

March 28, 2023

Washington Utilities and Transportation Commission
P.O. Box 47250
Olympia, WA 98504

Submitted via email: comments@utc.wa.gov

RE: Puget Sound Pilots (PSP) Request for Increase in Pilotage Rates, Docket 220513

Dear Commissioners,

On behalf of The Northwest Seaport Alliance (NWSA), I am writing to encourage you to only grant an increase in pilotage rates for our region if you determine it is truly necessary to maintain safe and efficient operations. We appreciate the opportunity to provide these comments.

Formed in 2015, NWSA is a unique marine cargo operating partnership between the ports of Seattle and Tacoma. Marine cargo activity at NWSA facilities supports over 58,000 jobs and drives \$12.4 billion in economic activity across our state. We are the one of the largest container port complexes in North America and the primary container port for the Pacific Northwest. We also have substantial breakbulk, auto, military, and project cargo operations.

The NWSA was formed to strengthen the Puget Sound gateway and attract marine cargo and jobs for our region – a benefit for the entire state. In unifying the management of marine cargo facilities within Puget Sound, we are better positioned to face the extraordinarily competitive international container industry. Since our formation, we have seen interesting peaks and valleys within the cargo market, most notably around the COVID pandemic and correlated supply chain challenges. In more recent months, given the softening of the U.S. economy in addition to other factors, the entire West Coast continues to lose business to the Gulf and East Coast ports. Given we are largely a discretionary gateway, we must fight even harder to remain competitive and maintain our market share.

In conjunction with the U.S. Coast Guard, PSP is a vital partner in preserving the positive safety record for the region – a requirement for us to be competitive. Beyond their core function in stewarding vessels through 90 plus miles of ecologically, economically and culturally significant waters and safely to berth, we rely on them to inform various aspects of our capital development program to ensure that we are providing the best possible facilities for our customers. More broadly, we believe that a robust roster of experienced pilots is critical for the collective success of our gateway.

Also crucial to our ability to remain competitive is a requirement to maintain strong environmental protections as a top priority. We disagree with PSP's characterization of the environmental standards of our customers and industry partners in their June 2022 testimony. We are proud that our region's shipping industry is out front on these issues, examples ranging from cleaner fuels, lower emissions, more efficient speeds, whale and other species protections, improvements with stormwater management – the list goes on. The NWSA continues to participate in the Northwest Ports Clean Air

Strategy, a coordinated effort with other regional ports, setting the direction for air quality and sustainability programs for the next 30 years and beyond. The Strategy is updated every five years and this most recent round adopted in 2021 had greater participation from our industry partners than ever before. We know that everyone in the supply chain recognizes the desperate need to do more to counteract climate change and we see that happening with so many of our customers, both within their own companies, at our facilities and in transit to and from our gateway.

We recognize the demanding nature of the pilots' work, rely on them for the success of our gateway, and all must be appropriately balanced with our need to remain competitive in an extraordinarily challenging marketplace. As the proceedings for this increase unfold, we hope you will keep these critical points in mind. Please limit the proposed increase to the pilotage tariff only if you deem it necessary to support a safe, sustainable, efficient and competitive gateway.

Thank you for your consideration,



John Wolfe
Chief Executive Officer
The Northwest Seaport Alliance