

RESOLUTION NO. 3379

A RESOLUTION of the Port Commission of the Port of Seattle amending Sea-Tac International Airport Tariff No. 1, Port of Seattle Terminals Tariff No. 4, Port of Seattle Moorage Tariff No. 5, Port of Seattle and Foreign-Trade Zone Tariff No. 6 for annual automatic adjustments for inflation.

WHEREAS, the Port of Seattle owns and operates commercial proprietary facilities, many of which provide space and services in direct competition with private sector businesses, including Shilshole Bay Marina, Fishermen's Terminal and the Maritime Industrial Center, Terminals 48 and 90-91, Warehouse Facilities at Terminals 104 and 106, Harbor Island Marina (Terminal 102) the World Trade Center, Bell Harbor Marina and Bell Harbor International Conference Center at Pier 66, a Foreign Trade Zone, and other docks, piers, wharves, marinas and commercial properties located on Elliott Bay or on the Duwamish River, and Seattle-Tacoma International Airport; and

WHEREAS, the Port has established tariffs setting rates, rentals and fees for a wide variety of services and uses available to customers, tenants and other users of such facilities; and

WHEREAS, Port tariffs currently do not include automatic adjustments for inflation, although many Port contracts, labor agreements and leases include inflation adjustment provisions; and

WHEREAS, automatic inflation adjustment is a common commercial practice used in a variety of private sector and public sector collective bargaining agreements, rental contracts, insurance policies and other agreements for goods and services; and

WHEREAS, the United States Bureau of Labor Statistics regularly publishes Consumer Price Indices which measure the average change in the prices paid for a fixed market basket of goods and services and which have become the most widely used measure of price change; and

WHEREAS, it is prudent and reasonable to assume that a current 30-year trend of general economic inflation as measured by the Consumer Price Indices will continue; and

WHEREAS, recognized principles of sound financial management support planning for inflation when establishing rates and charges for commercial facilities and services.

NOW, THEREFORE, BE IT RESOLVED, by the Port Commission of the Port of Seattle that the following tariffs are hereby amended to include an annual automatic adjustment for inflation provision as further described below:

Sea-Tac International Airport Tariff No. 1

Port of Seattle Terminals Tariff No. 4

Port of Seattle Moorage Tariff No. 5

Port of Seattle Foreign Trade Zone Tariff No. 6

Effective immediately, the above listed tariffs each are amended to include the following provision:

All tariff rates, deposits, fees, rentals and charges shall be automatically adjusted each year (beginning in 1999), effective each December 1, to reflect inflation increases which have occurred since the previous rate adjustment as measured by the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for Seattle-Tacoma Bremerton (or successor index or reasonable substitute if no successor index is readily identifiable). Inflation adjustments shall be calculated as the average annual percentage change in the index for all reporting periods during the previous twelve-month period ending in October. All inflation adjustments shall be rounded to the nearest 25 cents for ease of administration. The Executive Director may waive implementation of all or a portion of the automatic annual inflationary increase in any year for a specific tariff or tariff item, if such increase would result in market imbalance, or would be technologically infeasible or otherwise detrimental to Port interests.

BE IT FURTHER RESOLVED, that the annual tariff adjustment for inflation to be implemented December 1, 1999 for any specific tariff item shall be calculated from November 1, 1997 (or from the date of the last adjustment for that item, whichever is later) through October 31, 1999.

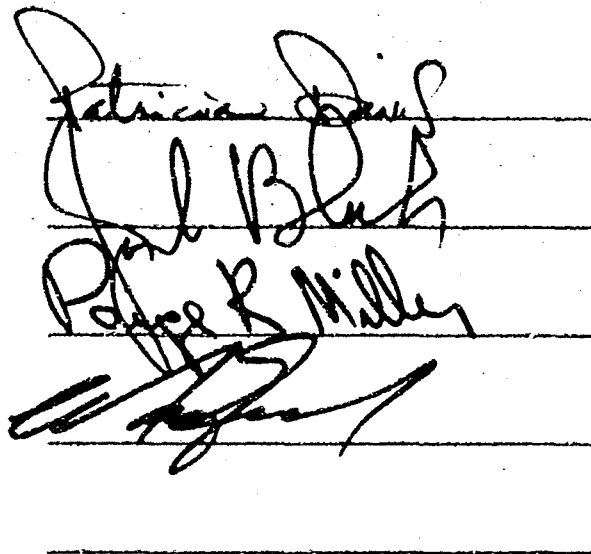
BE IT FURTHER RESOLVED, that the Executive Director is directed to take all administrative steps to implement the provisions of this Resolution as soon as is administratively feasible and to republish all Port tariffs with the automatic adjustment language prominently displayed.

BE IT FURTHER RESOLVED, that it is not the Port Commission's intent to violate any laws governing the subject matter of this Resolution. In the event any provisions herein or any adjustments implemented hereunder are finally held or determined to be illegal or void as

being in contravention of any applicable law, the remaining provisions of this Resolution, or adjustments implemented pursuant to this Resolution, shall remain in full force and effect.

BE IT FURTHER RESOLVED, that this Resolution is not intended to abrogate or diminish the Executive Director's existing authority to issue tariffs and tariff amendments provided in Section XVII, Exhibit A to Resolution No. 3181, as amended, which authority is hereby reaffirmed. In addition, the Commission specifically authorizes the Executive Director to issue waivers and exceptions to the adjustments for inflation provided for in this Resolution.

ADOPTED by the Port Commission of the Port of Seattle at a regular meeting held this 23rd day of November, 1999, and duly authenticated in open session by the signatures of the Commissioners voting in favor thereof and the seal of the Commission.



Port Commission