

Pacific Gateway

Port of Tacoma | WINTER 2013 | portoftacoma.com



Agricultural exports peak

IN THIS ISSUE

Legendary
customer service

Clean air
progress

New lighting
saves money



Don Meyer, President, Port of Tacoma Commission

Looking forward to a prosperous new year.

We talk a lot in Washington state about how an estimated one in three jobs is related to trade. In this issue of Pacific Gateway, we introduce you to some of the faces of trade you might not readily expect: farmers, gourmet candy confectioners and airplane composite manufacturers.

Washington is blessed with an abundance of agricultural produce. This past year's crop appears ready to break records for apples and cherries. And we produce an astounding amount of frozen french fries and other potatoes that are prized throughout Asia as well as here.

Read about the fruit, onions, potatoes and other produce from eastern Washington that introduce Asian markets to our homegrown bounty.

In this issue, we continue to introduce you to some of the people and partners who contribute to the buzz of activity on our docks. You'll hear about the voluntary investments our customers and tenants have made to reduce maritime-related emissions throughout the region. You'll also find out how we and Tacoma Power partner with businesses to bring energy-efficient lighting to Port industrial facilities.

And we're proud to introduce you to B.J. Campbell and Karolyn Paradise, who provide customer service to the truck drivers picking up and delivering breakbulk cargo. When you read how no two days are alike behind the customer service desk, you'll understand how valuable their years of experience are to us.

We wish you a happy and prosperous new year. We look forward to working with you.

Don Meyer
President, Port of Tacoma
Commission

Pacific Gateway

Port of Tacoma | WINTER 2013

- 2 News briefs
- 4 **Dynamic duo of breakbulk**
B.J. Campbell and Karolyn Paradise, part of the Port's customer service team, find success by building strong relationships with our customers.
- 6 **All about air**
The Puget Sound emissions report shows significant progress in reducing maritime-related air pollution.
- 8 **Apples, onions and potatoes: Washington ag exports peak this season**
With roots in family farms, agricultural exports moving through the Port of Tacoma are big business for Washington.
- 13 **Brighter lights kinder to environment, bottom line**
Tacoma Power's incentive program encourages industrial facilities to install energy-efficient lighting.
- 15 **Trade connections**
AMES International, Inc., and Toray Composites (America) are two local companies realizing the advantages of being located near an international port.
- 17 **Calendar**

Correction: We apologize for not acknowledging the role the Port of Vancouver USA played in developing the rain-water filtration system highlighted in the Fall 2012 issue. We appreciate their partnership in finding innovative ways to make port-related operations more environmentally friendly.

On the cover —

Apples are harvested at a farm in Quincy, Wash. Washington state is the nation's largest apple producer, and 2012 yields are expected to be up 11 percent.

— photo by David Putnam



Commission
Connie Bacon
Don Johnson
Dick Marzano
Don Meyer
Clare Petrich

Chief executive officer
John Wolfe

Editorial staff
Megan Anderson, Senior Editor
manderson@portoftacoma.com
Scott Hamilton, Designer
David Putnam, Photographer
Contributing writers:
Megan Anderson, Rod Koon,
Tara Mattina
Contributing photographer:
Rod Koon

Subscriptions and information
Pacific Gateway is produced by the Port of Tacoma. Subscriptions are free by visiting www.portoftacoma.com/publications. For information about articles in this edition or for permission to reproduce any portion of it, contact the Communications Department.

Pacific Gateway
© 2013 Port of Tacoma
Port of Tacoma
P.O. Box 1837
Tacoma, WA 98401-1837
Phone: 253-383-5841
Email: portinfo@portoftacoma.com
www.portoftacoma.com

Like us on Facebook
facebook.com/portoftacoma
 Follow us on Twitter
twitter.com/portoftacoma





Serving the Alaska trade, Totem Ocean Trailer Express vessels call twice weekly in Tacoma.

TOTE to convert ships to LNG

Totem Ocean Trailer Express plans to convert its two Tacoma-bound ships to run on liquefied natural gas by September 2016.

The domestic shipping line's decision was influenced by the introduction of the North American Emissions Control Area, which requires ships to burn cleaner fuels when operating in the waters along the Pacific, Gulf and Atlantic coasts of the United States and Canada.

While international shipping companies must switch to cleaner-burning low-sulfur fuels when they arrive within 200 miles of the North American coast, such domestic lines as TOTE, whose ships travel between Alaska and Tacoma, stay within the control area for the entire trip.

A switch to low-sulfur fuels would add significantly to TOTE's fuel costs which prompted the company to search for a better long-term solution.

In December, the company's parent organization, TOTE, Inc. announced that in addition to retrofitting TOTE's two vessels in Tacoma, they will build the first and largest LNG-powered container vessels in the world to operate in the U.S. Jones

Act Puerto Rico trade by 2015. The move will make the company the first to operate large ocean-going vessels to natural gas, as well as open up the LNG market for a variety of other commercial applications.

"We see this as a game-changing event in the history of the U.S. maritime industry," said John Parrott, president of TOTE, in announcing the shipping line's plans. "We believe that moving to a whole new fuel source is the best solution for domestic shipping."

Environmental director presents at international symposium

Jason Jordan, director of environmental programs, shared the Port's strategy for creating habitat and mitigation sites at an international symposium in Kaohsiung, Taiwan this past December.

Jordan was among several West Coast port environmental experts invited to present at the two-day "U.S.-Taiwan Sustainability Symposium: Creating Sustainable Cities and Promoting Sustainable Ports in the Asia Pacific Region." It was organized by the U.S. Environmental Protection Agency in partnership with the American Institute in Taiwan, the Environmental Protection Administration-Taiwan, and the port and city of Kaohsiung.

The Port has strong ties to Taiwan. Our sister port relationship with the Port of Kaohsiung dates back to 1988, and two Taiwanese shipping lines, Evergreen Line and Yang Ming Line, regularly call Tacoma.



Promoting exports, recognizing partnerships

Commissioner Dick Marzano and Tong Zhu, chief commercial officer, joined Gov. Chris Gregoire and other local business leaders on a trade mission to Korea in October to expand exports and investment in Washington state's agriculture, life sciences and technology sectors.

While on the mission, Marzano and Zhu visited Hyundai GLOVIS Co. Ltd. and Kia Motors Corporation. The Port presented the two companies with a plaque honoring our 17-year business partnership.

WWII tank stops in Tacoma on way to museum

A fully-restored Sherman tank rolled onto Terminal 7 Dec. 3. The World War II vintage tank was transported by truck to Paine Field in Everett, Wash., to be displayed with the Flying Heritage Collection.



A fully-restored Sherman tank is unloaded at Terminal 7 Dec. 3.

Operated by the U.S., Russia and the United Kingdom during WWII, the U.S. manufactured more Sherman tanks than any other tank. With an uncomplicated design, the tank could be produced in factories that made automobiles, trucks and train cars before the outbreak of the war.

The tank that arrived in Tacoma was built at Pressed Steel Car Company in Chicago. After it was accepted into the U.S. Army in 1943, it was released to the Dutch Army in 1945. C&C Military Services in England spent the last two years restoring the tank to WWII form.

First Tacoma-built pontoons head north

Pontoons to replace a floating bridge in Seattle are being built at Concrete Technology Corp. in the Port of Tacoma. The first six "flanker" pontoons, measuring 50 feet by 60 feet by 25 feet, floated out last summer and headed north.

The Washington State Department of Transportation's \$4.65 billion project

to replace the State Route 520 bridge across Lake Washington is expected to create about 175 jobs in Tacoma during the two and a half years of pontoon construction.



Two pontoons are floated out of the casting basin at Tacoma's Concrete Technology Corp. on the Blair Waterway. Photo courtesy of the Washington State Department of Transportation.

Accolades

Horizon Lines was recognized for its environmental stewardship by two industry organizations. The Chamber of Shipping of America recognized eight of the domestic shipping line's vessels for operating without environmental incidents for at least two years. The company was also named a 2012 Green Supply Chain Award winner in the December issue of Supply & Demand Chain Executive magazine.

The Chamber of Shipping of America recognized **Crowley Maritime Corporation** with 96 environmental achievement awards for safe vessel operations in 2012.

The Transportation Club of Tacoma named **McKinney Trailer Rentals** "Company of the Year" at its annual luncheon in December.

Dynamic duo of breakbulk

By Megan Anderson

Walmart founder Sam Walton once said, “the goal as a company is to have customer service that is not just the best, but legendary.”

In the Port of Tacoma’s customer service department, Operations Superintendent Penny Justice believes B.J. Campbell and Karolyn Paradise qualify.

“Karolyn and B.J. are the backbone of breakbulk at the Port,” Justice said. “You cannot tell me they’re not legendary.”

Campbell and Paradise are part of the team charged with managing the steady stream of import and export cargo through the Port’s Terminal 7 on the Sitcum Waterway. Breakbulk cargo is anything too large or bulky to fit in a container.

With 35 years of experience at the Port between them, the two women have found success by building excellent relationships with the truck drivers who deliver and pick up cargo, as well as the steamship lines, longshore labor force, freight forwarders and others in the industry.

“They are like the center of a wheel,” Justice said. “Their knowledge of the

industry and contacts in it are like the spokes that connect everything together.”

Before joining the Port in 2001, Campbell spent 15 years working in air freight. She was promoted to her current position, lead freight coordinator, about 10 years ago.

The position was originally envisioned as a jack-of-all-trades to cover all desks in customer service from imports to exports to rail. That changed about four years ago, when Wallenius Wilhelmsen Logistics (WWL) launched a new service connecting Tacoma to points all over the globe. Breakbulk volumes skyrocketed.

“It had just gotten to the point that we were so busy with the exports and the imports, that I had to fine-tune my position to focus mainly on exports, while Karolyn handled the import cargo,” Campbell explained.

Campbell first met Paradise while working at Emery Air Freight in Seattle. The two became fast friends, working together for about a year and a half. Paradise joined the Port in 1988 as a freight coordinator for import breakbulk cargo, the job she holds today. Through the years, she’s also worked as a billing clerk, assistant rail car coordinator and freight coordinator for rail containers.

“I came back to working imports because you never do the same thing every day. Every day is something different,” Paradise said. “I like the variety and the unpredictability. And I really like working with the truck drivers.”

Both women boil their jobs down to releasing or receiving cargo. While that might sound straightforward, it’s often much more complicated, Paradise said.

“You would think after all our years in transportation that we would know

everything or have seen everything,” Campbell said. “But new things pop up all the time.”

An unprecedented situation happened last year, when a truck driver transporting an over-dimensional Case New Holland tractor suffered a stroke on a Friday afternoon while on the phone with Campbell.

Campbell had been in continual contact with the driver throughout the day because his tractor was one of the last pieces left to receive for an export vessel arriving Monday.

“You would think after all our years in transportation that we would know everything or have seen everything. But new things pop up all the time.”

B.J. Campbell
Lead freight coordinator
Port of Tacoma customer service

“It was about a quarter to three when I got a call from him, and he sounded different,” Campbell said. “I kept asking him, right from the very beginning of the conversation, if he was OK. He just didn’t sound right.”

The driver was only able to answer Campbell’s questions with a “yes, ma’am” and no other details. When she asked if he was sick, the answer was simply “yes.”

“When he didn’t say ‘yes, ma’am,’ that’s when I knew something was really wrong,” she remembered.

Colleagues in the customer service department heard the distress in Campbell’s voice and gathered around her desk to offer help. Lou Paulsen, director of strategic operations projects and risk management, called 911 but the driver wasn’t able to tell Campbell his location.

Campbell spent nearly 45 minutes on the phone, pleading with the driver to tell her where he was and to stay alert. Eventually, the driver’s wife, who was transporting her own load to Tacoma, was able to pull up beside her husband, guide him to the side of the highway and tell Campbell where to send the ambulance.

The ambulance arrived and whisked the driver to the hospital. His wife was left to puzzle over how to move his truck and deliver his cargo. Campbell came to the rescue, driving Craig Annaelle, a licensed commercial driver with Tacoma’s Epic Steam Cleaning, 45 minutes north to pick up the abandoned truck and deliver the cargo to Tacoma.


“B.J. recognized the signs of distress right away and did a truly excellent job of getting the driver the medical attention he needed and getting the cargo here and loaded,” Justice said.

The driver recovered, and to this day, Campbell still keeps in touch with the couple.

Both women agree the best part of their job is the people they work and interact with daily.

“I’ve developed a lot of really good relationships in this job,” Paradise said. “I feel valued at the Port, both from our bosses and from our customers.”

In particular, the two women give high praise to the longshore workers at Terminal 7 and insist those men and women are truly the backbone of the breakbulk business.

“It is because of their experience and ability to solve problems that we are successful in the breakbulk business,” Campbell said. “They get an incredible amount of work done every day in a dangerous and risky environment.” 

Freight coordinators Karolyn Paradise and B.J. Campbell help manage the steady stream of breakbulk cargo through Port of Tacoma’s Terminal 7.

All about air

Puget Sound emissions report shows significant progress

Maritime-related air pollution has decreased—by as much as 40 percent, depending on the pollutant—since 2005, according to a recent report.



The report is the result of the 2011 Puget Sound Maritime Air Emissions Inventory, which provided an update to the 2005 baseline inventory.

The inventory estimated greenhouse gases, diesel particulate matter and a number of other pollutants related to ships, harbor vessels, cargo-handling equipment, rail and heavy-duty trucks associated with maritime activities. The study covered the U.S. portion of the Puget Sound/Georgia Basin International Airshed, an area about 140 miles long by 160 miles wide.

Overall, emissions fell for most sources since 2005. Especially of note are drops in diesel emissions, which can contribute to increased rates of lung cancer, chronic respiratory and cardiovascular disease and other health conditions.

Diesel particulate matter from heavy-duty trucks fell 52 percent from 2005, while emissions from cargo-handling equipment dropped 40 percent. Harbor vessels were the only source to show an increase. The 7 percent rise is likely related to a 12 percent increase in boat and ferry traffic, as well as an increase in the use of larger engines with higher emissions.

Much of the clean air progress outlined in the report is the result of significant, voluntary investments of the maritime industry and government agencies in clean air technologies, cleaner fuels and more efficient systems of operation. Voluntary initiatives to reduce emissions included switching to low-sulfur or biodiesel fuels, using ship-to-shore power, replacing or retrofitting older diesel engines and improving systems to use equipment more efficiently.

“We are grateful to work with customers who continually support innovation and a willingness to

Emission reductions since 2005:

- ▼ Nitrogen oxides: reduced 14 percent
- ▼ Volatile organic compounds: reduced 40 percent
- ▼ Sulfur oxides: reduced 14 percent
- ▼ Particulate matter (PM10): reduced 16 percent
- ▼ Fine particulate matter (PM2.5): reduced 16 percent
- ▼ Diesel particulate matter: reduced 16 percent
- ▼ Carbon dioxide: reduced 5 percent

grow responsibly,” said Jason Jordan, the Port’s director of environmental programs. “They demonstrate that strong business and community together make Tacoma such a special place.”

The voluntary investments by our customers and partners to improve air quality in our region include:

Shipping lines

- Since 2004, ships operated by Evergreen and “K” Line have voluntarily used low-sulfur distillate fuel in auxiliary engines while at berth. Routinely using low-sulfur fuel reduces diesel particulate emissions by about 60 percent.
- Totem Ocean Trailer Express partnered with the Port in 2010 to provide ship-side retrofits and install shore power infrastructure at their Tacoma terminal, with the help of a \$1.5 million U.S. Environmental Protection Agency grant.

Marine terminals

- All cargo terminals at the Port have cargo-handling equipment burning cleaner fuels or sporting retrofits to reduce diesel emissions by 25 to 85 percent.
- In 2010 Husky Terminal & Stevedoring participated in a pilot project to evaluate next generation diesel exhaust filters on cargo-handling equipment. The success of the pilot project resulted in grant-funded retrofits at other Tacoma terminals.
- Washington United Terminals was the first in Tacoma to purchase new Tier 4 ultra-low-emission diesel yard trucks. The terminal also participated in a 2010-11 Puget Sound Clean Air Agency grant-funded project to retrofit more than 40 older diesel engines with diesel oxidation catalysts or particulate filters to reduce emissions.

- APM Terminals retired the majority of its older cargo-handling equipment and replaced yard trucks with newer on-road engines.

Railroads

- Burlington Northern Santa Fe Railway, Union Pacific Railroad, TEMCO and Tacoma Rail have installed idle-control mechanisms to reduce diesel emissions and replaced older locomotives with newer, cleaner-burning models.

Trucks

- In January 2011, pre-1994 drayage trucks were banned from Port terminals, reducing emissions by 1 to 2 tons per year. The Port is working with the trucking community to eliminate pre-2007 trucks by 2017.
- In a complementary effort, the City of Tacoma, in partnership with the Port, the Puget Sound Clean Air Agency, Puget Sound Regional Council and Washington State Department of Ecology, launched a truck scrapping program in 2011. More than 80 trucks so far have been scrapped and replaced with newer lower-emission engine trucks.
- Horizon Lines replaced 30 model-year 2000 drayage trucks with a fleet of 30 new post-2007 model Class 8 trucks, reducing diesel particulate emissions by more than 85 percent.

Maritime industry partners continue to seek ways to reduce emissions from all sources, with particular attention to ships. While ship-related emissions have dropped, they account for 63 percent of the maritime-related diesel particulate matter emissions.

The 2011 results do not account for the North American Emission Control Area that went into effect Aug. 1, 2012, requiring ships to burn cleaner

Diesel particulate matter emissions since 2005:

- ▼ Ocean-going vessels: reduced 16 percent
- ▲ Harbor vessels: increased 7 percent
- ▼ Locomotives: reduced 24 percent
- ▼ Cargo-handling equipment: reduced 40 percent
- ▼ Heavy-duty vehicles: reduced 52 percent
- ▼ Fleet vehicles: reduced 47 percent

fuels when operating in waters along the Pacific, Gulf and Atlantic coasts of the United States and Canada. This regulation is expected to have a significant effect in further reducing ship-related emissions.

All of these efforts support the Northwest Ports Clean Air Strategy, a ground-breaking initiative of the ports of Tacoma, Seattle and Metro Vancouver, B.C., to reduce emissions in the Puget Sound and Georgia air basins.

The recent inventory results will help focus future efforts and investments. The ports of Seattle and Tacoma are now updating their strategy goals based on the report.

The 2011 and 2005 reports were commissioned by members of the Puget Sound Maritime Air Forum, a voluntary association of private and public maritime organizations, ports, air agencies, environmental and public health advocacy groups and other organizations related to the maritime industry.

Find the full report at www.puget-soundmaritimeairforum.org.



Apples, onions and potatoes

Washington ag exports peak this season

By Megan Anderson and Tara Mattina

With roots in family farms, agricultural exports moving through the Port of Tacoma are big business for Washington state.

Last year's fruit crops are likely to break state records.

"We had a huge crop," said Steve Reinholt, export sales manager for Oneonta Starr Ranch Growers. "This is about as good as we could have hoped."

The family-owned Wenatchee company, founded in 1934, has plenty of experience for comparison. It was the first exporter of Washington apples.

Those first crops went to Germany, and the ship brought back nails and tires. Oneonta now exports pears, cherries, stone fruits, citrus and grapes to 46 countries all over the world, with Asia its largest market.

Oneonta is a bit different from many other fruit exporters. Most start as growers who want to expand the market for their crops, so they add packing houses and shipping services. Oneonta worked the other way around. It began as an export

company that added packing houses and growers over the years.

"Export has always been a huge part of what we do," Reinholt said.

With a diverse mix of steamship lines and services calling at Tacoma, Washington farmers and processors like Oneonta have even greater access to world markets hungry for quality fruit and produce from our state. Top export markets for agricultural products exported out of Tacoma in 2011 ranged from Japan and China to Saudi Arabia and Russia.

The market in China is growing quickly, Reinholt said, and Korea, boosted by free trade agreements, also is ordering more fruit.

"Washington enjoys a tremendous reputation for high-quality apples," he said.

2012 brought bumper crops at high prices for Oneonta and other growers throughout the state.

Yields are likely to be 11 percent higher than last year's record of 109.4 million boxes. Average prices for 40-pound boxes were reported during peak season to hit \$29.28 per box, up nearly 15 percent compared with last year.

Washington is the nation's largest apple producer, bringing in about half the overall crop. States that produce the other half experienced frost, drought and other weather-related issues that reduced their harvest. Washington's crop, by comparison, shone.

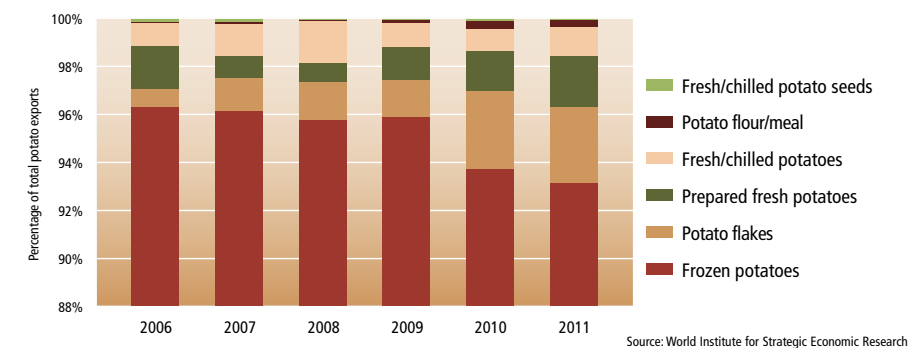
"Quality was as good as it could be," Reinholt said.

While some areas of eastern Washington saw damage from hail storms this year, he said, "overall, this is the best climate for growing the best apples, pears and cherries in the world."

Steve Reinholt
Export Sales Manager
Oneonta Starr Ranch Growers

He believes huge crops like this year's are likely to become the norm. The state already is blessed with ideal soil and climate conditions, and growers

Type of potato exports through Port of Tacoma (total \$ value)



are able to control the amount of water and other factors. To take advantage of those conditions, they are adding apple and cherry trees, which begin producing fruit fairly

quickly. They're also increasing yields per acre.

While Washington ag exports continue to show growth, markets are shifting.

Between 2010 and 2011, the value of onion exports through the Port of Tacoma fell more than 27 percent. Onion exports to Japan dropped nearly 32 percent in the same period.

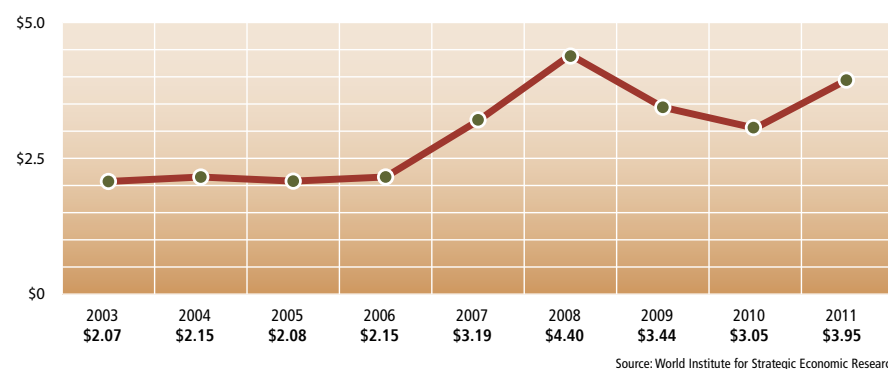
"At one time, U.S. onions to Japan dominated," said Paul Shimizu, president of JASPO, a Washington onion processor and exporter.

Named for his home country, Japan, and his adopted city, Spokane, Shimizu established JASPO 30 years ago to export frozen processed onions to Japan. Today, the company ships a variety of agricultural products to such markets around the world as Taiwan, Chile and the Philippines.

"The onion market has changed in recent years," Shimizu said. "In 2012, exports to Japan have been less than our exports to non-Japanese markets. There's been a plateau in the Japanese market, while other markets are rising."

Continued on page 10

Agricultural exports through Port of Tacoma (billions of \$)



Before China entered the onion market, U.S.-grown onions comprised about three-quarters of Japan's import market, according to Shimizu. As the quality of Chinese-grown onions improved, U.S. onion exports fell dramatically.

Shimizu estimates China exports about 200,000 metric tons of onions annually to Japan, while the U.S. only sends over about 40,000 metric tons. His company, JASPO, has seen the 3,000 containers it used to export annually to Japan fall to about 500 a year.

Taiwan, on the other hand, has proven a more stable market, Shimizu said. Onion exports to Taiwan through the Port have improved 27 percent year to date through August 2012.

It's not all bad news.

"I see the market growing again in the future," Shimizu said.

He cites the rising strength of the Chinese yuan, which diminishes the pricing advantage Chinese exporters have enjoyed over U.S. growers. Combine that with a strong Chinese domestic market and Chinese farmers opting to instead plant high yield crops like wine grapes, and Shimizu sees an opportunity for the U.S. to increase onion exports to Japan in the coming years.

Shimizu's processing plant is located in Moses Lake, Wash., within about 50 miles of the major onion growing areas in central Washington state. JASPO purchases second grade onions, which are the crops not fit for export whole because of marred appearances like broken skin or bruising.

From September to April, his 30 seasonal employees peel, chop and prepare diced and fried onion products. The finished product is frozen and transported in refrigerated containers by truck to Puget Sound ports.



Employees inspect onions at Griggs and Sons processing plant in Quincy, Wash.

Processing produce broadens markets for other vegetables as well.

The potato industry in Washington contributes \$4.6 billion to the state's economy and supports 23,500 jobs, according to a recent study by Washington State University (WSU). About 99 percent of Washington potato farms are family-owned businesses with deep ties to their communities.

Rex Calloway is a perfect example. Born and raised in Quincy, Wash., the third-generation farmer cultivates 600 acres of potatoes annually on his

family's farm, Calloway Northwest, LLC. At 30 to 32 tons of potatoes to the acre, that's nearly 20,000 tons of potatoes.

"I feel very fortunate to be doing what I'm doing and carrying on my family's tradition," Calloway said. "We know as agricultural producers that we're very important. I'm honored to raise food and feed the people of the world."

The perfect combination of sun, irrigation and mineral rich soils makes central Washington one of the most productive potato growing regions in the world. A range of

Growth in agricultural exports from Tacoma to China (millions of \$)



potato varieties are grown in three key parts of the state, the Yakima and Skagit valleys and the Columbia Basin. The Washington State Potato Commission estimates more than 9.8 billion pounds of Washington potatoes were produced this past year.

While some varieties are shipped fresh, others are processed and turned into golden fries, crunchy chips or creamy mashed potatoes. Nearly 75 percent

of the state's crop is used in frozen products, according to a study by WSU's School of Economic Sciences. The fresh pack industry, dehydrated products and chips round out the remaining markets for Washington potatoes.

"In the U.S., our company is the only one with a year-round supply of chipping potatoes," said Jason Davenport, president of Allied Potatoes.

This year-round supply is due in part to a longer growing season, where harvest runs from mid-June to mid-October. It's a competitive advantage shared by all Washington potato farmers.

Allied Potatoes Northwest is head-

quartered in Pasco, Wash., about 240 miles east of Port terminals. The company manages the growing, packing and shipping of fresh chipping potatoes to Southeast Asia and Central America, where the spuds are made into potato chips. Shipments of fresh potatoes through Tacoma were up 130 percent year to date in August 2012.

Meanwhile, such frozen potato products as french fries and hash browns have far outpaced other potato exports through the Port in recent years, accounting for 93 percent of all potato exports in 2011. Through August 2012, frozen potato exports were up almost 40 percent to \$209 million.

"Whenever my potatoes leave my storage and go to the processing plants, I pretty much know they'll be made into french fries and that most are going to Asian markets overseas," Calloway said.

Most Washington growers sell their crop to nearby processing plants, where the spuds are prepared for distribution, said Heath Gimmestad, manager at Friehe Farms. The 25-year-old family farm is located

Continued on page 12

Completing State Route 167 good for trade

While Port terminals offer convenient access for traveling north and south along the Interstate 5 corridor, the Port of Tacoma continues to advocate for infrastructure investments that improve cargo velocity.

One such project is the completion of State Route 167, which would provide the "last mile" for agricultural and manufactured products making their way to Port terminals for export. The project would improve travel time between the Port and the Kent and Puyallup River valleys—the second largest collection of distribution centers and transload warehouses on the West Coast—by 15 percent. The economic benefit of saved travel time is estimated to be \$940 million.

That's why the Washington State Potato Commission, trade groups and trucking companies have expressed support for completing the highway.

"What will help trade in Washington? Three things: SR 167, SR 167, SR 167," said John Parrott, president of Totem Ocean Trailer Express.

Find out more about the value of completing SR 167 at sr167.portoftacoma.com.



Continued from page 11

about eight miles east of Moses Lake, Wash., and provides potatoes to two local processing plants.

"All of our potatoes are grown for the processing industry," Gimmestad added. "I would guess about 80 percent of the potatoes processed in the Columbia Basin are exported."

As Simplot's top grower in 2011, Gimmestad was one of several Friehe Farm employees who spent a week this past November in Japan learning how the frozen potatoes are distributed overseas. He was impressed with the complexity of the supply chain and appreciated seeing what happens to the potatoes once they leave his field.

"To see how the product is handled, and the sheer number of people being served, it was staggering in its magnitude. It was an extremely efficient operation and one we can all learn from," he said.

The group met with representatives from McDonalds, visited restaurants to sample the product and toured cold storage facilities. In one of those warehouses, Gimmestad found a box of frozen french fries that were grown

"In our state, we have a very integrated supply chain system. If the ports didn't exist, our export market probably wouldn't exist."

Heath Gimmestad
Manager, Friehe Farms

and harvested in Othello, Wash., in September.


"It just goes to show you the efficiencies that exist in the supply chain to get those potatoes from field, to the processing facility, to the cold storage warehouse, to a truck and over Snoqualmie Pass, and then shipped to Japan, all within 60 days," he said.

Central Washington's proximity to

several major international ports, including Tacoma, is a huge asset in getting potato products overseas. While the domestic market remains fairly flat, the export business continues to grow as countries in the Pacific Rim add more fast food restaurants, Gimmestad said.

"It's a tremendous volume of business, and if it's not exported from here, then it's exported from Europe or Australia," he added. "There are only so many potatoes in the world and only so many places that can grow them."

The proximity of Washington ports to the farming fields and packing houses in central and eastern Washington keeps cargo moving efficiently across the state. Four cold storage facilities are located near Port terminals, providing fruit and produce exporters more options for transporting, storing and ultimately shipping product to overseas customers.

"In our state, we have a very integrated supply chain system. If the ports didn't exist, our export market probably wouldn't exist," Gimmestad said. "Our location allows us to get our product to market and gives us easy access to ship potatoes. It's definitely an advantage." 

Apples are sorted at the Custom Apple Packers processing plant in Quincy, Wash.



Brighter lights kinder to environment, bottom line

By Rod Koon

More energy-efficient bulbs provide brighter lighting at the NorthWest Company International, Inc.'s warehouse in the Port industrial area, improving the work environment for employees and lowering utility bills.

Changing a single light bulb with a more energy efficient bulb might not have a huge impact on the environment or the utility bill.

But when you change hundreds of bulbs in an industrial warehouse, the results are impressive. Along with brighter lighting and a healthier, safer work environment, the switch increases energy efficiency, reduces greenhouse gas emissions and can improve a company's bottom line.

Over the past several years, the Port of Tacoma has partnered with customers and the local power company, Tacoma Power, to install more efficient lighting and fixtures on terminals and inside large warehouses and office spaces. The projects have all taken advantage of Tacoma Power's Bright Rebate program,

which provides incentives to businesses that invest in energy conservation. Incentives may cover up to 70 percent of a project's cost.

Along with the Port's Fabulich Center and maintenance building, other companies in the Port industrial area that have taken advantage

of the program include Americold, Konoike-Pacific, PCC Logistics, Carlile Transportation Systems, Auto Warehousing Company and Totem Ocean Trailer Express.

"These programs have been a great opportunity for us to work in part-

Continued on page 14

nership with Tacoma Power, as well as many of our customers,” said Sandy Miller, facilities management specialist at the Port.

“Our tenants who have taken advantage of the program have been extremely pleased with the help and expertise Tacoma Power provides, as well as the cost savings,” she continued. “The program also gives us additional ways to provide value to existing and potential new customers.”

Tacoma Power’s program focuses mainly on replacing earlier-generation high pressure sodium fixtures (HPS) with pulse-start metal halide (PSMH). The new lights use 23 percent less energy and give off a brighter, whiter light.

“I’ve worked in warehouses that had the older yellow light; it’s bad quality,

“Not only does this translate into energy savings for the Port, it also frees up energy that Tacoma Power can then use to avoid building costly and less environmentally friendly power generation in the future.”

Keil Drescher
Tacoma Power

dreary and depressing,” said Randy Hinton, director of transportation and logistics for NorthWest Company International, Inc.

The NorthWest Company sorts and prepares shipments for all 32 of their stores located throughout rural Alaska. Before the company moved into its current 95,000-square-foot warehouse near the Port in 2009, the Port and Tacoma Power upgraded the lighting.

“This new light is bright, warm and natural,” Hinton said. “Our current light system helps make our building a better environment for our employees to work in.”

The lighting upgrades have also resulted in cost-savings on the utility bill, Hinton said.

Many of the lighting projects have replaced HPS fixtures in high-bay warehouses with T-5 fixtures. With “instant on” capabilities, T-5’s allow occupancy sensors to automatically turn off the lights in areas without activity. Automatic controls can account for as much as 30 percent of the energy savings achieved in warehouses.

For example, replacing the 185 lights in the Port’s maintenance building saved nearly 340,000 kilowatt hours. Installing occupancy sensors saved another 143,000 kilowatt hours. In total, the energy saved is enough to power 50 homes for a year.


Saving energy eventually means saving money. Facilities such as the Port maintenance facility and Auto Warehousing Company are expected

to recoup the retrofit costs within a year and a half.

These projects are also good for the environment. To date, the retrofits have saved the Port more than 2 million kilowatt hours annually. That’s equal to 800 tons of greenhouse gas emissions and enough energy to power 160 homes for a year. Another 2.5 million kilowatt hours in potential savings has already been identified, Miller said.

“Not only does this translate into energy savings for the Port, it also frees up energy that Tacoma Power can then use to avoid building costly and less environmentally friendly power generation in the future,” said Keil Drescher, the Port’s account manager at Tacoma Power.

Better lighting can also positively impact safety. Last spring, the International Longshore and Warehouse Union Local 23’s safety committee reviewed a pilot project to retrofit outdoor lighting at Auto Warehousing. The project replaced 389 fixtures and saved enough energy to power 44 homes for a year.

“Our safety committee was impressed that the new lighting improved our ability to see color and into dim areas,” said Scott Mason, president of Local 23. “We think the new lights will improve worker safety and efficiency.” 

Port maintenance building retrofit by the numbers

185 original lights removed

Fixtures used 400 or 1,100 watts each

208 new, energy-efficient lights installed

Fixtures use 15 to 100 watts each

177 occupancy sensors installed

\$85,351 spent on project

\$58,974 rebate received from Tacoma Power

1.3 years is the estimated return on investment

50 homes can be powered with the annual energy saved through this project

Trade connections

Only a small percentage of the 43,000 Pierce County jobs connected with Port of Tacoma activities are at our terminals. The vast majority are the result of importers, exporters and manufacturers who recognize the advantages of being located near a thriving international port.

We’d like to introduce you to two of those companies.



AMES International, Inc.

Established: 1987 | Location: Fife Industrial Park, about three miles from our terminals

Employees: 50 to 70, depending on the season | Product: Gourmet teas, cookies, and nut and chocolate confections

When George Paulose left his engineering job with the Weyerhaeuser Company in 1985, he had no idea his future included making chocolate and nut candies sold all over the world.

He and his wife, Susie, decided to start their own company in 1987, importing cashews from his native India. The nuts were stored in his garage and sold to local Tacoma grocery stores under the brand Emily’s. Paulose quickly realized his single can of nuts was one of thousands available to consumers, and for his company to grow, he needed to expand.

“Now looking back, it was so miniscule,” Paulose said of his humble beginnings. “Today I can proudly say, if it’s nuts, we have it. Any nuts. You just name it and we have it.”

By 1990 the Pauloses were importing nuts from all over the world: Brazil nuts

from Brazil and Colombia, hazelnuts from Oregon and Turkey, almonds from California, macadamias from Hawaii and Australia, and, of course, cashews from India, Vietnam and Africa. They located their manufacturing plant within a few miles of our terminals because Paulose recognized the Port had room to grow to meet future demands.

“We became a truly international company,” he said. “Always my goal was to be a global company because I am an international person.”

AMES International has since expanded to include chocolate, dried fruit and cookies sold under the brand Emily’s, named for Paulose’s youngest daughter. The company added gourmet teas to its repertoire in 2004, when Paulose recognized the limited market for candy. He redefined AMES as a food

products company and launched the brand Teasophy. The high-quality tea is imported from India and China and packed in Tacoma.

Paulose’s connection to India came full circle this past year with the opening of a state-of-the-art manufacturing facility in his hometown. While his Tacoma location is ideal for exporting to the Asia Pacific, Paulose expects the plant in India will expand his market reach into Europe and double the number of countries selling his products by the end of the year.

And he isn’t done yet. In true entrepreneurial fashion, he’s already looking ahead to his next move: exporting fresh fruits and vegetables to India sometime this year.

Continued on page 16



Photo courtesy Toray Composites (America)

Toray Composites (America)

Established: 1992 | Location: Frederickson Industrial Area, 13 miles from our terminals | Employees: About 400
 Product: Carbon fiber prepreg material for manufacturers of airplanes, sporting equipment and auto parts

For two decades, Toray Composites (America) has pioneered the use of carbon fiber products to build commercial airplanes in the U.S.

A subsidiary of the Tokyo-based Toray Industries, the 24/7 operation employs about 400 people at its 25-acre manufacturing plant in the Port's Frederickson Industrial Area. Originally established to provide "just-in-time" delivery of product for the tail section of The Boeing Company's 777 commercial airplanes, the plant today is the sole supplier of the primary structure material for Boeing's new 787 Dreamliner.


The 787 is the first aircraft to have all its structural components – from fuselage to wings to tail – built from Toray's carbon fiber composite product, said Dave Manger, Toray's compliance manager.

"If you took the engines off and the landing gear off the 787, the rest of the plane you see would be Toray material," he said.

Carbon fiber composite is lighter than aluminum and stronger than steel, the traditional building materials for commercial aircraft. According to Manger, Boeing estimates a 20 percent fuel savings from building the commercial jet almost entirely from Toray's material.

Toray imports carbon fiber material from affiliate companies in Japan and Alabama, and impregnates the fiber with an epoxy resin to create a unidirectional tape. The finished product is rolled up and frozen to prevent the resin from curing. With limited freezer capacity onsite, much of the finished product is stored in cold storage facilities in the Port industrial area.

"We seek out business all over the world because carbon fiber composites will be the choice to replace aluminum and steel in the future," Manger said. "The 787 shows it can be used to make airplanes that are stronger and lighter. The material is expected to last at least 50 years, and it won't corrode."

About half of Toray's product is exported, Manger said. While most is shipped to Boeing facilities and suppliers around the globe, the rest is sold to other commercial and general aircraft companies, manufacturers of such sporting equipment as golf clubs, hockey sticks and bicycle frames, and industrial products for the automotive, transportation and medical industries. 

PORT CALENDAR

Jan. 25

Doing Business in Mexico
 World Trade Center Tacoma Speaker Series
 Tacoma, Wash.

Jan. 29 – 30

Waterfront Coalition Port Workshop
 Long Beach, Calif.

Jan. 31 – February 2

Operation Stimulus Conference
 Denver, Colo.

Feb. 17 – 20

Retail's Supply Chain Conference - Logistics 2013
 Retail Industry Leaders Association
 Orlando, Fla.

March 3 – 5

Trans-Pacific Maritime Conference
 Long Beach, Calif.

March 18 – 19

American Association of Public Port Authorities Spring Conference
 Washington, D.C.

April 17 – 18

Heartland Shippers Conference
 Presented by Cargo Business News
 Minneapolis, Minn.

April 24 – 26

American Apparel & Footwear Association International Sourcing, Customs & Logistics Conference
 Baltimore, Md.

May 9 – 13

NRF Global Supply Chain Summit
 Dallas, Texas

May 15

Tacoma Propeller Club Maritime Day Luncheon
 Tacoma, Wash.

May 15 – 17

Washington Public Ports Association Spring Meeting
 Stevenson, Wash.

May 17

Tacoma Propeller Club Chowdown
 Tacoma, Wash.

May 19 – 21

National Retail Federation Global Supply Chain Summit
 Dallas, Texas

May 23

Port of Tacoma Annual Breakfast
 Tacoma, Wash.

June 13 – 14

Agricultural Transportation Coalition Annual Meeting
 San Francisco, Calif.



Pacific Gateway

Port of Tacoma | WINTER 2013

P.O. Box 1837
Tacoma, WA 98401

PRESORTED
STANDARD
U.S. POSTAGE
PAID
TACOMA WA
PERMIT NO 543

RETURN SERVICE REQUESTED

Please include mailing label with request

PORT OF TACOMA REGIONAL OFFICES

West Coast

Jack Woods
P.O. Box 1837
Tacoma, WA 98401
Tel: 253-383-9455
Fax: 253-593-4570
Email: jwoods@portoftacoma.com

Midwest

Vince Sullivan
140 N. Whittaker Street
P.O. Box 25
New Buffalo, MI 49117
Tel: 269-469-9105
Fax: 269-469-7887
Email: vsullivan@portoftacoma.com

East Coast

Sue Coffey
Summit Executive House
777 Springfield Ave., Suite 11
Summit, NJ 07901
Tel: 908-273-3366
Fax: 908-273-0159
Email: scoffey@portoftacoma.com

Japan/Taiwan

Akira Tatara
Nogizaka Business Court
1-20-2 Minami Aoyama Minato-ku
Tokyo 107-0062 Japan
Tel/Fax: 011-813-3478-1198
Email: atatara@portoftacoma.com

Korea

Daniel C. H. Rim
Room 303, Gwanglim Bldg
1-24, Yeonji-Dong, Jongno-Gu,
Seoul, Korea 110-470
Tel: 011-82-2-318-2131
Fax: 011-82-2-318-2130
Email: drim@portoftacoma.com

Hong Kong/South China

Bill H.Y. Wong
15th Floor, Qualipak Tower
122 Connaught Road West
Hong Kong
Tel: 011-852-2861-0068
Fax: 011-852-2520-6785
Email: bwong@portoftacoma.com

China

Joey Zhou
Room 2305, Sinotrans Mansion
No. 188 Fujian Zhong Road
Shanghai 200001 PRC
Tel: 011-86-21-3304-4520
x7340
Fax: 011-86-21-6375-7026
Email: jzhou@portoftacoma.com