

# pacific gateway

## BIGGER, BETTER, FASTER

Infrastructure investments  
modernize facilities and  
improve efficiencies

### ALLIANCE MARKS FIRST YEAR

Recounting the NWSA's  
accomplishments in  
year one

### SUPPLY CHAIN CONNECTOR

Building partnerships  
to smooth cargo  
movements



## FROM THE CEO



**C**ollaboration and partnership across the supply chain are required to achieve success in today's highly competitive shipping environment.

It's why the ports of Seattle and Tacoma last year cut a bold new path and joined together to form The Northwest Seaport Alliance.

The first of its kind, the alliance was a necessary leap into the unknown to keep the Puget Sound gateway competitive. It's also proved to be a model that allows us to foster better communication with our supply chain partners to deliver on our commitment to be the easiest gateway for doing business.

We've forged stronger ties with our labor partners to build customer confidence in our gateway. And we regularly bring together shippers, terminal operators, ocean carriers, trucking companies, rail providers, our labor partners and others at events like the first-ever Import Peak Planning Meeting to discuss pain points and find solutions that work for all.

Read more in this issue about the investments we're making and the connections we're building 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 contribute to the jobs so vital to our state.

Get to know LaTonja Brown, market research analyst and avid traveler. Let us introduce you to Auto Warehousing Company and Insulfoam, two businesses finding success through our gateway. Learn, too, about the role our water quality team plays in helping tenants and customers protect Elliott and Commencement bays.

The alliance had a big first year—but it's only the beginning. We're committed to working with our customers and stakeholders to further improve the gateway. We look forward to working with you to realize continued success.

A handwritten signature in black ink, appearing to read 'John Wolfe'.

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



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### Port of Seattle Commission

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### Pacific Gateway

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# NEWS BRIEFS



The NWSA ranked first on the U.S. West Coast for ease of doing business, value, and equipment and operations in *Logistics Management's* 2016 Quest for Quality awards.

## Puget Sound gateway ranks highest on U.S. West Coast

The ports of Tacoma and Seattle, when combined as The Northwest Seaport Alliance, ranked highest on the U.S. West Coast and second overall in the West Coast category in *Logistics Management's* 2016 Quest for Quality awards.

Winners were selected by the magazine's readers—the buyers of logistics and transportation services.

Readers evaluated ports 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 complete list of winners is featured in the magazine's August issue at [www.logisticsmgmt.com](http://www.logisticsmgmt.com).

## NWSA joins Green Marine

The NWSA has signed on to participate in Green Marine, North America's largest voluntary environmental certification program for the maritime industry.

Green Marine encourages its participants—ship owners, ports and terminals—to reduce their environmental footprint related to air quality, greenhouse gases, spill prevention, stormwater treatment, noise and other community impacts and environmental leadership.

More than 50 environmental groups and government departments/agencies support and help shape the Green Marine environmental program, along with representatives from academia and the marine industry.

Learn more about Green Marine at [www.green-marine.org](http://www.green-marine.org).

## Congress working to fix HMT disadvantage

Congress has taken the next step to level the playing field for so-called “donor ports.”

The Harbor Maintenance Tax (HMT) is levied on all imports through U.S. ports to help pay for maintenance dredging of navigation channels. Ports with naturally deep harbors—like Seattle and Tacoma—receive only pennies for each dollar generated from their customers.

The Harbor Maintenance Trust Fund Reform Act of 2016 (H.R. 5417) is the companion to legislation introduced in March by Sens. Patty Murray and Maria Cantwell. It was introduced in June by Reps. Dave Reichert, Suzan DelBene, Denny Heck, Derek Kilmer, Rick Larsen and Jim McDermott.

The legislation will make sure customers calling at donor ports receive greater benefit.

## Operations team adds two new leaders

Zachary Thomas has joined the NWSA to lead the Operations Service Center (OSC), and Bob Meyer has been promoted to lead port operations and manage safety.

Thomas brings more than 23 years of experience in the maritime industry. He leads efforts to partner with stakeholders from across the supply chain to improve the efficiency and cost-competitiveness of the Puget Sound gateway.

Meyer joined the Port of Tacoma in 2014 to manage the non-container facilities. In his expanded role, Meyer directs the operations at all port-operated terminals and rail yards, as well as the NWSA's safety program.

Learn more about the operations directors at [www.nwseaportalliance.com/ops-directors](http://www.nwseaportalliance.com/ops-directors).





Bob Meyer and Zachary Thomas lead the operations team.



The Port of Tacoma's 40-acre Upper Clear Creek habitat restoration.

# HOMEPORT NEWS

## Port of Seattle internship program supports family-wage jobs

Nearly 100 high school students got a jump start on their careers this summer as part of the Port of Seattle's summer high school internship program.

The program helps support family-wage jobs by ensuring a pipeline of trained workers for these high-demand, high-skill positions. In addition to more than 70 teens who worked at port facilities, another 20 worked with private employers in aviation, aerospace, maritime, manufacturing and industrial businesses.

Along with the hands-on experience they received, the interns also learned how to successfully navigate workplace culture and work as part of a team. Learn more about the port's internship program at [www.portseattle.org](http://www.portseattle.org).

## Port of Tacoma completes restoration of Upper Clear Creek

Near the Puyallup River in Pierce County, a meandering stream winds its way under tree boughs and alongside native plants.

The 40-acre site is the most recent habitat restoration completed by the Port of Tacoma—and the first deposit in the port's mitigation bank. Named Upper Clear Creek, the \$9 million project features forested wetlands, a re-oriented stream channel and habitat for fish and wildlife.

Port developments often directly or indirectly impact marine environments that must be mitigated by restoring habitat nearby. By completing advanced mitigation and banking it, the port is better able to plan projects and achieve the highest environmental benefit.



# LATONJA BROWN

## Market research analyst on a mission to learn and travel

**R**ead a few entries in LaTonja Brown's blog, and a theme emerges.

Part personal journal, part travel essay, *What's It All About, LTB?* recounts Brown's trips abroad, her learning experiences at home and her meditations on life and faith.

*Greece, 2010:*

"I realize that I like to wander aimlessly...I like walking from areas where the tourists are and seeing where the locals live."

*Reflecting on 2014:*

"I can remember the names of people I've met for even a few hours because they are part of an amazing journey of openness."

That idea—the way people and places enhance life—is a value Brown holds dear.

And it was Brown's characteristic openness to something new that brought her to the Port of Seattle 20 years ago.

Fresh from obtaining her English degree at the University of Washington, Brown landed a temporary job as an administrative assistant. That led to working with tenants at Terminal 18, which led to training and ultimately, her job today: market research analyst for The Northwest Seaport Alliance.

Brown studies data and trends, manages monthly cargo reporting for the North Harbor and produces monthly commercial reports.

Interested in how East Coast and West Coast cargo volumes compare? Ask Brown. Curious about the trade impact of the 2011 tsunami in Japan? There's a report. Wondering about the impact Russia sanctions had on the market for apples in Europe? Brown has the answers. Research isn't the only draw to her job. Brown said the support of her supervisors over the years, and the training she's been able to pursue—from website management to event planning—have kept her loyal.

"I've grown up here," she said. "All of my bosses have allowed me to keep developing, taking classes and exploring my interests."

One of those bosses is Bari Bookout, the alliance's chief commercial officer for non-container and commercial strategy. Brown is known for her willingness to try new things, Bookout said, and for her dedication to colleagues and customers alike.

"LaTonja has developed a strong knowledge of the business and brings that knowledge to her analysis of business trends and customer performance," Bookout said. "She has a strong commitment to the success of the NWSA and her team."


Outside of work, Brown has made it her mission to learn and travel.

Born in Mississippi, Brown moved to Moses Lake, Washington, as a toddler with her sisters to live with her aunt and cousins. Her first trip overseas wasn't until after college—and she jumped in with both feet, spending almost a month in India with a friend. After staying with a friend's family in Bangalore, the two trekked north on their own. The highlight? Meeting her friend's grandmother and aunts.

"I think of these people who were so caring and giving. I was with them for 2 ½ weeks, but they're a big part of my life experience," Brown said.

Today, Brown sets regular goals:

- Try something new once a month. Next up: pasta making class.
- Take at least one major trip a year. It's this fall, destination unknown.
- Write as often as possible. She's working on her second anthology of spiritual commentaries.

"You can keep putting things off until tomorrow, but things can change in a second," she said. "You say you want to do A, B or C? Then why aren't you doing it? You've got to do what you can do now." 





## ALL ABOUT LATONJA BROWN



HOMETOWN:  
Moses Lake, Washington



NOW LIVES:  
Seattle



FAVORITE PLACE TO GET LOST:  
Any city that has a lot  
of side streets



CHILDHOOD DREAM:  
Be an archaeologist



ON HER BOOKSHELF:  
"In Search of Satisfaction,"  
by J. California Cooper



AFTER A TRIP, THE FIRST  
THING SHE DOES:  
Drink a big glass of ice water

“LaTonja has developed a strong knowledge of the business and brings that knowledge to her analysis of business trends and customer performance.”

Bari Bookout, chief commercial officer—non-container & commercial strategy, NWSA



# PROTECTING OUR HARBORS

Water quality team works with tenants, customers to manage stormwater and protect the bays



The positive impact of the stormwater treatment system at the West Hylebos Terminal is apparent in these before-and-after photos of the adjacent Kaiser Ditch in 2010 (bottom) and 2016 (top).

**T**he 23 large wooden planters adorning the North Harbor's Terminal 18 add more than a gardener's touch to the marine terminal. The 3-foot cubes topped with rushes, sedges and a layer of bark mulch are a sophisticated stormwater treatment system.

Each box is tucked underneath a downspout and camouflages a plastic drum filled with layers of rock, sand and compost that filter pollutants from rainwater running off terminal building roofs.

The system is only the first step in a multi-year, multi-million-dollar effort to improve stormwater treatment at the 200-acre terminal operated by SSA Marine. By fall, three wetland projects and a Chitosan Enhanced Sand Filtration system—a massive tank using sand and oyster shells to treat stormwater—are scheduled to be up and running.

"Stormwater has risen to a higher level of importance in the past decades as a source of pollution, and the permitting process has expanded to focus on stormwater runoff," explained Kelly Garber, SSA Marine's environmental manager. "It's harder to get your arms around that because it's everywhere."

## Collaborating for clean water

Washington state has some of the most stringent water quality standards in the nation. The Northwest Seaport Alliance has a team dedicated to helping tenants implement innovative, cost-effective technologies to manage industrial stormwater.

Stormwater permits issued by the state Department of Ecology set benchmarks that require industrial transportation facilities to minimize metals like copper and zinc and other sediment pollutants in stormwater runoff, said Anita Fichthorn, NWSA project manager for

water quality. That often requires addressing both the stormwater itself and preventing pollution in the first place—in other words, controlling the source.

Enter the NWSA's strategic plan goal to advance environmental stewardship. The Water Quality Program takes a three-pronged approach to protect the waters of Elliott and Commencement bays:

- **The Stormwater Working Group.** Part educational session, part networking opportunity, representatives of the NWSA, terminal operators, environmental agencies and other stakeholders meet quarterly to share resources and best practices.
- **Tenant outreach.** By partnering with tenants, NWSA staff visit facilities, map locations with source control and without, and make





Water Quality Project Manager Anita Fichthorn and intern Carl Anderson sample water at the North Intermodal Yard's modular wetland.

recommendations for treatment projects and systems.

- **Pilot projects.** The NWSA tests new and existing treatment methods and infrastructure at port facilities to find the best solutions for the maritime environment.

The series of treatment projects at both harbors demonstrates the alliance is trying to be proactive, Fichthorn said.

“These are things we’re not required to do, but that we’ve made a commitment to do, by raising awareness of water quality,” Fichthorn said. “We want to make sure we’re not just doing the right thing on paper but showing the public that we’ve worked hard and are proud of what we’ve done.” [PG](#)

## CLEAN WATER PROJECTS

SSA Marine’s efforts are just one example of many water quality projects implemented in recent years at NWSA properties. Other examples in the South Harbor include:

### EAST BLAIR 1

**Status:** Ongoing

**Description:** Retrofit an oil/water separator at the breakbulk terminal to filter out metals from the water. Once complete and tested, this low-cost (\$25,000) system may be provided to other alliance properties.

### INTERMODAL YARDS

**Status:** Completed in 2014

**Description:** Modular wetland at the North Intermodal Yard and “jellyfish” system at the South Intermodal Yard. Both are municipal applications that are being tested for industrial use; the modular wetland system, for example, uses materials that attract dissolved metals and adsorb them, while plants absorb the pollutants as nutrients for photosynthesis.

### WEST HYLEBOS TERMINAL

**Status:** Completed in 2013

**Description:** A 600-foot-long biofiltration system that moves stormwater through four stages, including a pass through a bioretention mix of soil, compost and plants to remove pollutants.



# BIGGER, BETTER, FASTER: DELIVERING ON SERVICE EXPECTATIONS

Signs of the future are scattered across the North and South harbors as infrastructure investments modernize facilities to improve efficiencies through the Puget Sound gateway

**F**rom surface to sea, The Northwest Seaport Alliance is investing in every mode of transportation to meet the needs of a changing industry marked by shipping line consolidations, the growing presence of mega-ships and fierce competition among ports.

Decades ago, container ships calling Puget Sound averaged 4,000 TEUs (20-foot equivalent units). The average vessel size has since nearly doubled, and 10,000-TEU vessels aren't uncommon.

"The terminals, as well as the road, rail and waterway infrastructure, weren't designed to efficiently service these ultra-large vessels and the ocean carriers operating within today's alliances," said Don Esterbrook, a NWSA deputy CEO. Ports everywhere, he added, are "doing the same thing: modernizing facilities to deliver on service expectations."

## Several NWSA projects are in various stages of development:

- **PIER 4:** The pier reconfiguration to accommodate two 18,000-TEU ships simultaneously began this summer
- **TERMINAL 5:** The final Environmental Impact Statement is expected this fall for the proposed improvements to make the pier and yard big-ship ready

- **NORTH LEAD RAIL:** A partnership with Tacoma Rail to build two 7,000-foot tracks
- **BREAKBULK TERMINAL OPERATING SYSTEM (TOS):** Debuting this fall to automate breakbulk ship manifests and truck gate check-in processes
- **DRAYQ:** A mobile app that provides real-time updates on truck turn times will be deployed at both harbors

These efforts support goals of the NWSA's 10-year Strategic Business Plan and, in some cases—such as the terminal improvements—got their start when the two harbors still operated as separate, competing ports. The work underway addresses significant needs throughout the corridor, Esterbrook said, regardless of when or where mega-ships call.

"This is as much about building it so they will stay, as building it so they will come," he explained. "Absent these investments, you're not going to be able to meet customer expectations, and you run the risk of losing the current book of business. It's a race to ensure our gateway has both the capacity and the capability to service the ultra-large vessels."



# PIER 4 RECONFIGURATION



Construction began this summer to reconfigure Pier 4 to create a nearly 3,000-foot berth.

**In April, the NWSA approved its first major investment: \$141 million to overhaul Pier 4 at Husky Terminal.**

The project straightens the pier to create a contiguous, nearly 3,000-foot berth with Pier 3, upgraded in 2014. With the \$50 million purchase of four super-post-Panamax cranes, the project positions Husky Terminal to accommodate two 18,000-TEU ships at the same time, as is planned for Terminal 5. The project is expected to be completed in 2018.

In approving the work, the alliance also granted a 20-year lease extension to Husky Terminal and Stevedoring to operate the terminal until 2046.

The project reflects the vision to create one large terminal on the General Central Peninsula, Senior Project Manager Trevor Thornsley said. “We have to plan for the future even though the mega-ships aren’t here now.”

The cranes are critical. “The ships have gotten so large that the cranes have to match the size of the vessels. It creates a real problem if a port facility doesn’t have a crane large enough,” he said, because ocean carriers are likely to avoid ports that can’t handle the cargo efficiently.

Rebuilding the pier means making it strong enough to carry the weight of the new cranes, which can reach 24 containers wide. Pier construction began this summer; the northern 700 feet of pier is scheduled to be finished by February 2018 to be ready for crane delivery.

That will be nearly 50 years after Pier 4 was first built in 1969—for \$4 million. In a bit of industry serendipity, the firm awarded the realignment contract—Manson Construction—also built the original pier.

Learn more about the project at [www.nwseaportalliance.com/pier4](http://www.nwseaportalliance.com/pier4).



Manson Construction begins work to straighten Pier 4.





**In the 17 years since Terminal 5 was cleaned up and redeveloped, ships and cargo have changed.**

Once a hub for 6,000-TEU vessels, Terminal 5—despite its location and size—wasn't viable for the larger vessels entering the trans-Pacific trade, explained Paul Meyer, manager of permitting and compliance for the Port of Seattle. So in 2014, the terminal was closed with plans to modernize it and attract a new customer.

The proposed improvements will transform Terminal 5 into a mega-ship facility by deepening the waterway, strengthening the pier to hold heavier cranes and modifying the rail and yard to handle as much as 1.7 million TEUs annually.

Potential tenants have made clear the need for upgrades to accommodate higher cargo volumes, Meyer said. Within the next 25 years, mega-ships are projected to make up some 80 percent of container ships. And Terminal 5, at 200 acres and with excellent freeway and intermodal rail connections, is well-positioned to handle that business.

With improvements, the terminal could dock two mega-ships simultaneously, just like the South Harbor's Husky Terminal. Work is scheduled to be completed by 2020.

"Terminal 5 would be one of the best, most flexible and well-equipped multimodal terminals," Meyer said. "We just need to improve the infrastructure to let these vessels moor safely. It could function 30 or 40 more years as a major maritime seaport."

Following a comment period this summer, the final Environmental Impact Statement scheduled to be released this fall will outline two options for redevelopment—the key difference being the amount and degree of modifications to the yard. In both cases, mitigations for noise, traffic and air pollution are recommended.

Learn more about the project at [www.nwseaportalliance.com/t5](http://www.nwseaportalliance.com/t5).

**“Terminal 5 would be one of the best, most flexible and well-equipped multimodal terminals.”**

**Paul Meyer**  
Manager of permitting and compliance for the Port of Seattle



Chief Operations Officer Dustin Stoker and Waterway Coordinator Keven Snyder in the Operations Service Center.

## BREKBUK TERMINAL OPERATING SYSTEM



**N**ot all infrastructure investments are above ground, or even outdoors. The new terminal operating system (TOS) for the NWSA-operated non-container facilities is, for the most part, behind the scenes.

The \$879,000 project will automate what today are manual processes: tracking cargo on the ship, at the terminal and in the truck; planning yard design; and checking cargo in and out of the terminal gates. Its initial capabilities are expected to launch this fall.

The new technology is part of the Operations Service Center, the NWSA's plan for a comprehensive information hub serving alliance staff, terminal operators and customers.

"We felt that it was time to look at improvement," said Andre Elmaleh, the NWSA's senior manager of non-container business development. "The principal reason we got this is to have a robust system that will enhance operational efficiency, to give us more information about the business we're already handling."

The software system allows shipping lines to submit manifests, giving terminal staff more real-time notice of the cargo that's coming to better plan the yard arrangement. Trucking companies, too, can submit cargo details electronically, without having to rely on paperwork at the gate. Handheld mobile devices will enhance tracking capabilities.

A public interface is planned to let customers and the community track the vessels arriving and departing the two harbors.

Integrating all this information through technology minimizes the human errors that can happen with paperwork, said Cristina Cheramie, senior IT project manager. The new system can be reconfigured over time to grow with the alliance.

"This system will allow us to change with it," she said. "We can modify the system how we want and when we want to address our evolving business needs."



## NORTH LEAD RAIL TRACKS



Tacoma Rail provides switching and terminal service in the South Harbor.

**T**wo new 7,000-foot-long intermodal tracks aim to keep containers rolling quickly through the Puget Sound region.

Construction began this summer on the North Lead Rail Improvement Project, a partnership with short-line provider Tacoma Rail that includes reconfiguring access to the rail yard. The year-long project is forecasted to improve rail efficiency by 34 percent.

“The North Lead project is considered to be an important investment in preserving and enhancing our regional competitiveness,” said Tim Flood, Tacoma Rail’s terminal superintendent.

Additional intermodal tracks mean additional cargo capacity, while yard reconfigurations allow for simultaneous movement of trains and improved access to all tracks. Tacoma Rail is contributing \$2 million toward the \$18 million cost; a \$5 million U.S. Department of Commerce grant also helps foot the bill.

Chalk it up as the biggest rail project in the last decade, Flood said. The planning alone involved simulating hundreds of train route scenarios to avoid miscalculations that might unintentionally limit the rail line in the future—“no minor undertaking,” he said.

The new tracks play an important role in the South Harbor’s future growth, Flood added. They complement

three existing long tracks to enhance rail capacity and flexibility, and connect the East Blair Peninsula to the track network—a task identified in the NWSA’s strategic plan to increase business.

“Road and rail projects, big or small, are imperative to ensure you can achieve the service-delivery expectations,” said Don Esterbrook, a NWSA deputy CEO. “When a customer talks about the ease of doing business in a gateway, more often than not they’re talking about fluidity to access imports and deliver exports.”

**“When a customer talks about the ease of doing business in a gateway, more often than not they’re talking about fluidity to access imports and deliver exports.”**

**Don Esterbrook**  
NWSA deputy CEO





Truck drivers will be able to track real-time gate turn times on the new DrayQ app.

**N**o one likes to wait in line. For drayage companies, the choice to wait at the terminal gates can be a critical business decision.

This fall, the mobile app DrayQ will be available to help North and South harbor-bound trucks determine when and where to go. First tested in Tacoma nearly two years ago, the app has been monitoring turn times at the Port of Oakland since last winter. The NWSA is piloting DrayQ through the end of 2017.


“DrayQ gives companies and drivers some flexibility to make changes, which helps with customer expectations,” said Taso Zografos, account manager at app maker Leidos.

The free app (available in mobile app stores) uses Bluetooth technology to pick up signals from mobile devices and calculate wait times based on a location. (Think of the digital highway reader boards for example, that show how long it will take to travel from one city to another.)

Installing the technology at a port means looking at a number of factors, Zografos said, including its shape, road network and the location of terminals and gates. Leidos looks at where lines form and the ability for its technology to distinguish between, say, a passing truck and one that is waiting to enter a terminal.

On a user’s mobile device, DrayQ lists the port’s terminals and the real-time waits at each, including trends throughout the day. The NWSA also will provide the information on its website and to both the Seattle and Washington State transportation departments, said Tim Ebner, the alliance’s liaison to the DrayQ project.

The \$200,000 pilot project enables the alliance to assess progress toward its goal to maintain a 60-minute average turn-time, Ebner added.

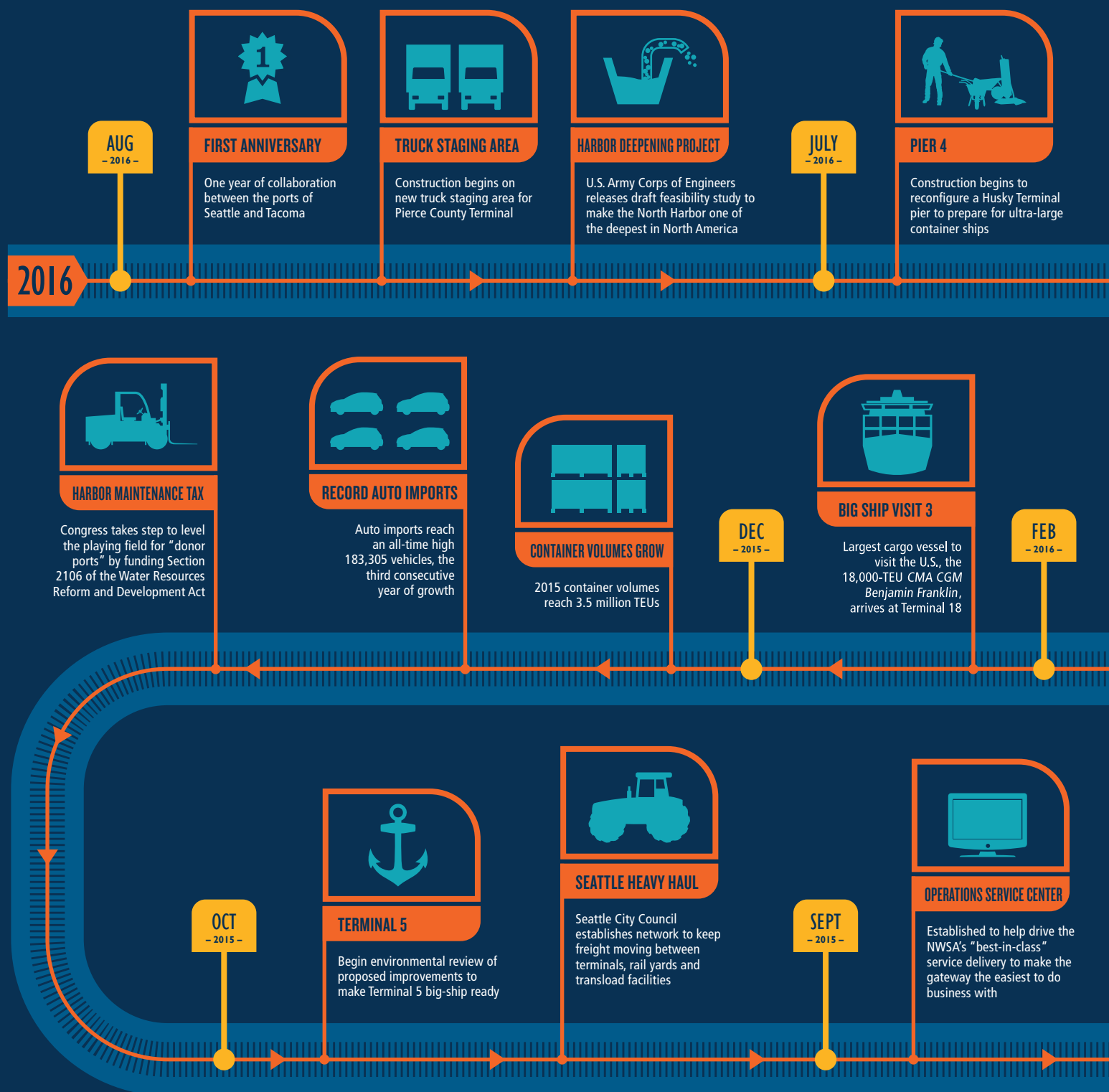
“We need something that helps us improve the system,” he said. “We want to be the easiest gateway to do business with, but we have to figure out how to take better care of our trucks and roads, not just rail. The ports that recognize that trucks are a major customer will be the ports that win.” 





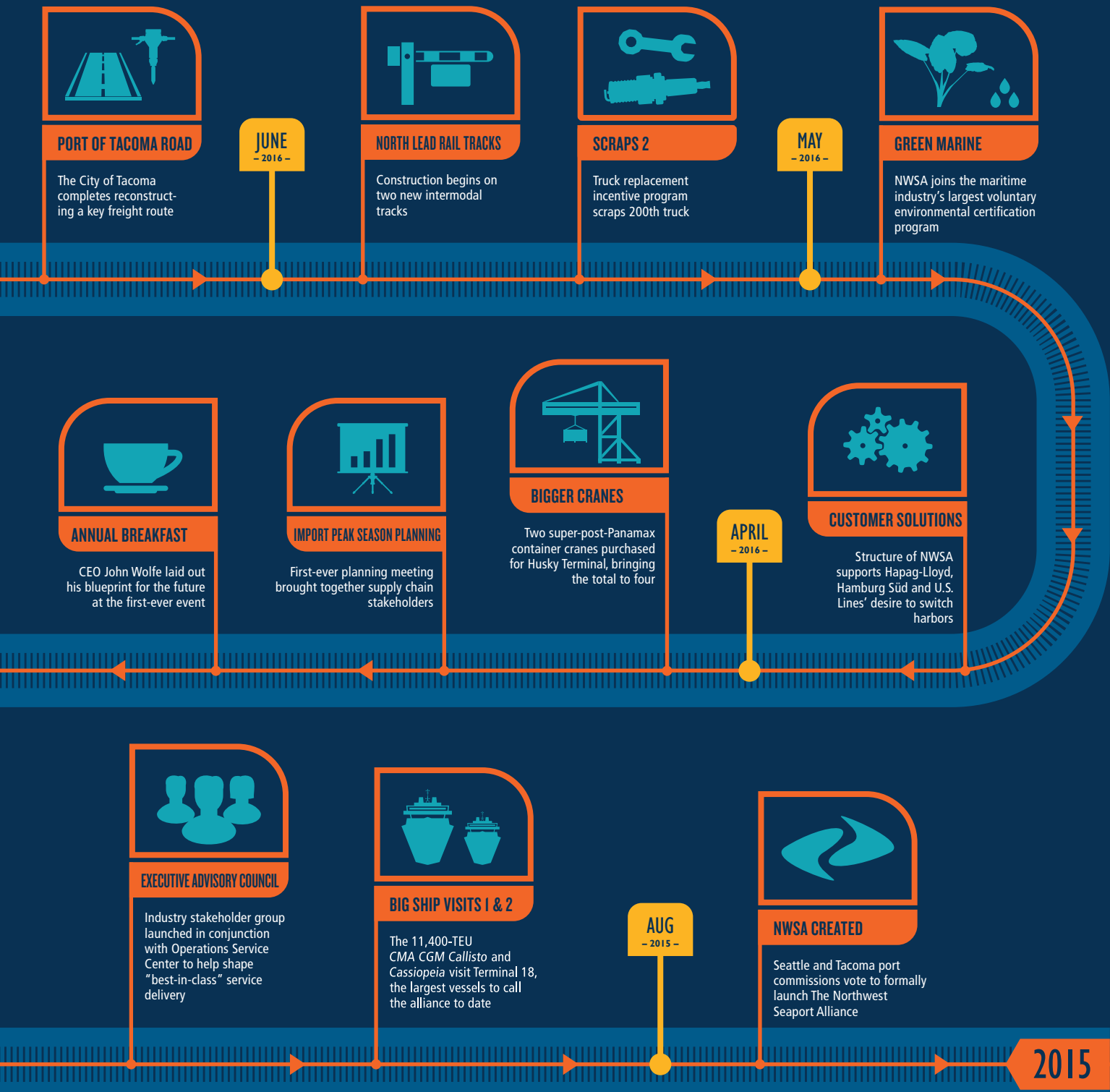
# YEAR ONE

The unprecedented partnership between the ports of Seattle and Tacoma, The Northwest Seaport Alliance, marked its first anniversary in August.





What's emerged in the first year is a stronger, more connected, and perhaps most importantly, more united and competitive Puget Sound gateway.





## COMPANY STATS



**LOCATION:**  
Headquarters in Puyallup, WA;  
nine plants in eight states



**EMPLOYEES:**  
120 in Puyallup (1,500  
companywide)



**PRODUCT:**  
Engineered expanded  
polystyrene (EPS) insulation  
and building materials



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



# INSULFOAM

**T**he signature product to emerge from Insulfoam's east Pierce County factory starts out as a bead.

Countless beads, the size of corn kernels, filling nearly-1-ton bags, are stacked in containers and imported weekly from China and Korea.

After a process of steaming, expanding, molding and cutting, those beads become 24-foot-long white blocks of engineered expanded polystyrene (EPS). The closed-cell plastic is cut to size for numerous applications, from building insulation to a replacement for unstable soils, and then shipped out to customers across western North America.

The import-export nature of the business makes Insulfoam's proximity to The Northwest Seaport Alliance harbors critical to its success.

"The farther away a business is, the higher the transportation costs," explained Brad Young, Insulfoam's logistics manager. "Our location makes it economically feasible to us, and

having the ports close by opens up a marketplace for us to export our products."

Insulfoam, a division of Pennsylvania-based Carlisle Construction Materials, has nine plants around the country. The Puyallup plant manufactures not only EPS for insulation, packaging and other uses, but also Hunter Panels and Structural Insulated Panels for Premier Building Systems.

Located in Kent, Washington, for decades, Insulfoam four years ago moved to its 400,000-square-foot facility near Frederickson. The location is served by Tacoma Rail and has relatively quick access to the South Harbor in particular.

But it's not just the ease of importing and exporting to and from Pierce County, Young says. Insulfoam's plant in Anchorage depends on raw materials imported to Seattle and transloaded for shipment out of both harbors.

"If we can't get their materials to them, they won't be successful," he said.

Even with Insulfoam's proximity to both harbors, turn times at the terminal gates are a priority for trucking companies and shippers alike, Young added. Terminals at both harbors already work well with the shipping community, but the formation of the NWSA last year showed a commitment to further improvements, he said.

"Now you have one central body willing to try to instill best practices in both ports," Young said. "There has to be a good relationship between the ports, the shippers and the transportation companies, and I think the Pacific Northwest has that."

**“Our location makes it economically feasible to us, and having the ports close by opens up a marketplace for us to export our products.”**

**Brad Young**  
Logistics manager, Insulfoam





## COMPANY STATS



ESTABLISHED:  
1964



LOCATION:  
Headquartered in Tacoma;  
24 locations throughout  
North America



EMPLOYEES:  
1,700



PRODUCT:  
Auto processing and logistics



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

# AUTO WAREHOUSING COMPANY

**W**hen the Seher family purchased Auto Warehousing Company (AWC) from its founder in 1991, the company was processing about 150,000 autos annually at its Tacoma headquarters. In the 25 years since, that number has ballooned to 6 million at 24 locations around the U.S.

Ben Seher, co-president with siblings Chris and Stephanie, credits the auto processing and logistics provider's continued success to its long-time employees—average tenure tops 10 years—and a strong partnership with The Northwest Seaport Alliance.

"The longer people stay, the more experience we have, the better we are at what we do and the easier it is to attract new business," Seher said.


Last year's auto import volumes through the NWSA hit an all-time record of 183,305 units, a 4 percent increase over 2014—and the third consecutive year of growth. AWC partners with the alliance

to meet with current customers and attract new ones to the region.

"We work great as a team; they are a crucial piece and great to work with," Seher said. "Two of our biggest customers are doing really well. Sales growth is up and volumes will follow."

AWC contracts with manufacturers to provide a variety of services, accessory installs and logistics for import and export vehicles. It's one of the largest auto processor in the world and the only one with facilities across the auto supply chain—at ports, auto manufacturing plants and rail distribution sites.

One of the company's competitive advantages is its proprietary, state-of-the-art software system called VIPS (Vehicle Information Processing System), Seher said. Unlike the more antiquated systems used by competitors, VIPS allows employees and customers—including rail and truck providers—to track cargo and parts.

"We're a big piece of the logistics business, and our system helps all parts of the industry know where the cars are," Seher said. "The system is a one-stop shop." 

**“The longer people stay, the more experience we have, the better we are at what we do and the easier it is to attract new business.”**

**Ben Seher**  
Co-president, Auto Warehousing Co.





# SUPPLY CHAIN CONNECTOR

NWSA brings together members of the supply chain to improve communication and smooth cargo movement through the Puget Sound gateway

**W**hen the ports of Seattle and Tacoma joined forces as The Northwest Seaport Alliance, the strategic partnership was

touted as a way to move from competition to coordination to attract more cargo and jobs to the region.

What has also emerged over the past year is something less flashy but integral to those goals: better communication throughout the supply chain.

From stakeholder meetings to business partnerships to collaborative labor relations, the NWSA has been the common denominator, facilitating the connections to smooth cargo movement through the Puget Sound gateway.

In this constantly changing, increasingly competitive industry, communication is imperative, said Dean McGrath, head of International Longshore and Warehouse Union Local 23.

“With the formation of the alliance, there’s been greater outreach to all players involved,” he said. “Everyone is forced to get out of their comfort zone. We have to really engage because of what’s going on in the industry. We want to contribute in any capacity we can to keep the port thriving, and communication is a big part of that.”

## Stronger labor partnerships

Not long after the alliance was formed, the NWSA made its annual trip to the Breakbulk Americas conference in Houston—joined for the first time by

representatives of both ILWU locals 19 and 23.

The conference is always a productive opportunity to network with potential customers, explained Andre Elmaleh, the NWSA’s senior manager of non-container business development. The presence and engagement of both unions demonstrated their commitment to all kinds of cargo.

“Our labor partners can talk about the training they have, the capabilities, the terminal operation, and they can give the customer assurance that they can handle this kind of business,” Elmaleh said. “It provided a united front: We can’t unload the cargo without them, and they can’t get the jobs without us.”



“We want to contribute in any capacity we can to keep the port thriving, and communication is a big part of that.”

Dean McGrath

President of International Longshore and Warehouse Union Local 23



The NWSA is working to connect supply chain stakeholders, including longshore labor partners, warehouse and distribution centers and trucking companies.

Those conversations help demystify the unions, added McGrath.

“Our role is unique,” he said. “It’s important that we have a seat at the table. Having someone speak for you might be well-intentioned, but when customers know they’re speaking directly to you and can ask you questions, it gives them more confidence.”

Union representatives also joined discussions at the Northwest Hay Expo last winter. At a gathering of growers, terminal operators and drayage companies, union members answered questions and talked about service delivery, said ILWU Local 19 President Rich Austin.

Prior to the NWSA, labor didn’t always feel as if it were treated as a partner, he said. But that is changing.

“The alliance is identifying key players and letting labor be right there with everybody else. We’ve had our disagreements, but we’ve been able to continually talk and get through those,” Austin said. “If we can combine our efforts and resources and market this region, rather than one port over another, it’ll be a win-win for everybody.”

### Better options for customers

The structure of the alliance—and that focus on the Puget Sound region—has already paid dividends for customers.

When Hapag-Lloyd, Hamburg Süd and U.S. Lines needed greater access to

electrical outlets and a more robust truck gate system for refrigerated cargo, the NWSA was able to support the carriers’ desire to move to the North Harbor. The solution met the customers’ needs and allowed the alliance to keep the business, said Tom Bellerud, director of container terminal business development.

Before the alliance was created, he added, each port would have competed to retain—or gain—the customers. That process might have led to prolonged negotiations and negatively impacted local rates. Instead, the NWSA was able to focus on finding a solution that helped the customer and kept the business and jobs in Puget Sound.





The NWSA is also a major center for breakbulk and project/heavy-lift cargoes.

“We feel like we’re listening more and working toward solutions.”

**Sue Coffey**  
Director of business development, NWSA

## Solving challenges together

The competitive challenges facing the gateway won’t be solved in a vacuum. To that end, the alliance will convene a cross-section of supply chain players this fall for another first: the Export Peak Season Planning Meeting.

The flip side to the first Import Peak Season Planning Meeting (held in April), the session will convene exporters, labor, suppliers, trucking companies and others to discuss market forecasts, challenges and share experiences.


The import meeting brought together beneficial cargo owners and representatives from labor, rail, terminals

and trucking to report on each segment’s outlook, strengths and areas for improvement.

Scheduled just before import season started ramping up, the session was both educational and strategic, said Sue Coffey, the NWSA’s director of business development. If one segment raised an issue, say wait times at terminal gates, then all parties heard it and joined in discussions of how to resolve it—including what measures were already underway.

In a survey of attendees, many said they wanted more time devoted to hearing from other participants. Next year’s import peak planning session is already on the calendar for May.

Outreach used to mean one party talking to another, Coffey said. But in today’s competitive marketplace, every port is investing in infrastructure; every port is trying to convince BCOs to move cargo through their gateway. Outreach today requires more than talking. It requires finding solutions and demonstrating measurable results.

“If we don’t act and don’t show improvements, we’ll lose business,” Coffey said. “At least we feel that we’re engaged with all these BCOs. We feel like we’re listening more and working toward solutions.” 



# CALENDAR

Meet Northwest Seaport Alliance staff at upcoming events.

**Sept. 20**

West Coast Connie Awards Dinner  
Long Beach, California

**Sept. 25 – 28**

Council of Supply Chain Management  
Professionals Annual Conference  
Orlando, Florida

**Sept. 26 – 29**

Breakbulk Americas Expo 2016  
Houston, Texas

**Sept. 28 – 30**

U.S. Pea & Lentil Trade Association  
Annual Meeting  
Spokane, Washington

**Oct. 11 – 13**

TPM Asia Conference  
Shenzhen, China

**Oct. 13 – 16**

WESCCON  
San Diego, California

**Oct. 15 – 19**

Footwear Traffic Distribution &  
Customs Conference  
Long Beach, California

**Oct. 20**

JOC Shippers Roundtable  
Kansas City, Missouri

**Nov. 3 – 4**

AISA/USFIA Textile & Apparel  
Importer Trade & Transportation  
Conference  
New York, New York

**Nov. 8 – 10**

JOC Inland Distribution Conference  
Memphis, Tennessee

**Nov. 10**

CONNECT Northeast Cargo Symposium  
Boston, Massachusetts

**Dec. 1**

Agricultural Transportation Coalition  
Upper Midwest Workshop  
Minneapolis, Minnesota

**Dec. 5**

East Coast Connie Awards Luncheon  
Newark, New Jersey

**Dec. 6 – 7**

JOC Port Performance Conference  
Newark, New Jersey

**Jan. 18 – 19**

Washington State Hay Growers  
Association Northwest Hay Expo  
Kennewick, Washington

**Jan. 24**

Agricultural Transportation Coalition  
PNW Workshop  
Tacoma, Washington

**Jan. 26**

Agricultural Transportation Coalition  
PNW Workshop  
Boise, Idaho

**Feb. 2 – 4**

Operation Stimulus Conference  
Denver, Colorado

**Feb. 12 – 15**

RILA Supply Chain Conference 2017  
Orlando, Florida

**Feb. 36 – March 1**

Trans-Pacific Maritime Conference  
Long Beach, California



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