Logistics MANAGEMENT

Pacific Northwest ports join chorus of opposition to new tariffs

The Northwest Seaport Alliance makes its case before U.S. lawmakers

By Patrick Burnson, Executive Editor · April 18, 2018

While there are "justifiable concerns" about China's trade practices, The Northwest Seaport Alliance (NWSA) continues to believe that productive engagement and negotiations are the best path to ensuring a fair and level playing field for mutually beneficial trade.

This point of view and a wide-ranging presentation of other opinions was shared by NWSA CEO, John Wolfe last week when he testifed to the U.S. House Ways and Means Committee on effects of U.S. tariff policy and its potential impact on the ocean cargo supply chain.

Before his presentation, he explained that The Northwest Seaport Alliance is a marine cargo operating partnership of the ports of Tacoma and Seattle, and the fourth-largest container port complex in the country. He also noted that he represented the Port of Seattle's Seattle-Tacoma International Airport, which includes a thriving international air cargo facility.

"We are deeply invested in U.S. trade policy discussions because they directly impact our core business, the success of our customers and the lives of our local residents," he said.

Wolfe pointed out that the port and NWSA gateways "are truly national assets," with more than 60 percent of the goods imported through the NWSA destined for the rest of the country. For example, $2.5 billion in imports of industrial and electric machinery move through our ports into Illinois, while Ohio and Indiana respectively import $1.9 billion and $1.2 billion worth of these products through our ports. This is true for exports as well; last year our gateway sent $1.89 billion in soybeans to China yet none are grown in the state of Washington.

"Our success as an airport and seaport gateway is inextricably linked to China. Last year, more than $27 billion in imports from China came through Seattle and Tacoma cargo terminals, with an additional $1.1 billion in imports from China via Sea-Tac. In addition, almost $5 billion in exports to China traveled through our cargo terminals in 2017, plus another $2.2 billion in exports to China through Sea-Tac.

This point of view echoed that given last month at the Port of Long Beach's 14th annual "Pulse of the Ports Peak Season Forecast," (https://www.logisticsmgmt.com/article/port_of_long_beach_examines_consequences_of_possible_trade_war_at_recent_fo) which addessed the potential threat of a trade war could halt otherwise strong growth in the exchange of cargo between Asia and the United States.

More opportunities for ports and their stakeholders to voice their opposition to punitive duties on imports are expected to be made before trade associations in the coming months, but it's a relief to see that they are not only "singing to the choir."

Jon Slangerup, the CEO of the Atlanta-based 4PL, American Global Logistics, (and former Port of Long Beach CEO) told LM in an interview that it's time for shippers to help educate lawmakers, too.

"With consumer demand in China become more sophisticated, we should be able to put a lot of leverage on the balance trade in the future," he said. "This kind of gentle pressure will be more effective in the long run."

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About the Author

Patrick Burnson, Executive Editor

Patrick Burnson is executive editor for *Logistics Management* and *Supply Chain Management Review* magazines and web sites. Patrick is a widely-published writer and editor who has spent most of his career covering international trade, global logistics, and supply chain management. He lives and works in San Francisco, providing readers with a Pacific Rim perspective on industry trends and forecasts. You can reach him directly at pburnson@peerlessmedia.com.

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