, said that the ability to immediately spot trends and opportunities is game changing.

NWSA staff might notice that they have more capacity in their facilities than they realized or identify business opportunities for high-return cargo. For example, if a customer has a 1,000-pound piece of equipment they would like to store on the dock for six months, TOS data and analysis can help alliance staff determine exactly what other types of business that might displace and quote accordingly.

"It helps us be more responsive and more efficient," Meyer said.

## TURNING TRUCKS FASTER

On busy days at the Tacoma and Seattle harbors, the truck lines can extend far past the terminal entrance.

"It's always been challenging to determine how much time it takes to get a truck in and out of terminals," said Zachary Thomas, director of the NWSA's Operations Service Center.

For instance, a terminal operator may know that a truck is spending 30 minutes inside the terminal, but that doesn't account for time waiting in line to enter. A pair of apps launched in November is changing that, while also reducing truck idle time and emissions in the process.

The first app, called DrayQ, provides real-time estimates of drayage truck wait times at North and South harbor terminals. The app also offers trend information and live camera views of terminals. For drivers, dispatchers and shippers, this information helps optimize schedules, streamline operations and improve the customer experience.

"DrayQ gives me the information I need in real time so I can better plan my dray moves," independent truck driver Ramon Anderson said. "In this business, time is money, and it pays to know your wait."

DrayLink, the second app, is a tool to help drivers, dispatchers, terminal operators and shippers move containers faster. This app uses Google Analytics, GPS data and

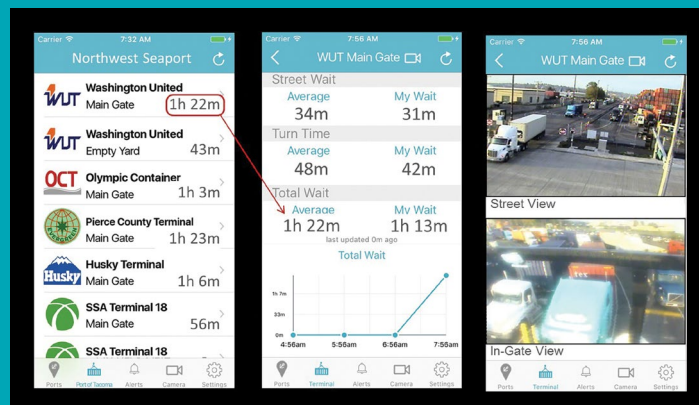
geofencing to track real-time cargo moves and provide analysis and reports. The app increases visibility into the system and helps dispatchers and operations staff better manage their trucking resources.

"This kind of technology is helping us peel back the layers of information, and make it easier to do business in the Puget Sound," Thomas said. ■



“In this business, time is money, and it pays to know your wait.”

Ramon Anderson  
Truck driver



DrayQ and DrayLink apps provide real-time information

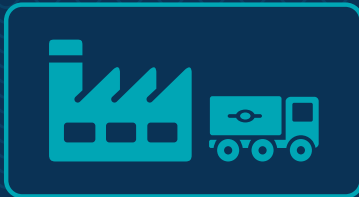


# WAREHOUSING OPPORTUNITIES

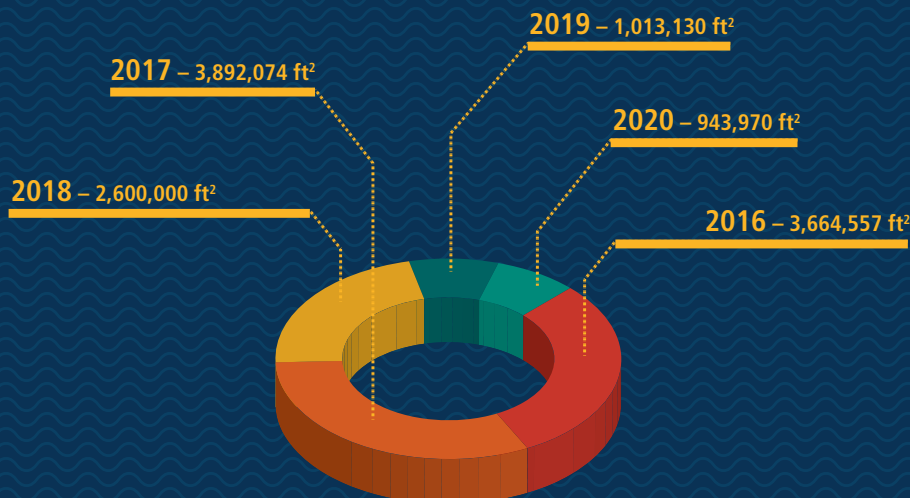
An already robust concentration of warehouses and DCs close to both harbors is about to grow even more



Second largest concentration of warehouses on West Coast available at North & South Harbors



Growing distribution centers provide options for moving cargo through gateway



NEW WAREHOUSE SPACE AVAILABLE BY YEAR



# WAREHOUSING LOCATIONS BY 2020

**NORTH HARBOR  
(Seattle)**

**SOUTH HARBOR  
(Tacoma)**

Everett

Burien

SeaTac

Renton

Des Moines

Kent

Fife

Sumner

Puyallup

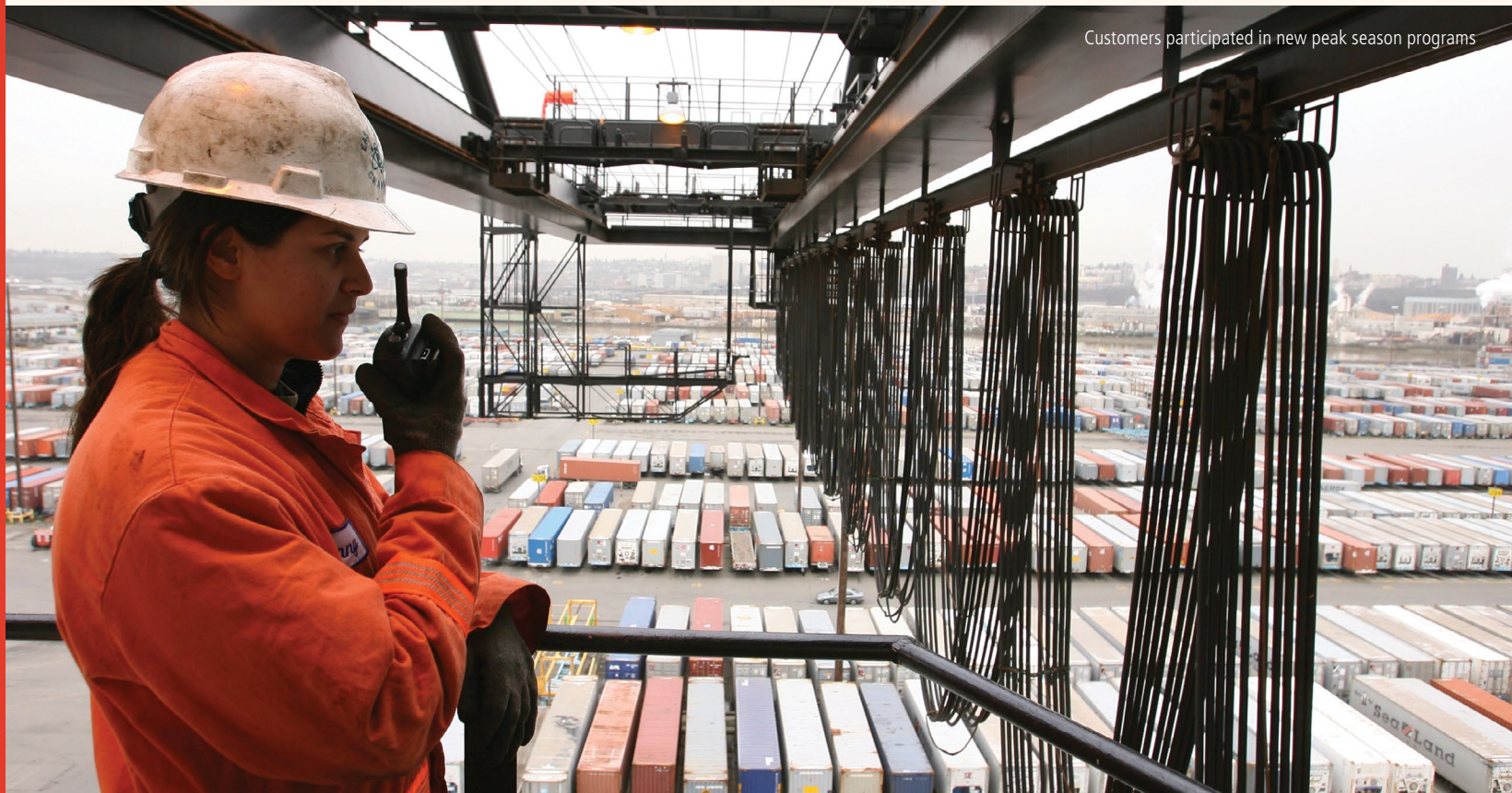
Lacey

Grand Mound





# MOMENTUM: TERMINAL, TRUCK PROGRAMS SMOOTH CARGO FLOWS



Customers participated in new peak season programs

## PROGRAMS AND INITIATIVES AIMED AT EXPEDITING CARGO



Extended hours at terminal gates



Annual meetings of representatives



The newly opened truck staging area



Plans for an import peel-off program

**W**hen the Northwest's bountiful exports coincide with imported goods to fill holiday shelves, cargo surges across docks. The Northwest Seaport Alliance, anticipating increases in both imports and exports, along with calls by bigger ships, set up programs and initiatives aimed at expediting cargo through the gateway, especially through peak seasons:

- Extended service hours at terminal gates in the North and South harbors;
- Export and Import Peak Season Planning sessions—annual meetings of representatives across the supply chain;
- The newly opened truck staging area at Pierce County Terminal, designed to streamline traffic flows in the South Harbor;
- And plans for an import peel-off program, formalizing what is now an occasional practice at some terminals

The NWSA's promotional flier for importers and exporters, "7 Tips for a Successful Peak Season," sums up the strategy: "Avoid delays, increase turn times and reduce costs."

Zack Thomas, director of the alliance's Operations Service Center, said all of these initiatives, whether still in the pilot



stage or already implemented, reflect the NWSA's effort to improve communication, and anticipate and respond to customer needs.

"That's the core of the Operations Service Center—it's the alliance coming together and listening to everyone," he said.

The Peak Season Extended Service Hours Program is one example that is beginning to show results. Late last summer, the NWSA piloted a reimbursement program to encourage terminal operators to stay open longer, whether by opening earlier in the morning, working through lunch or after 5 p.m., or providing weekend gate hours. Early-morning (7 to 8 a.m.) proved the most popular option, while two terminals—one each in the North and South—opened on Saturdays.

Extended service hours have the potential to make the single biggest impact on moving cargo, Thomas explained. At the program's peak, terminals were adding 50 to 70 hours per week.

Operators have to watch their bottom line, Thomas added, so for the 12-week pilot, the NWSA set aside \$2 million to reimburse for the extra employee time necessary to open longer hours. The program proved popular enough to extend it an additional three weeks to handle autumn's strong agricultural exports.

Alliance stakeholders will need to decide whether, over the long term, extended service hours make enough of a difference that a permanent funding source can be identified. That may involve some sort of user fee, Thomas said, which the Port of Los Angeles/Long Beach, for instance, currently charges for nighttime gate hours.

The Import and Export Peak Season Planning meetings aim to provide the setting for those sorts of conversations. During the fall export session and spring import session, suppliers, trucking companies, union leaders and representatives of rail and shipping lines came together to discuss market forecasts and any past or anticipated problems and solutions. The sessions marked a first for the alliance and prompted many participants to request an encore.

Terminals have tried import peel-off piles on a limited basis for a large-volume customers. "Peeling off" specific cargo generally means setting aside yard space for a specific customer's containers, allowing that customer's trucks to move in and out of the terminal faster. But it's less efficient when terminals have dozens of different customers, Thomas said. The Executive Advisory Committee continues to talk about ways to expand and formalize the practice.

One much-talked-about traffic improvement plan has been the Pierce County Terminal truck staging area, which opened in

**“The biggest thing is making that road safer.”**

**Pedro Reyes**  
Project Manager



New programs and close coordination among partners smoothed peak season.

October. Years in the making, the NWSA managing members in early 2016 approved the project, which aims to reduce traffic back-ups on State Route 509 and related issues on Alexander Avenue and Taylor Way by corralling trucks on property next to the terminal. Trucks drive into the PCT lot off Alexander, are directed to one of 16 lanes and are released to enter the terminal by lane.

Since 2012, PCT has seen a 50 percent increase in truck traffic; on the busiest days, some 175 trucks back up on to public roads. The staging area alone can hold 160 trucks.

"The back-up on SR 509 has created safety hazards," said Pedro Reyes, the project manager. "The biggest thing is making that road safer." ■



## COMPANY STATS



ESTABLISHED:  
1994



LOCATION:  
Headquarters in Seattle,  
Washington



EMPLOYEES:  
11,000



PRODUCT:  
Marine cargo handling, marine  
and rail terminal operations, and  
software



WEBSITE:  
[carrix.com](http://carrix.com)



# CARRIX/SSA MARINE

**D**ecades of experience in the maritime industry earned Carrix, Inc. CEO Knud Stubkjær the Containerization and Intermodal Institute's 2016 Connie Award.

The honor, named after the shipping container, which revolutionized the industry, recognizes individuals inside and outside the industry who have contributed to the innovation and growth of containerized shipping.

Stubkjær received the award at an event in Long Beach in September.

In a statement to the American Journal of Transportation, Institute President Michael DiVirgilio praised Stubkjær's years of leadership at A.P. Møller-Maersk Group and at Carrix.

**“There's no question that Knud was at the helm of the ship for Maersk during some very significant times.”**

**Michael DiVirgilio**  
Institute President

“There's no question that Knud was at the helm of the ship for Maersk during some very significant times,” DiVirgilio said. “He has the credentials to be a worthy recipient of the Connie Award.”

Stubkjær has spent nearly 40 years in transportation, terminal operations and logistics. In 2012, he joined Carrix, the parent company of SSA Marine, which operates The Northwest Seaport Alliance's terminals 18 and 30 in the North Harbor. Thanks to investments from SSA Marine and the alliance, Terminal 18 successfully handled the mega-ship CMA CGM Benjamin Franklin last year.

His role at SSA Marine caps a long career: As a trainee with the A.P. Møller-Maersk Group in 1977, Stubkjær received his shipping degree from the Maersk International Shipping Academy, then went on to serve in various leadership positions, including the head of Maersk Line United Kingdom and regional manager of the A.P. Møller-Maersk Group Asia/Oceania/Middle East. After 30 years

with Maersk, Stubkjær became a partner at the E.R. Capital Holding Group in Germany, eventually serving as vice chairman. Stubkjær has participated in executive education programs at IMD and INSEAD and is a board member of Panalpina World Transport in Switzerland.

As well as bestowing the Connie Awards, the Containerization & Intermodal Institute promotes international trade and intermodal container transportation, organizes educational conferences and seminars, provides information and networking opportunities, and offers internships and scholarships.

Established in 1972, the Connie has been awarded to executives of shipping lines, railroads and media companies, as well as port authority representatives and others who work in various maritime roles. In addition to Stubkjær, the 2016 awards honored the Sandy Hook Pilots and New York attorney Carol Lambos in December in Newark.





## COMPANY STATS



**ESTABLISHED:**  
2010 as an LLC



**LOCATION:**  
Headquarters in Renton, Washington; with five warehouses (1 in Renton, 1 in Kent, 2 in Puyallup and 1 coming soon to Burien)



**EMPLOYEES:**  
50



**PRODUCT:**  
Third-party logistics—primarily dry, chilled, and frozen storage



**WEBSITE:**  
[wdscol.com](http://wdscol.com)

# WESTERN DISTRIBUTION SERVICES

**N**ot long ago, John Naylor took a call from a customer in Chicago. The customer, a protein-product manufacturer, was frustrated with operations at a California port. Could shipping out of Seattle or Tacoma be the answer?

So Naylor, head of Renton-based Western Distribution Services, reached out to The Northwest Seaport Alliance. In turn, alliance executives not only got on the phone with the client and the shipping line, they visited the client in Chicago. The deal was done. And the NWSA had a committed fan in Western Distribution Services.

“That kind of service, that kind of follow-up, is like a double-scoop of ice cream,” said Naylor, whose company now handles the equivalent of 1,200 shipping containers of that customer’s product each year, doubling WDS’s revenue. “I think our ports are much more involved with the day-to-day activities of working with all parties, making sure the solutions are best for everyone involved. It’s the Northwest experience.”

**“The customer wants to know everybody’s on board from the get-go. It’s like we’re one now instead of two. We all have to be dancing to the same music.”**

**John Naylor**

Head of Renton-based Western Distribution Services

Warehousing and transporting perishable products—primary components of Naylor’s business—requires reliable and efficient transit on the road, at the terminal, in the air and over sea. Western Distribution Services, with four warehouses in South King and Pierce County (and a fifth soon to open in Burien), provides dry, chilled and frozen storage for companies around Puget Sound and the United States. That locally made chocolate bar you purchased at the grocery store? There’s a good chance it was produced from cocoa that spent time in one of WDS’ chilled, low-humidity warehouses before it was trucked up to the manufacturer in Seattle. Produce

from Eastern Washington gets some time at the warehouses, too, before shipment to grocery stores and restaurants.

Of WDS’ business with the alliance, the bulk is export through both the North and South harbors. That makes consistency and communication paramount, Naylor said.

“When we have the possibility of bringing on a new customer, I say that I used to call my banker or lawyer; now I call the seaport alliance,” he said. “The customer wants to know everybody’s on board from the get-go. It’s like we’re one now instead of two. We all have to be dancing to the same music.” ■





# SPUD STUDS: NORTHWEST IS TOPS IN POTATOES

Potatoes are a valued Pacific Northwest commodity

One of Washington's top agricultural exports takes many forms—whole, frozen, dehydrated and chips, to name a few. The spud, it seems, is something of a shape-shifter. And a popular one at that.

Last year, Washington potato farmers grew 10 million pounds of potatoes—nearly one-fourth of America's potato crop—the Washington State Potato Commission reports. An estimated nine out of 10 of those Washington potatoes will leave the state.

And The Northwest Seaport Alliance, with its North and South harbors, is the export departure point for the harvest from Eastern Washington, Idaho (the potato-growing leader), Oregon and even parts of the Midwest. According to PIERS data, the alliance has 76 percent of the market share of all potato exports from the United States, and nearly 90 percent share of the frozen potato market.

"The seaport alliance plays a critical role in facilitating exports of Washington state potatoes," said Matt Harris, director of government affairs for the Washington State Potato Commission.

Just ask Derek Davenport, who runs Allied Potato Northwest in Pasco, Washington. With a few thousand acres devoted to Pike, Snowden and Lamoka potatoes, Davenport's business is dedicated to growing spuds for export—mostly, to processors in Central America and Asia that will turn them into chips. Overseas markets continue to grow, Davenport said. Case in point: in 2010, Allied Potato Northwest shipped one container to Malaysia. Now it ships 100 annually.

Davenport depends on timely, efficient operations out of both the North and South harbors. The potato he harvests today should be at one of the ports the next day, and to its destination within three weeks. "Potatoes are a perishable commodity," he explained. "Our customers need the consistency and reliability of knowing when our potatoes are going to show up."

Alliance staff members also stay engaged with commodity producers up and down their supply chains. With potatoes, for example, the NWSA helped host the annual Potatoes USA meeting, and a reverse trade mission of Southeast Asian potato importers, designed to educate buyers about the quality and handling of potatoes in the United States. ■

## TOP EXPORTS

Potatoes aren't the only heavy agricultural commodity to be shipped from Seattle and Tacoma harbors. Leading exports in 2016 included:



Animal feed and hay



Paper (waste and scrap, to be made into boxes)



Vegetables (mostly potatoes and legumes)



Forest products (logs, lumber)

**INTERESTING FACT:** Apples, though one of the state's largest crops, don't make the top few export categories because more of them can be packed into a shipping container. Apples, therefore, take up less container volume than, say, bundles of hay.



# CALENDAR

Meet Northwest Seaport Alliance staff at upcoming events.

**Jan. 18 – 19**

WA State Hay Growers Assn  
Northwest Hay Expo  
Kennewick, Washington

**Jan. 24**

Agricultural Transportation Coalition  
PNW Workshop  
Tacoma, Washington

**Jan. 24 – 26**

Washington-Oregon Potato  
Conference  
Kennewick, Washington

**Feb. 8 – 9**

Cargo Logistics Canada  
Vancouver, British Columbia

**Feb. 10**

Agricultural Transportation  
Coalition PNW Workshop  
Boise, Idaho

**Feb. 12 – 15**

RILA 2017 Logistics Conference  
Orlando, Florida

**Feb. 16**

CSCMP Winter Meeting  
(State of Logistics)  
SeaTac, Washington

**Feb. 23**

Traffic Club of NY 111th  
Anniversary Dinner  
New York, New York

**Feb. 26 – March 2**

JOC TPM Conference  
Long Beach, California

**March 19 – 21**

Seafood Expo North America  
Boston, Massachusetts

**April 11 – 13**

CONNECT Northeast Trade &  
Transportation Conference  
Newport, Rhode Island

**April 12**

The Northwest Seaport Alliance  
Annual Breakfast  
Seattle, Washington

**May 8 – 10**

Automotive Logistics – The Supply  
Chain Conference  
Atlanta, Georgia

**May 19**

Tacoma Propeller Club Chowdown  
Tacoma, Washington

**May 31 – June 1**

Columbus Logistics Conference  
(Serving Logistics)  
Columbus, Ohio

**June 6 – 8**

Agricultural Transportation Coalition  
Annual Meeting  
Long Beach, California



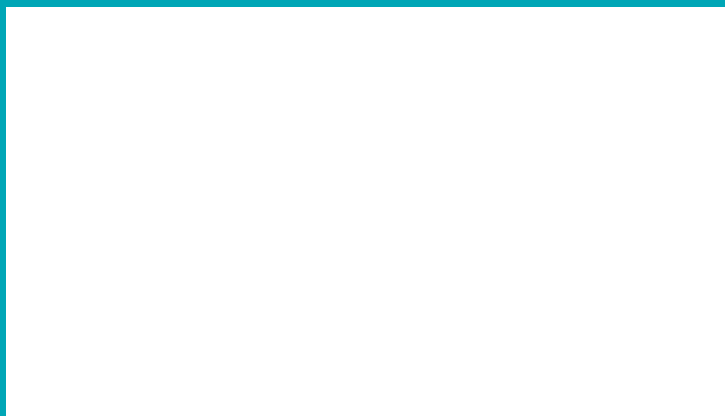


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