



**Port of Seattle
Customer Recovery Plan
Fact Sheet
April 14, 2009**

The global economic downturn has hit the maritime industry hard. More than ten percent of the world's container ships are sitting idle, and cargo volumes have plummeted at the Port of Seattle and other ports around the world. The companies that lease and operate the Port's container terminals have seen their revenues plummet as well. As a result, many US ports are reducing rates and implementing incentive programs to retain customers and attract more cargo.

The Plan

The Port of Seattle's Customer Recovery Program would temporarily reduce costs for terminal operators and help them and the Port remain competitive during the downturn. Elements of the program include:

- Rebates on crane rental fees
- Deferrals and reductions in the acreage terminal operators lease from the Port
- Waivers of intermodal rail yard fees
- Deferral of minimum volume payments

Why it's important

Keeping the Port's container terminal operators financially healthy is critical to the short-term health of the region's economy. Over 12,000 family wage jobs depend on the cargo that crosses our docks. By helping our customers and communities weather this economic hurricane in the short term, we protect the public investments in our terminal facilities in the long-term.

The Customer Recovery Program will reduce the Seaport Division's net operating income by about \$2.6 million in 2009.

The Environmental Benefits

Seattle's Customer Recovery Program is unique because it not only provides financial relief for tenants but also generates long-term public environmental benefits. Though no new fees are associated with the measures, these environmental practices will become part of the lease agreements between the Port and the terminal operators.

The new environmental measures include:

- Implementation by the terminal operators of the Port's drayage truck emissions standards for 2011 and beyond;
- Acknowledgment by the terminal operators to meet the goals of the Northwest Ports Clean Air Strategy for cargo handling equipment by 2011 – which the terminals are on track to do;
- Annual meetings with each of the terminal operators to discuss operations and look for ways to reduce environmental impacts and implement the goals of the Port's air program;
- Address stormwater management, energy conservation and spill response.