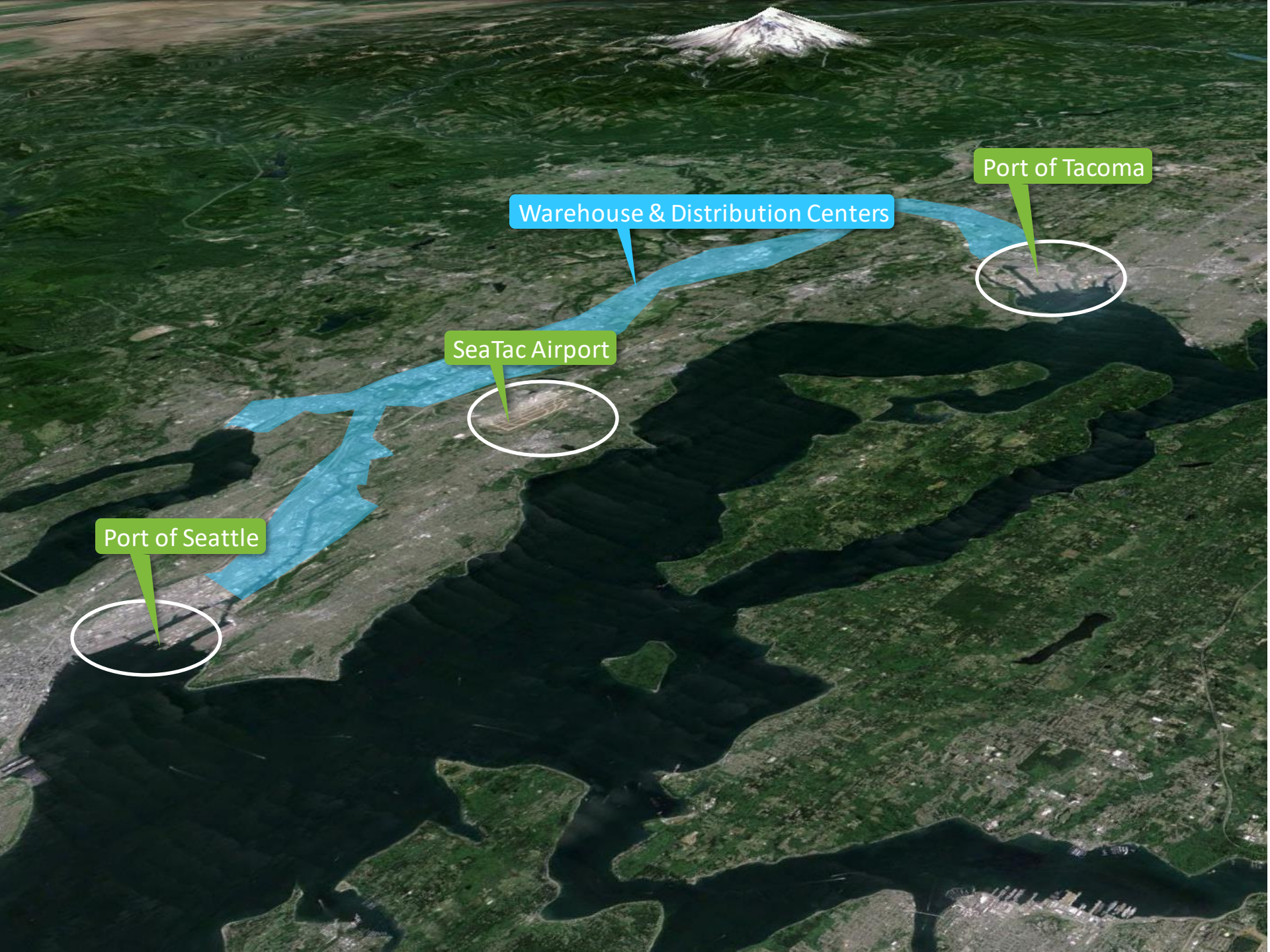


# Competitive Threats

Seaport  
Commercial Strategy

June 2014



Port of Tacoma

Warehouse & Distribution Centers

SeaTac Airport

Port of Seattle



# Terminals, Canada Encroachment and Competition

## Gateways & Corridors Initiative

**Prince Rupert, Canada**  
+1.5 Million TEU expansion

**Vancouver Canada**  
+2.4 Million TEU expansion

**Seattle**  
**Tacoma**

**Oakland**

**Los Angeles**  
**LA/Long Beach**  
+2.9 Million TEU expansion

**America's Trade Battle Ground**

**Houston**  
+2.3 Million TEU expansion

**Lázaro Cárdenas, Mexico**

No HMT

**Melford, Canada**  
+1.5 Million TEU expansion  
(New Terminal)

**New York**  
+1.7 Million TEU expansion





**Virginia**  
+2 Million TEU expansion

**Charleston**

**Savannah**  
+3.8 Million TEU expansion

**Miami**

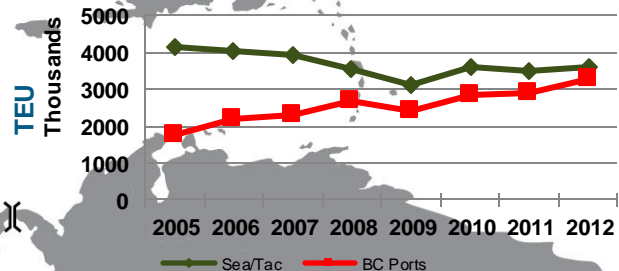
### Terminal Development Projects

-  Big Ship Ready
-  Automation & New Terminals
-  Deepening
-  Terminal Expansion & Upgrades

### Canadian Encroachment

-  CN/CP Intermodal Terminals
-  CN/CP Railways

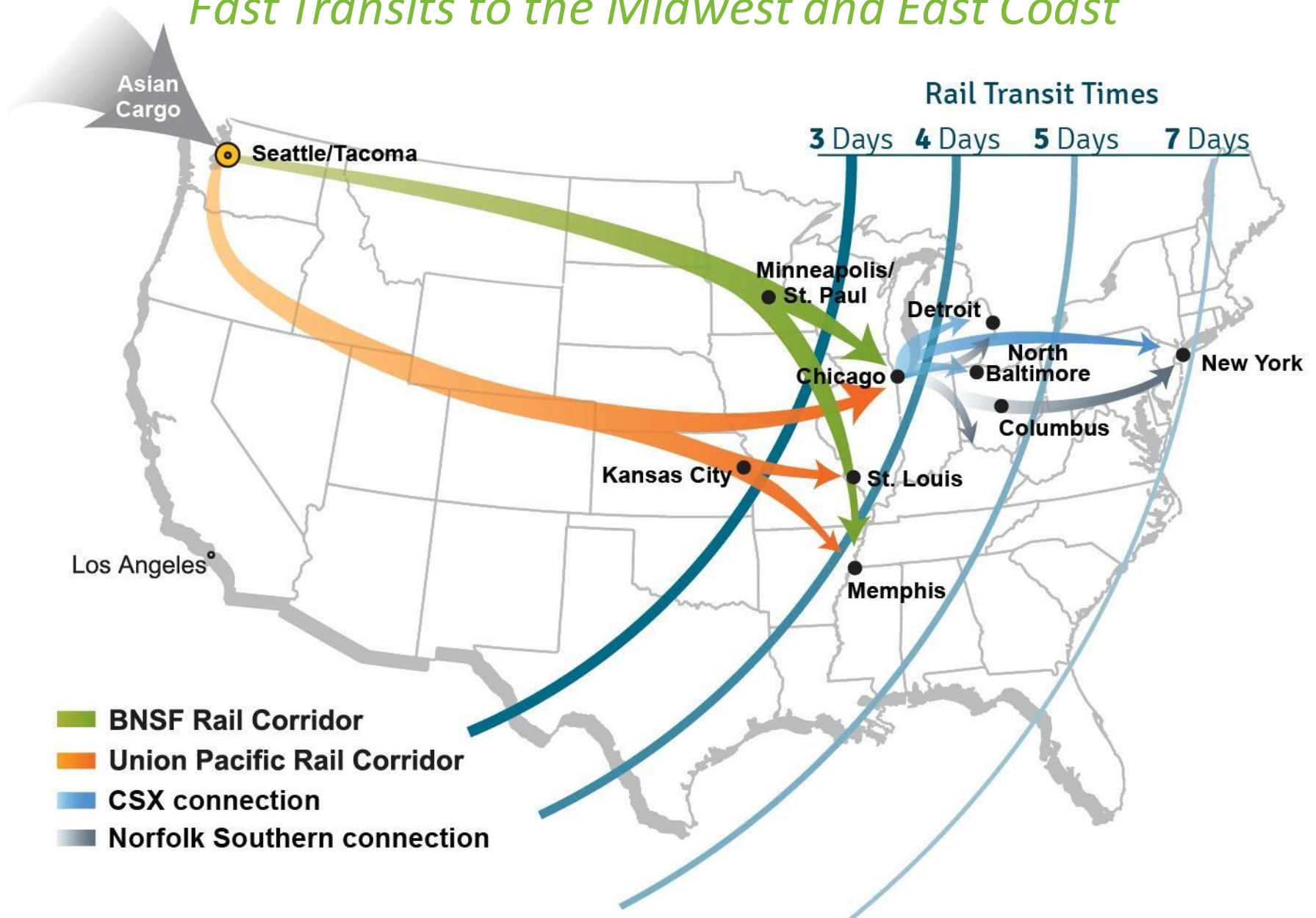
### British Columbia and Washington Port Volume Trends



Panama Canal

# Puget Sound Rail Corridors

*Fast Transits to the Midwest and East Coast*



# Incentives to Keep Cargo

## State Tax Incentives

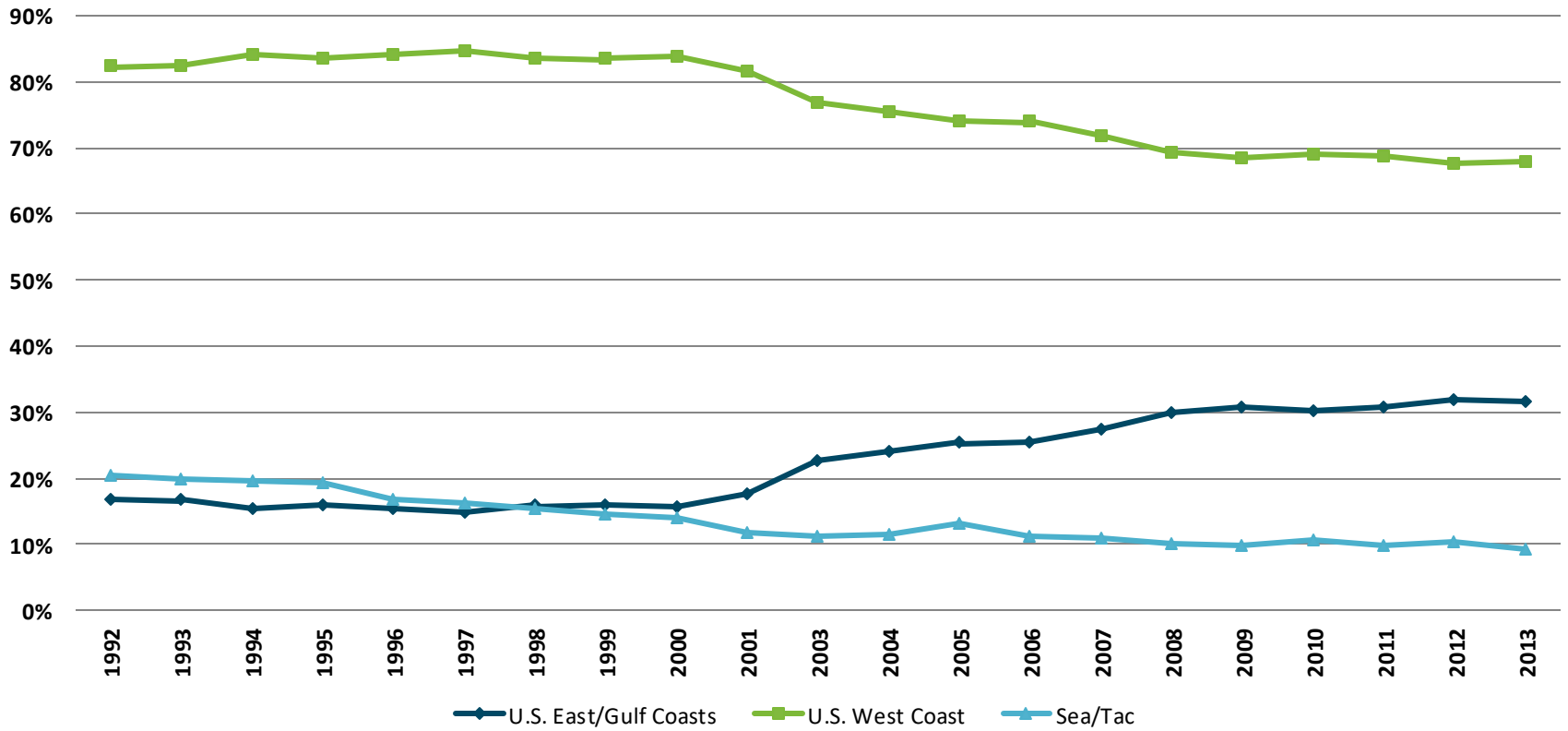
Georgia	Virginia	South Carolina
<ul style="list-style-type: none"> <li>• Job Tax Credit up to \$3500 per job</li> <li>• Investment Tax Credit for Manufacturing</li> <li>• Inventory Tax Exemption When Shipped out of State</li> <li>• Investment Tax Credit for Manufacturing</li> <li>• Port Tax Credit gives bonus on top of Jobs &amp; Investment credits of \$1250/job and 5% of investment</li> </ul>	<ul style="list-style-type: none"> <li>• Barge &amp; Rail Usage Tax Credit \$25/TEU</li> <li>• International Trade Facility Tax Credit \$3000 for every employee or 2% of an capital investment that increases port volume</li> <li>• Virginia Manufacturer's Port Volume Tax Credit \$50/TEU</li> </ul>	<ul style="list-style-type: none"> <li>• Port Usage Tax Credit up to \$8M</li> <li>• W&amp;D tax credit up to \$1M</li> <li>• Investment tax credit for manufacturing 2.5%</li> </ul>

## Port Specific Incentives

Long Beach	Portland	Vancouver	Virginia
<ul style="list-style-type: none"> <li>• \$10 for every additional container moved by rail</li> <li>• The port on Aug. 1 will cap its daily dockage fees at \$8,641 for ships longer than 1,132 feet</li> </ul>	<ul style="list-style-type: none"> <li>• Carriers get a \$10 per container incentive to call at the Port, not to exceed \$1 million.</li> </ul>	<ul style="list-style-type: none"> <li>• Intermodal Incentive \$10 per TEU paid directly to the Ocean carrier.</li> <li>• Wharfage discount: 10%-2.9%</li> </ul>	<ul style="list-style-type: none"> <li>• First Port of Call Incentive: \$150 per box</li> </ul>

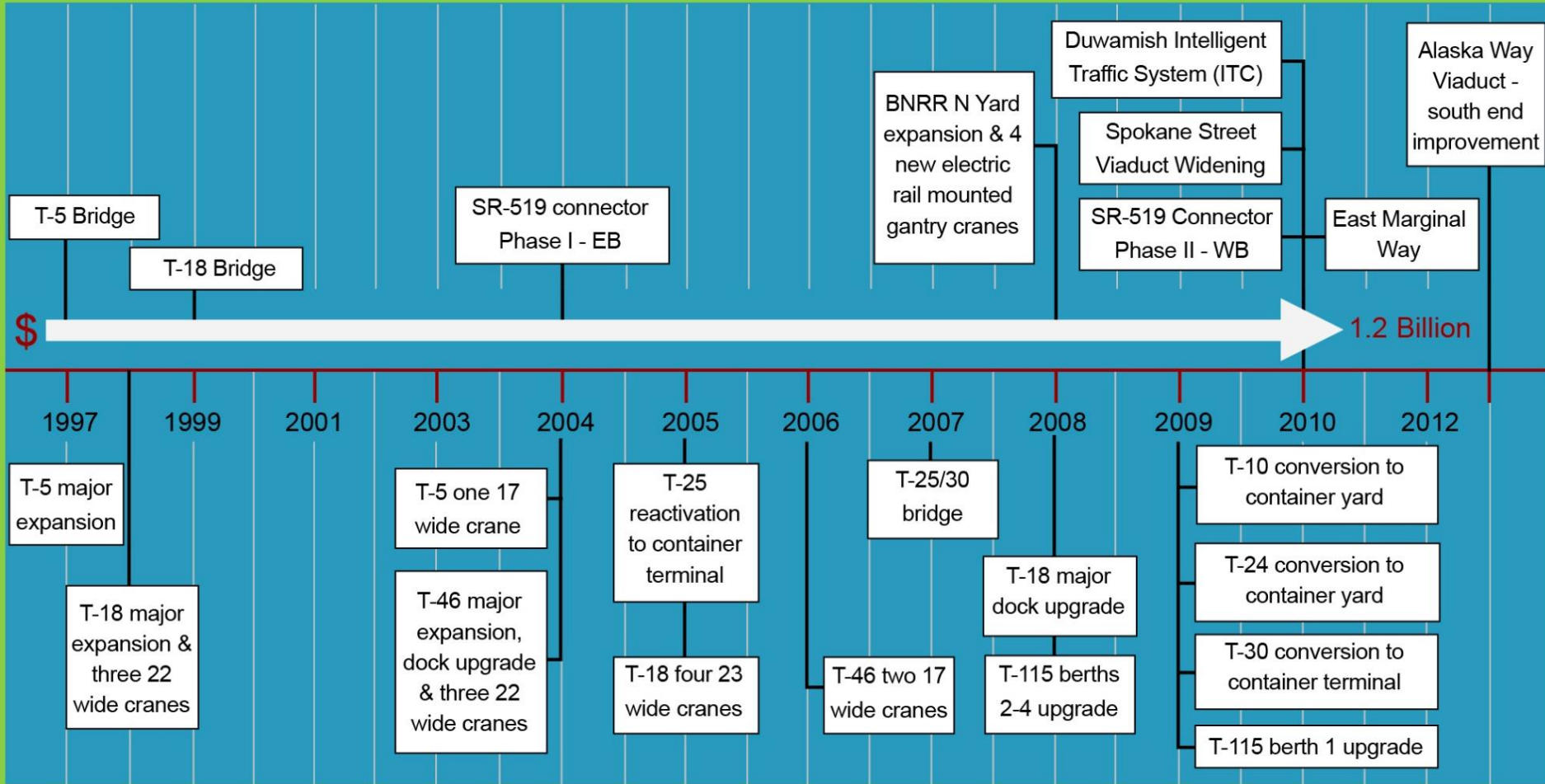
# West Coast Losing Market Share

Market Share Imports from Asia by Coast with Sea-Tac



# Regional Investments Timeline

## Roads & Rail



## Terminals



# Investments in Regional Transportation

## Port of Seattle Investments

EMW:	\$18.8m
SR519:	12.5m
Spokane St:	5.0m
Duwamish ITS:	500k
Other FAST:	3.5m
South Park Bridge:	5.0m
AWVRP:	300m
<b>Port Total:</b>	<b>\$345.3m</b>

## Regional Partner Investments\*

Non-Viaduct Related:	\$788m
Viaduct-related:	\$4.3b
<b>Total:</b>	<b>\$4.9b</b>

\*Includes federal, state, King County, City of Seattle, and BNSF and other private entities.





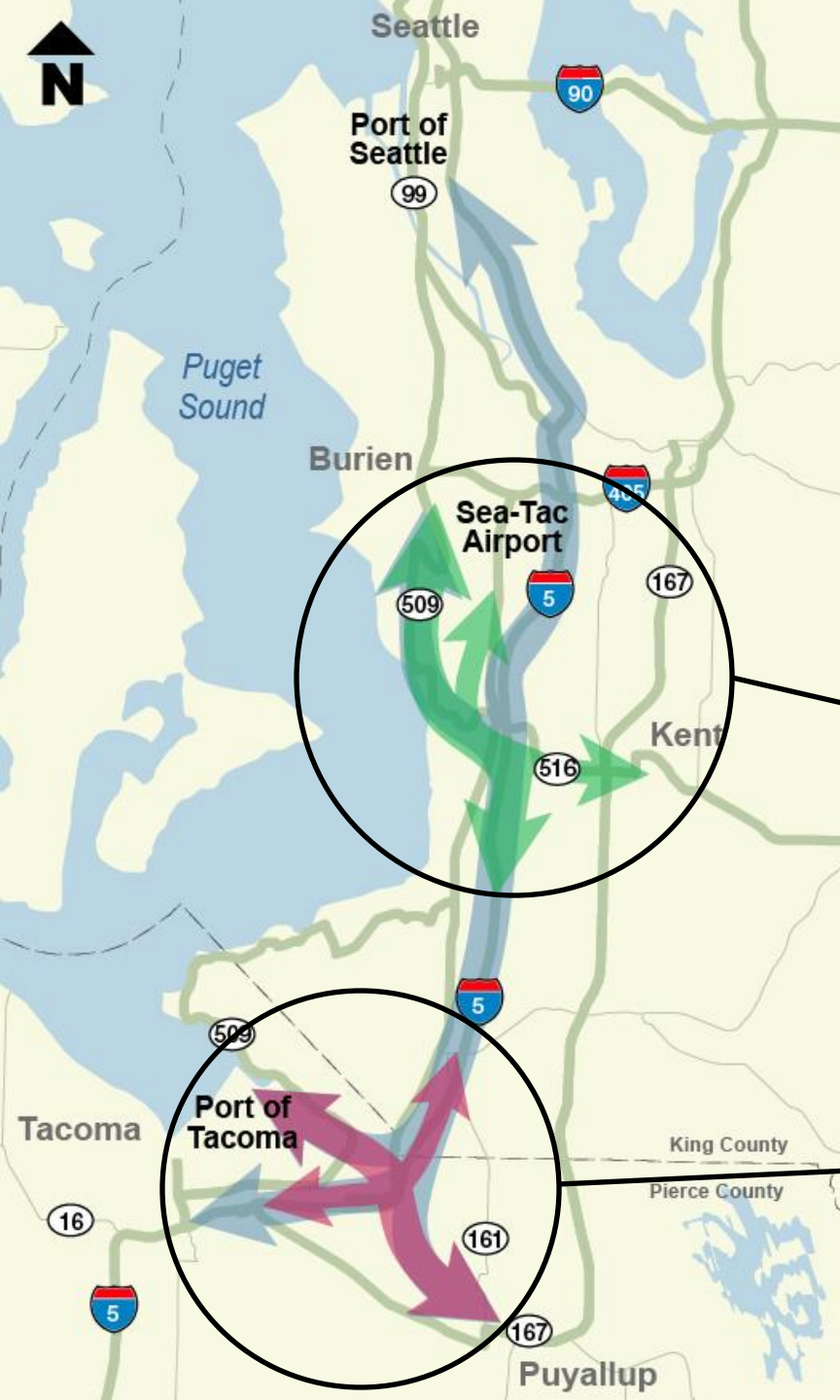
# Terminal 5 Modernization

Dock  
Strengthening

Berth  
Deepening

Power  
Upgrades





# Gateway Project: Critical Freight Links Between Ports, Warehouse & Distribution, Sea-Tac Airport



SR509 Completion



SR167 Completion



A large red gantry crane dominates the upper half of the image, extending across the frame. Below it, a body of water reflects the sky. In the background, a city skyline is visible, featuring a prominent tower with a circular observation deck. In the foreground, a stack of colorful shipping containers (red, blue, white, and orange) is neatly arranged. A small boat is visible on the water, leaving a white wake.

Questions?