

U.S. Senator Maria Cantwell
USDA Pop-Up Port Announcement - Port of Seattle
March 18, 2022

[\[VIDEO\]](#)

Speakers in Order:

- Ryan Calkins, Co-Chair The Northwest Seaport Alliance and Port of Seattle, Position 1 Commissioner
- USDA Under Secretary for Marketing and Regulatory Programs, Jenny Moffitt
- U.S. Senator Maria Cantwell
- Washington State Director of Agriculture, Derek Sandison
- Stan Ryan, President and CEO of Darigold
- Bert Brocke, Brocke and Sons Seeds
- Harold Ugles, Local 19 ILWU President
- Deanna Keller, The Northwest Seaport Alliance, Port of Tacoma, Position 3 Commissioner

Calkins: Our Tacoma harbor have been a great help to our gateway to keep goods moving. At this time I would like to introduce undersecretary Moffitt to share an announcement about a new program being implemented here at terminal 46. Thank you.

Moffitt: Thank you. Thank you so much and it is a pleasure for me to be here in such an esteemed company that we have here. Next to me, of course, Senator Cantwell as well as director Sanderson behind me, and our partners both here at the seaport alliance, the international longshore and warehouse union, as well as a few of ag exporters here. The team behind me, the team that is all around us today, the team here in Washington state just shows how incredible good things can happen when we come together to solve tricky issues.

So since taking office, the Biden Harris administration has been focused on addressing supply chain issues, vulnerabilities congestion, working to speed up the movement of goods and lower costs for families. COVID-19 has revealed many of these vulnerabilities across our supply chain system, our ports and in our agricultural sector. As the economy has made a historic recovery, it has put additional strain on our supply chain. Fewer containers have been able to make, be made available for United States agricultural products to be exported, as ocean carriers has circumvented traditional channels and rush containers back to empty and exported empty, provided poor service to US companies shipping and exporting and agricultural commodities and products. This has included things for like shorter and ever changing windows for delivery of fulfilled containers of agricultural products and other products for export. Here at this port, as well as many other ports.

Many of these ag shippers are using places here like the Port of Seattle, they're certainly using the port here, but they're moving goods from several hours away by truck to get and access this port and so as we have smaller windows for product to come in and they get loaded onto the ships. That also means that there are with several hours of transport to get here, and even

more than several hours in many cases, it's harder to be able to get the show the product on the ship meet those windows that the export that the containers are requiring.

So what's exciting today is the announcement of this site here as a pre-position site. So this is a place where product can come full containers can come and be ready to go. So when those when they're called for shipment, they're ready to go right here right next to the port. So it's really about being much more resilient in our supply chain, but also much more adaptable and how we're handling different situations. This is one big relief measure, but we also know in the Biden Harris administration, how important this is as part of the whole solution. So we in the Biden Harris administration has a supply chain task force that's been looking at not only identifying things like we're seeing today, which is very exciting, but also the continuum of supply chain issues in the sector, and the northwest seaport alliance is such an incredible partner in this.

So one of the things he announced today, just this morning, Secretary Vilsack announced a new initiative out of USDA, which is we will as a partner, as a true partner here on this site, we're going to be supplying and providing an additional \$200 per container that is using this site as a pre positioned site for export goods, so \$200 for a dry container, and \$400 for a refrigerated container to help offset some of the costs of shipping and definitely to to ensure and make sure that that people who are using this site have the ability to do so.

Sign-ups will be forthcoming. It's not been yet we will put out our applications and signups. And we'll make sure that all of the shippers as well as including, you know, our ag exporters will have that ability to be able to participate, receive that \$200 or \$400 per container that they're going to be able eligible to receive, again to cover some of those costs to you know, certainly as a partner here with the NorthWest Sea port Alliance as well. So I know the benefits of relieving congestion and addressing capacity issues at ports and the partnerships like this one go beyond just even the local region well beyond even Washington state. Which is what we're here talking about the opportunities for Washington State Agricultural shippers, but we know the port of Seattle here, shipped funneling so many product from throughout America, really supporting rural economies, supporting economies and jobs right here as well. So farmers, ranchers, rural communities, workers, agricultural companies throughout the supply chain will benefit from these efforts to restore and improve proper service for export by ocean carriers.

So, now it is my distinct pleasure and honor to introduce Senator Cantwell. She is the chair of the Commerce Committee in the Senate, and has been an incredible champion for ocean shipping issues, and really working on on, you know, certainly in partnership with us at USDA, as well as across the administration as well. So thank you, Senator Cantwell, for, for the opportunity for me to be here with you. And please, thank you very much.

Cantwell: Well, thank you, Undersecretary Moffitt, thank you so much for coming to the Northwest. And thank you for bringing help with you from the Department of Agriculture.

Please thank Secretary Vilsack for the solutions that they have identified and the help and support for our growers to get their products to overseas markets. We also thank the Biden administration for their efforts and the Task Force on Supply Chain, because these are critical issues in a state where trade is essential to make the supply chain as efficient and effective as possible.

Our growers came to us with a problem. They couldn't get their products on ships to overseas destinations. A container would be scheduled to go out on Tuesday, and they'd get a call on Friday night saying, "No, it's going out on Sunday instead."

But when they have to move that product all the way across the state, there just isn't enough time. So how do you explain that to a customer overseas? They don't care why a product is delayed.

They want our Washington apple varieties, they need our pea and lentils, they want our hay to feed their livestock. Some of our growers have lost customers because of these delays. And it means that more containers are leaving our port empty instead of being filled with Washington products.

We know for a fact that 24% fewer containers left [the port] full than last year. So that is why this pop-up storage site for our growers to pre-position their product is so important. It allows our farmers to have their product here and ready in a cost effective, timely manner so they are ready when they can get them on to a ship.

In the next few weeks, this terminal will start filling those containers full of hay, grain, apples, peas, lentils, and refrigerated dairy products. We will have room for as many as 10,000 containers right here. So our growers can ship them, they can keep them here, and they can be ready when the next ship is ready to go out.

I can't tell you how important this pop-up storage site is because we're on the precipice of one of the busiest times for our growers. So thank you again for getting this done just in time because we really do need it.

Our growers can store their containers here so they'll be ready to ship when they are ready to be taken. And they will be partly reimbursed for the cost with \$200 provided per container, as the Under Secretary says. This addresses the number one concern of growers, which was to make sure that they got their product to the markets. It also helps them save on the scheduling and unpredictable nature that has been caused by congestion.

Congestion has been part of the problem – when you don't know when the ship is going to come in, or there's so much demand, that's why [there are] those phone calls saying all of a sudden, "we're here." Definitely, no one would go down to SeaTac and take a flight saying, "We'll tell you when the flight is ready." No one would do that. And our growers need the same

kind of certainty. So this solution gives them more predictability and it helps them in taking the next steps.

So the pop-up ports are a novel use of our port infrastructure, but it also shows we need to do more on our infrastructure. And that is why we work so hard to get the expansion of Terminal 5 and why in the transportation package there was additional money for Tacoma, \$15.7 for expansion of our docks and containers. And here in Seattle, we know that we need to do more on storage, maybe [Terminal] 46 will end up being a very big site for the future in building our capacity.

This infrastructure increase in our ports was an over 200% increase in infrastructure funding. And today, you can see why we need it. Just a few years ago, people talked about this terminal for maybe the Carnival ships and the cruise business, but now we know we need it for our trade capacity.

I also want to say, next week, the Commerce Committee will be marking up and passing out legislation for oversight of our foreign shipping industry. Before the pandemic, the cost to ship a container was about \$1,300. By last September, that cost has skyrocketed to \$11,000.

With these reforms, the Ocean Shipping Reform Act, and others, we need to crack down on price and unfair practices that might be impacting our growers. This legislation will require the Federal Maritime Commission to make sure that they are protecting the American growers to help develop transparency in the process on issues like detention and demurrage, which is this issue of how long you can store your products here and what it costs you to do so. And again, in increased congestion and increased costs, it makes it very tricky for our growers. So we need the oversight.

I'm very proud that a [new] Northwest commissioner was appointed to the Commission, Max Vekich, a longtime Longshoreman, has just joined the Federal Maritime Commission. This is the first time in 30 years that we've had anybody from the northwest be a member of that. And I hope he will bring a lot of insights to what's happening on the docks.

This bill also will strengthen the complaint process so that companies have somewhere to go when they feel like they're not getting a fair shake. And it will also help us in making sure that we are addressing the issues that communicates that the data and information and transparency about what is going on on our docks, can be at hand so we can make better decisions for the future.

So again, I want to thank the administration for being here, Under Secretary Moffitt, again, the Ag Secretary for his leadership, and the Biden administration.

We all know in the Northwest how important supply chains are. And we're going to continue to work to solve these problems and to make sure it works in a cost effective manner, because it is our Washington economy.

Now I'd like to turn it over to our Washington Department of Agriculture Director, Derek Sandison. Who does such a great job for Governor Inslee. We love working with them across the state on so many infrastructure issues, and this time, is on this side of the mountains. So, welcome to our director Sandison.

Sandison: Thank you, Senator Cantwell, for that kind introduction. And welcome, Under Secretary Moffitt.

Great to have you back in Washington State again— the other Washington. So, I just want to echo some of both the undersecretaries and Senator Cantwell's points. I mean, we are a state that's truly dependent on exports. And it's so true for agriculture, as well as other industries in our state, but agriculture, about a third of what we grow, goes someplace else, somewhere out of our country. And in total, about \$7 billion of food and ag. products are exported each year out of Washington State. And these are a lot of our top commodities. I mean, you'll hear in subsequent speakers, it's our apples, our frozen potato products, dairy products, pulse crops, and so on. So our producers in this state, our ag. producers have experienced significant challenges over the last several years. We have had retaliatory tariff issues that have limited our ability to export into certain countries. We've gone through the COVID-19 market disruptions, we have felt the effect of supply chain issues that continue in terms of availability of inputs, like fuel and fertilizer for our farms. And all those have been devastated. Now with markets returning and coming back and demand for our products increasing overseas, we're having problems getting those products to store shelves in other countries.

And so we really welcome this effort this partnership between the Northwest Seaport Alliance and USDA and thank Secretary Vilsack for this, this very important program to allow us to make investments in Washington State. The pop-up site will pre-position containers of agricultural products, of our agricultural products, to move quickly to markets, or more quickly, to markets overseas. And also the program will provide much needed assistance for the actual exporters and producers.

Now, it's important, it has been noted, it's very important to emphasize this, that a lot of the Northern tier states export through Seattle-Tacoma and Portland-Vancouver, and it's in this kind of thing helps other states besides Washington. So we really think this will be a benefit to the whole Northern tier. So I just want to thank USDA again, and Northwest Seaport Alliance for their work to improve access for Washington's farmers and food processors. And I'm going to introduce or turn it over to Stan Ryan from Dairygold.

Ryan: Thank you. Thank you very much. It is very nice to be with you. I want to thank the Senator and Undersecretary and director, thank you for your words. Thank you for being here. I want to thank you for bringing focus and attention to these issues, getting them on the stage and generating action. Now I want to thank Northwest Seaport Alliance, you guys are just an ingenuity-based group, if you will. High-service, you're getting after stuff, you're finding ways to

make breakthroughs. Who would have imagined a pop-up storage type of thing. I thought that was something Amazon did.

It's very helpful. On behalf of Northwest dairy farmers and Dairygold, I want to thank you all. It's crucial. What happens here in the port is a direct link to what happens on farm. What happens to the rural economy, what happens to agriculture. Not only in our state, but in the whole Pacific Northwest, and all the way back into the Midwest, we are a crucial link here to all the markets of the world that drive our rural economy.

Thank you very much for the acute issues of the day, but also for your attention and your continued focus on ongoing infrastructure that we have an effective supply chain for the long term. Simply linking our sort of trifecta of agriculture in Washington: cost competitive, expandable and very sustainable, with billions of consumers over there across the water, that just makes good long term sense for everything. And thank you very much. I think this gives us the platform to keep addressing those issues for the long term. With that, I want to turn it over to Brett Brocke from Brock and Sons Seeds.

Brocke: I, too, would like to take a chance to thank everybody for having us here. I'm also representing the council. We have a group of processors, just like me, that ship through this port every day. To see the bright spot that we're getting from this is amazing. This is exactly what we need. We've fought decline in sales, we fought the tariffs, and every time we turn around, there's more negative, more negative, more negative. And so here we are, and we have some positive. And so I'd like to say thank you again. And absolutely thank you for the opportunity to be here.

Ugles: Hello there. My name is Harold Ugles. I'm President of International Longshore and Warehouse Union Local 19 here in the Port of Seattle. I want to say thank you very much, Senator Cantwell, for all your work and for the USDA. This is a very exciting project. This will really help relieve the congestion that we're having on our ports. It opens up the capacity. And that's something that we definitely need. We're very excited that it's here at Pier 46. It's only four stoplights off of I-90 and you're right in this terminal. So that is very exciting. And we hope to see Pier 46 back with containerships here in the very near future. There's a lot of exciting things about that. So thank you very much. Thank you.

Keller: Good morning. My name is Deanna Keller. I'm Vice President of the Port of Tacoma commission and also a very proud managing member of the Northwest Seaport Alliance. I'd like to thank and show appreciation on behalf of the Northwest Seaport Alliance, U.S. Department of Agriculture, Undersecretary Moffat and Senator Cantwell, for their forward thinking in helping to establish this important partnership that supports more exports through our gateway. The Northwest Seaport Alliance has long prided itself on being a fairly balanced gateway, meaning we have almost equal parts of imports and exports moving through Seattle and Tacoma. The recent supply chain challenges have threatened that balance and we are doing all that we can to restore opportunities for more exports. We've opened inland rail hubs and ramps to facilitate rail access for ag products in North Dakota and Idaho and established

these near dock facilities here at T46 and at the West High Lobos in Tacoma. We look forward to the implementation of the USDA export program and the relief it will provide to our export partners. Thank you both very much for your partnership. And at this time, we'd like to open this up to questions.

Cantwell: Questions from anybody? If not, we could do individual pull-asides

Reporter: Senator I have a question. You had mentioned on the tour that that 24% drop in exports from last year, but didn't you write it jumped up at 30%?

Cantwell: Yes, I'll get you the exact information. But I think there was data that showed that that was increasing in the first few months of this year to 30%.

Reporter: Do we have a rough idea of what that translates into money lost, maybe jobs lost?

Cantwell: No, but there's probably a way to deduct from the data, we'll get the port the seaport alliance to help us with that. But I don't want to lose sight of the fact that it's more, it's also important to understand that if you can't get your product to that market, they're gonna find it from somebody else and once you lose the shelf space, they're not going to now say, Oh, we're ready, you will now you will take your product. They're like no, we have a reliable way to get milk or we have a reliable way to get peas and lentils from somebody else. We're just going to we're going to keep this contract, it could be a long term contract. So this is a problem that needs to be solved right now and it affects them. But we'll get you what that that loss is in, in opportunity unless somebody from the pea and lentil or dairy wants to say something.

Ryan: I'll give you an anecdotal one for all of us dairy, which is basically going through all the ports we've estimated to be \$1.5 billion.

Cantwell: Of loss?

Ryan: Yeah.