



TRANSPORTATION INSTITUTE

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4 May 2015

Dear Councilmember,

I am writing to urge you to vote against any effort by the Seattle City Council to interfere with the Port of Seattle's lease provisions for Terminal 5 to Foss Maritime. The most immediate of which is Councilmember O'Brien's resolution urging the Port of Seattle to reconsider its Terminal 5 lease. Voting affirmatively for such a proposal may seem like an easy vote with small negative consequence. That is anything but the case for the many Seattle and regional citizens who make their living from the maritime and Alaska trades.

First, the Seattle City Council should be promoting trade, economic development, and stimulating commerce –not hindering to send an empty political message. Alaska is our region's original and, in many ways, foremost trading partner. This goes back to the Klondike Gold Rush and more recently the North Pacific fishing fleet, Alaska Airlines, maritime transportation, shared tourism, FIRE support services, and petroleum/gas development. Moreover, this trade is much greater economic stimulus than containers crossing over docks on an intermodal basis. Given the countercyclical nature of Alaska's economy to our other world trading partners, Alaska remains ever more valuable as a partner to keep. Cheap political shots as telling another independent government agency what to do regarding its commercial leases creates a great tide of antagonism from Alaska's public officials and citizens who see such actions as spiteful and antagonistic. Frankly, this is no way to treat a neighbor –let alone a leading trading partner.

Second, Shell has made a most conscious decision to partner with Foss Maritime-- a local Seattle firm having decades of experience working in the Arctic and an exceptional record of safety. Its parent company, Saltchuk, is locally owned by a family with long ties to the Puget Sound and it was recently lauded by EPA's Region 10 administrator, Dennis McLerran, for being a "great business partner in our pursuit of a strong and clean economy". Foss is the developer, builder, and operator of the world's first hybrid tugs. The hybrid design was awarded the EPA's Clean Air Excellence Award for Clean Air Technology in 2008. They have also been recognized for many environmental and safety awards over the years, including the Pacific States/BC Oil Spill Task Force's Legacy Award. Its sister company within Saltchuk, Totem Ocean Trailer Express --the leading cargo carrier to Alaska, just christened the world's first ocean-going freight ship powered by LNG. This is a transformative world event in reducing greenhouse gases and harmful particulate emissions. Instead of creating an ill-conceived raucous, policy leaders and concerned activists should be welcoming Shell's decision to partner with an experienced, committed, and demonstrably environmentally responsible company. A firm that will assure related employment will be for the benefit of local support services and local hire.

Furthermore, as the Puget Sound Pilots are known to state, "local knowledge matters". Consequently, what better scenario could be asked for given President Obama and Interior Secretary Jewell's decision to qualify this project (with numerous additional restrictions) among the few off-shore oil and gas ventures to be pursued for its potential as an alternative to the use of deleterious coal and shale oil on the North American West Coast and in Asia –most notably China?

Working for a strong maritime capability

Last, there remains in Alaska an 800-mile oil pipeline, the Trans-Alaska Pipeline Service (TAPS). Of late it is merely one-quarter filled. Additional oil reserves found in Alaska could rely on this existing infrastructure for safe carriage to markets.

I trust this brief point of view will give you greater confidence not to support Mr. O'Brien's resolution on Terminal 5. I would be happy to engage any questions or concerns you may have.

Respectfully yours,
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Richard Berkowitz
Director, Pacific Coast Operations