THE NORTHWEST
SEAPORT ALLIANCE
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April 27, 2023

The Honorable Pete Buttigieg, Secretary
United States Department of Transportation
1200 New Jersey Avenue SE
Washington, D.C. 20590-7202

RE: Letter of Commitment for FY23 PIDP - **Husky Terminal Expansion - Part One**

Dear Secretary, Buttigieg:

I am very pleased to submit this application from the Northwest Seaport Alliance (NWSA), the Public Entity Joint Venture partnership between the ports of Seattle and Tacoma, to the 2023 Port Infrastructure Development Program (PIDP). Husky Terminal Expansion - Part One will densify a busy terminal, triple its refrigerated export capacity, and improve the circulation of workers and vehicles on the terminal.

The project will add jobs, reduce carbon emissions, boost agricultural exports, and benefit historically disadvantaged communities around the Husky Terminal in Tacoma. The series of improvements outlined in this application will reduce port operating costs by approximately 6%, increasing the competitiveness of U.S. refrigerated exports and allowing more U.S.-bound cargo to be unloaded at U.S. ports.

The project benefits will be considerable:

- Terminal expansion will add capacity and optimize cargo container transfers.
- Carbon emissions will be reduced by shortening vessel stays at berth and by improving truck route efficiency on the terminal.
- The project directly supports export of agricultural products from rural Eastern Washington and other states including Oregon, Idaho, Montana, Minnesota, the Dakotas, and Iowa, states whose exporters regularly depend on NWSA facilities as their fastest and most cost-effective option for time-sensitive agricultural products such as hay, apples, and potatoes.
- Expanding capacity and increasing efficiency at the NWSA increases access to international markets for U.S. farmers, as well as manufacturers and consumers.

As a joint venture between the Ports of Tacoma and Seattle, the NWSA provides funds from operations to the two ports. The two ports use the funds from the NWSA operations, along with cash on hand, cash from other home port operations, and, if necessary, cash from revenue or tax secured bonds, to fund the NWSA's capital commitments. As a sign of our dedication to the success of the proposed $125.9 million Husky Terminal Expansion - Part One Project, the NWSA, through its two Joint Venture partners, commits to a cost share of $69.3 million—a figure representing 55% of total eligible project costs subject to NWSA board approval.

If this project is awarded PIDP funding, the NWSA guarantees the availability of the staff and resources necessary to complete the activities described in the application. The NWSA is exceptionally well qualified to lead the proposed activities. The NWSA team is capable not only of planning such an ambitious and important project, but also of executing it in a timely, cost-effective manner. For these reasons and more, I urge you to fund Husky Terminal Expansion - Part One. If you have any questions at all, please do not hesitate to contact me.

Sincerely,



John Wolfe, Chief Executive Officer
Northwest Seaport Alliance
One Sitcum Way
Tacoma, Washington 98421

The Honorable Pete Buttigieg
U.S. Secretary of Transportation
1200 New Jersey Ave, SE
Washington, DC 20590
United States

Subject: Letter of Commitment, Husky Terminal Expansion Project – Part One

Dear Secretary Buttigieg:

Husky Terminal & Stevedoring, LLC (Husky) is excited to take part in a powerful public-private partnership with The Northwest Seaport Alliance (NWSA) in its application to the 2023 Port Infrastructure Development Program (PIDP).

Husky Terminal has a long and successful history in the Port of Tacoma. Husky was originally founded in 1983 when it commenced operations at Terminal 7. In 2004 Husky relocated to its current home at Terminal 3 and 4. During its 30-year history, Husky has invested hundreds of millions of dollars in equipment and infrastructure to serve both the state of Washington and the broader U.S. economy.

It is our goal to complete the proposed upgrades and improvements as efficiently as possible in order to maintain the NWSA's status as the premier, world-class container trade gateway in the Pacific Northwest. Many agricultural producers, manufacturers, and consumers rely on the ports of Tacoma and Seattle for access to international markets and will benefit greatly from the Husky Terminal Expansion Part One Project.

Husky is fully engaged in the success of this project. A summary of prior and committed investments directly supporting this grant application are in the table below. Items in green have been committed or spent to date. Authorization for construction is planned for by the end of 2023.

Phase 1 A/B – RTG runs, temporary reefer capacity and cargo handling equipment	
Category	**Estimated Cost**
Equipment: 12 RTGs and support equipment	$45M
Engineering/Construction	$45M
Total	**$90M**

In addition to the projects currently underway, the infrastructure investments proposed in this grant application will improve the safety, efficiency, and reliability of Husky Terminal operations and will enable the terminal to service more ships and move more containers. Increased throughput capacity, more storage of refrigerated containers, and reconfiguring the container yard is expected to reduce shipping costs and speed time to market for U.S. businesses, generating a positive return for the U.S. economy at large.

As a sign of strength of our public-private partnership with the NWSA and our collective commitment to the success of this $125.9 million project, Husky and the NWSA intend to cost share the $69.3 million investment, representing 55% of total project costs. This commitment is predicated on a mutually

beneficial agreement which will reflect market conditions at the time of this grant award. If the project is awarded funding, Husky and NWSA will work closely together to ensure funding of the project components described in the application narrative.

Husky Terminal & Stevedoring is exceptionally well-qualified to help lead the proposed expansion of the NWSA's largest Tacoma harbor international terminal. We have vast experience executing capital improvement projects and managing efficient marine terminal operations. For the above reasons and more, I urge you to fund the Husky Terminal Expansion Part One Project. If you have any questions at all, please do not hesitate to contact me.

Sincerely,



Dustin Stoker
President
Husky Terminal and Stevedoring, LLC.