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BEFORE THE HEARING EXAMINER
FOR THE CITY OF SEATTLE

In the Matter of the Appeals of:)

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|---------------------------|---|----------------------------|
| FOSS MARITIME COMPANY AND |) | Hearing Examiner File Nos. |
| PORT OF SEATTLE |) | S-15-001; S-15-002 |
| from an interpretation |) | (Directors Interpretation |
| issued by the Director |) | 15-001) |
| Department of Planning |) | |
| and Development |) | |

Administrative Hearing - Testimony of Vince O'Halloran,
Jim Johnson and Mark Knudsen
before
HEARING EXAMINER ANNE WATANABE

August 24, 2015

TRANSCRIBED BY: Kore Siegel, CETD and Marjorie Jackson, CETD
Reed Jackson Watkins
Court-Certified Transcription
206.624.3005

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E X A M I N A T I O N I N D E X

VINCE O'HALLORAN

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1 Q. And also vessel side support?

2 A. Well, there is -- it's -- that's the same.

3 Q. Okay. There has been a lot of talk about gear, store and
4 provisions. Are you familiar with these terms?

5 A. Sure.

6 Q. And could you just give us a better understanding? What are
7 stores?

8 A. Well, stores can be anything, but what stores generally are
9 would be items that the vessel would need to operate. It
10 could be lube oils, engine room parts, radar, you know,
11 electronic parts, whatever operational necessities the
12 vessel needs. Any time a ship docks it has to load stores.
13 No ship ever docks and does not load stores.

14 Q. What are provisions?

15 A. Provisions would be items that the crew would use for the
16 necessary operation of the vessel: Food, laundry, you know,
17 blankets, milk.

18 Q. And how do provisions get on and off a vessel?

19 A. It depends on how many there are and what jurisdiction we
20 might be in. So sometimes we load them. If they are what
21 they call daily stores, the longshoremen will load them if
22 they are a bit more prolific. So that can vary.

23 Q. Okay.

24 A. But even if the longshoremen are called to load stores, I
25 would have to supplement with a larger gang to distribute

1 the stores inside the vessel.

2 Q. And what about gear, is that different than stores and
3 provisions?

4 A. Well, gear would be normally -- you would normally refer to
5 gear as items that are necessary to the operation of the
6 vessel. It could be mooring lines, again, lubrication
7 greases, paint, anything that the vessel needs to operate.

8 Q. And would you consider the loading of gear, stores and
9 provisions to be part of a cargo operation?

10 A. Yeah, sure. It's -- anything that isn't nailed down would
11 be cargo, anything that's not a permanent fixture of the
12 vessel.

13 Q. Do your members and affiliates also perform non-cargo
14 activities while the vessels are at port facilities?

15 A. We perform routine maintenance and repair activities while
16 the ship is alongside. Any company would also be performing
17 maintenance and repair work whenever a vessel is alongside.
18 That's --

19 Q. So --

20 A. -- normal operating procedure of a vessel.

21 Q. So if a vessel calls into Seattle and moors at a port
22 facility, they might need electrical repair, for example?

23 A. They almost always will need electrical repair.

24 Q. And maybe fabrication or painting?

25 A. Absolutely.

- 1 Q. Cleaning?
- 2 A. Yes. The cleaning of tanks, cargo tanks, absolutely.
- 3 Q. And when and where do those activities occur?
- 4 A. They occur while the vessel is alongside the dock.
- 5 Q. So while it's lay berthed.
- 6 A. Pardon?
- 7 Q. While it's lay berthed? Is that the right term?
- 8 A. Well, not necessarily, but a lay berth we might refer to as
- 9 a part of the terminal that may not be actively used at that
- 10 moment, and we would say we're going to lay berth a vessel
- 11 there for three days to three years.
- 12 Q. Okay. And during that lay berthing, the activities you just
- 13 described could occur.
- 14 A. They do occur, yes.
- 15 Q. And that happens all throughout the port facilities in
- 16 Seattle?
- 17 A. All throughout the port facilities.
- 18 Q. Terminal 5 --
- 19 A. Throughout every port in the United States.
- 20 Q. In Terminal 5 and Terminal 91?
- 21 A. Absolutely Terminal 5 and Terminal 91.
- 22 Q. Did any of your affiliates work on the Shell-related vessels
- 23 while they were here in Seattle?
- 24 A. Yes.
- 25 Q. And what did they do?

1 A. They did everything that was required. They loaded and
2 unloaded cargo, they assisted with the -- well, that's what
3 they did.

4 Q. Did they load gear?

5 A. Yes.

6 Q. Did they load provisions?

7 A. Yes.

8 Q. Did they load stores?

9 A. Yes.

10 Q. Do you know if they unloaded anything from these vessels?

11 A. Yeah, I asked, and apparently they -- they were unloading a
12 tremendous amount of supplies also, but I would defer more
13 to a Foss person on that.

14 Q. Okay. Do you know if any repairs, painting, fabrication was
15 done?

16 A. Well, repairs are always done on any vessel.

17 Q. Do your groups have any written agreements related to the
18 gangs' work on these port facilities?

19 A. Well, yeah, we have collective bargaining agreements with --
20 else wise we wouldn't be working with any of the -- wherever
21 we're working we have a collective bargaining agreement with
22 the various companies that are employing us.

23 Q. And do those include the vessel owners and operators or just
24 the terminal operators?

25 A. Oh, they include both the vessels owners and operators. I

1 clarification for me. You would have pleasure craft, and
2 then everything else. So --

3 Q. Right. I meant actually -- well, we can talk -- we can
4 exclude pleasure craft. So is everything -- does everything
5 other than pleasure craft have stores, provisions and gear?

6 A. Yes.

7 Q. Why do you exclude pleasure craft?

8 A. Why do I exclude them?

9 Q. Uh-huh.

10 A. Well, and that may be a mistake on my part.

11 Q. Yeah.

12 A. Pleasure craft generally in my view have two or three people
13 and it would be a motorboat. I mean, actually, you would
14 have gear, you would have the motor, you would have its
15 safety gear. So --

16 Q. Mm-hmm.

17 A. -- no, I'll withdraw my last definition.

18 Q. As long as you take your sandwich, right? And then you
19 get --

20 A. Take my sandwich?

21 Q. Yeah. That would be your provisions.

22 A. Yes, that's right.

23 Q. Right. So what do you call the other stuff that might be
24 carried on a vessel other than stores, provisions and gear?
25 The stuff like cars or break bulk or -- is there a term that

1 embraces the stuff that isn't stores, provisions and gear?

2 A. You could say cargo.

3 Q. So the -- cargo embraces everything.

4 A. Well, it's what generates revenue. And the vessel -- in
5 order to generate revenue, you have to have a working
6 vessel, a vessel that can operate.

7 Q. Right.

8 A. And whatever type of trade or work that vessel is in, for
9 instance, the research vessels that dock along 64 --
10 Terminal 64, Terminal 68, they are loading provisions,
11 scientific equipment, those are -- that's cargo. And that's
12 for the revenue generating operation of the vessel.

13 Q. Mm-hmm.

14 A. So you can go all the way to containerhips to break bulk
15 freighters to tankers. We carry gasoline from Anacortes
16 down to Terminal 10 and -- anyway. Am I answering your
17 question?

18 Q. Yes, you are. Thank you. It's helpful.

19 So if you're carrying that gasoline and -- well, it
20 wouldn't be your provisions on a ship because they are
21 probably diesel powered, but suppose you're transporting
22 diesel, some of that diesel -- or you had diesel. Some of
23 that diesel might be provisions because you're using the
24 diesel to run the ship, right? To operate the ship?

25 A. Well, provisions I would just mainly classify as --

- 1 Q. Oh, food.
- 2 A. -- food and hotel stuff.
- 3 Q. Got it.
- 4 A. But you have to be able to feed your sailors.
- 5 Q. Right. But if you had a -- so let me go back. I had my
6 wrong category. The diesel that is used by the vessel to
7 propel itself through the water, that's stores, correct?
- 8 A. Yeah. Yes.
- 9 Q. Okay. What if the ship is also carrying diesel to put into
10 a tank farm, what is -- what's the category that you call
11 that part of the diesel? It's not provisions, what is it?
- 12 A. Well, it would be cargo.
- 13 Q. Okay. It's not stores, it's just cargo?
- 14 A. Yes.
- 15 Q. Okay. It doesn't have any special name to differentiate --
- 16 A. No, but --
- 17 Q. -- it from the other kind of --
- 18 A. -- I -- if I -- perhaps you've heard the term "bunker" and
19 "bunkering" here.
- 20 Q. Yeah. Yes.
- 21 A. So bunkering is the loading of fuel to propel the vessel.
- 22 Q. Okay.
- 23 A. An essential service that is done here in Seattle.
- 24 Q. Mm-hmm.
- 25 A. Any ship, vessel tying up that is self-propelled would

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1 vessels aren't conducting fishing operations, this is where
2 they are -- it's where we lay up the vessels.

3 Q. Mm-hmm. All right. Now, some of your -- were you here for
4 the testimony of Mr. O'Halloran?

5 A. I was.

6 Q. And you heard the distinction he was drawing among stores
7 and provisions versus other kinds of cargo?

8 A. Yes, I did.

9 Q. And what's your feeling about -- I mean, he tried to provide
10 a definitional framework for that. I mean, when you're
11 looking at cargo, does it include all of these items?

12 A. All of --

13 Q. Stores and provisions and fish and gear?

14 A. Yeah. I mean, maybe we're in the fishing industry, we're
15 less sophisticated, but we have supplies and provisions in
16 support of the vessel, and then we have the production
17 itself that -- of the vessel, which is frozen fish that we
18 produce from --

19 Q. Okay.

20 A. -- harvest.

21 Q. And these are all things you load and unload.

22 A. Yes.

23 Q. Right. So do some of your ships, your vessels when they are
24 calling at Terminal 91, do they -- do all of -- well, let me
25 ask it this way. Do all of them load and unload stores,

1 fishery each year, but it's -- again, it's dependent on the
2 year. Some years we'll have one boat fish in hake and other
3 years two boats. So the boat that wouldn't be fishing in
4 hake wouldn't offload any product.

5 Q. Hake I assume is a fish.

6 A. Yeah, Pacific hake, or otherwise known as Pacific whiting.

7 Q. Okay.

8 A. It's a fish -- a federal fishery off the coast of
9 Washington.

10 Q. Okay. So in terms of this duration of activity here at
11 Terminal 91, what percentage do you think involves unloading
12 this processed fish?

13 A. The cumulative days the boats are tied to the dock, probably
14 less than 5 percent.

15 Q. Mm-hmm. Is -- and just remind me, please, was it your
16 testimony that all of the vessels that come in unload
17 processed fish or some of them don't?

18 A. Some of them don't. It's going to be very dependent on the
19 operations.

20 Q. Mm-hmm.

21 A. Some will go through an entire year with not offloading
22 product.

23 Q. So there at Terminal 91?

24 A. Yes.

25 Q. So what other kinds of activities do you conduct then when

1 fishery each year, but it's -- again, it's dependent on the
2 year. Some years we'll have one boat fish in hake and other
3 years two boats. So the boat that wouldn't be fishing in
4 hake wouldn't offload any product.

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16 testimony that all of the vessels that come in unload
17 processed fish or some of them don't?

18 A. Some of them don't. It's going to be very dependent on the
19 operations.

20 Q. Mm-hmm.

21 A. Some will go through an entire year with not offloading
22 product.

23 Q. So there at Terminal 91?

24 A. Yes.

25 Q. So what other kinds of activities do you conduct then when

1 you're homeporting at Terminal 91?

2 A. We employ our own crews to do maintenance work throughout
3 the vessels. So that could be -- you know, we'll pay our
4 crew members a daily wage to do maintenance, painting,
5 sanding, grinding, lighter types of welding, factory repair,
6 replacements and bearings, belting, things like that in the
7 factory, cleaning the vessel, training our crews, we'll
8 do -- we'll train the crews on drills, fire training,
9 orientations with the vessel. We actually crew the vessels
10 at Pier 91, so prior to departure we're screening the crew
11 for various things, paperwork, health screenings, those
12 types of things, we're doing that as we crew the vessels.

13 Q. Mm-hmm. How about your processing equipment on board, do
14 you do anything with that?

15 A. We maintain it annually and seasonally when we're here,
16 which involves replacing belting, cutting blades,
17 fabrication, bearings.

18 Q. You install new equipment?

19 A. We do.

20 Q. Uh-huh. And do you work with any local providers in that
21 connection?

22 A. Morrell (phonetic) is our factory -- tends to work on our
23 factories along with our own crews.

24 Q. Mm-hmm. And Morrell is a facility located at Terminal 91?

25 A. Correct.

1 processed fish at Terminal 91. These fish are obtained at a
2 location up in Alaska?

3 A. Both Alaska and all federal waters outside of 12 miles --

4 Q. Mm-hmm. And --

5 A. -- and federal waters in Alaska and in Washington and
6 Oregon.

7 Q. Mm-hmm. And then that 5 percent of the time of the cases,
8 they are brought to Terminal 91 a different location; is
9 that right?

10 A. Sorry. Say that again?

11 Q. So in those cases, they are brought from the ocean --

12 A. Right.

13 Q. -- right, to Terminal 91, a different location.

14 A. Correct.

15 Q. Right.

16 A. Yeah, we're never offloading it, we're -- it's a -- it's our
17 production. We haul back the net, we process it on board,
18 we freeze it, put in the cargo hold, and that's our vessel's
19 production.

20 Q. Would you ever pick up any kind of fish or fish product at
21 another terminal or a dock somewhere in Alaska and bring it
22 down to Terminal 91?

23 A. No. Only one of our boats, to my knowledge, is -- has a
24 coastwide trade endorsement that could even do that.

25 Q. Can you tell me what a coastwide trade endorsement is?

- 1 A. A certificate of documentation with the Coast Guard, you
2 have fishery endorsement that allows us to act as a
3 uninspected fishing vessel. If you had a coastwide trade
4 endorsement, my understanding is you would be able to
5 actually transport cargo from one U.S. port to another. But
6 to my knowledge, only one of our vessels has --
- 7 Q. So other than that one vessel, your vessels cannot transport
8 materials from one harbor to another.
- 9 A. Correct, that's my understanding.
- 10 Q. Mm-hmm. This -- the other 95 percent of the fish product
11 that you produce, your ships catch and process and freeze,
12 and then what happens to it? I mean, 5 percent of it may
13 be -- or 5 percent of the time it comes to Seattle. What
14 happens to the rest?
- 15 A. We offload to a private terminal in Dutch Harbor, Alaska,
16 Kloosterboer Dutch Harbor. It's a cold storage.
- 17 Q. Mm-hmm.
- 18 A. And we offload all our product to that cold storage and then
19 it's backloaded to tramper ships: Three for Asia, and two
20 for east coast U.S. and Europe. So break bulk freezer
21 ships.
- 22 Q. Mm-hmm. So your ships would offload onto those at sea.
- 23 A. In some cases at sea, at some times at the dock in Dutch
24 Harbor.
- 25 Q. Okay. And then come down -- if they don't need the fish

1 product for ballast, then they will just come back down to
2 T-91 at the end of the season.

3 A. Right.

4 Q. Yeah. Okay.

5 A. We're trying to offload all of our product largely in Alaska
6 and Dutch Harbor.

7 Q. And why is that?

8 A. That's our program. We charter these tramper ships
9 year-round on time charters with a partner, and they service
10 our trade lands in Europe, east coast and Asia. So that's
11 the arrangement we have.

12 Q. What --

13 A. It represents 95 percent of our cargo, so very little is
14 down here.

15 Q. So making most efficient use of the trampers.

16 A. Correct.

17 Q. Yeah. So actually, your goal is to bring as little fish
18 product -- processed fish down to Seattle really as
19 possible.

20 A. Correct.

21 Q. How many years have -- and looking at the 95 percent of the
22 time when there is no fish product being loaded or 'offloaded
23 and you're doing these homeport activities, how long have
24 these occurred at T-91 for Glacier Fish?

25 A. More than ten years. I don't have the exact date.

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- 1 Q. And did you hear his discussion about different kinds of
2 things that constitute cargo in his mind --
- 3 A. Yeah.
- 4 Q. -- stores, gear, provisions, other materials loaded on the
5 ship?
- 6 A. Yeah. Yes.
- 7 Q. And do you have any comment, agree or disagree with that?
- 8 A. That's -- I think his description of cargo is generally the
9 industry description, the same description we would use.
10 Cargo is everything that comes on and off the ship,
11 including the subsets of stores and provisions and various,
12 you know, paying cargo, if it's, you know, a piece of steel
13 or a box or whatever. So we generally look at cargo as
14 everything that moves on and off the ship, and it just has
15 different subsets underneath.
- 16 Q. Okay.
- 17 A. He was fairly sort of accurate in how he described how the
18 industry thinks of those.
- 19 Q. Okay. Well, setting aside for a moment the stores and gear
20 and provisions and items that -- cargo that needed to be
21 loaded in order for the ship to function --
- 22 A. Yeah.
- 23 Q. -- what other kinds of cargo do you handle at Terminal 18 or
24 25?
- 25 A. We handle everything. And anything that a customer comes to

1 verifies that there is no leaks, that it's functioning, et
2 cetera, et cetera. Then they will -- then we'll move it
3 alongside the dock where they then, you know -- at that
4 point, we've turned it over to the cargo water and --

5 Q. So you have vessels that come in to deliver these yachts --

6 A. Yep.

7 Q. -- and they will drop the yacht in the water. Is that all
8 they will do with respect to -- other -- they will
9 presumably -- or you tell me, do they do anything in
10 connection with provisions and gear and stores?

11 A. All the vessels that come in while we're offloading the --
12 what you'd call the cargo --

13 Q. Mm-hmm.

14 A. -- the cargo for carriage, the --

15 Q. Right.

16 A. -- whether it's containers or yachts or logs or whatever it
17 is, they're also servicing the vessel at the same time. So
18 they have -- the electronics technicians come down to fix
19 whatever they messed up, there is parts and supplies for the
20 engine room and for the crew that come on board.

21 So that activity happens while we're doing -- simultaneous
22 with the cargo discharge. Generally, the vessels that --
23 depending on their schedule, but they are generally here for
24 a select -- a limited period of time.

25 Q. Mm-hmm.

- 1 A. Customers is a wide variety of -- I mentioned earlier we
2 have operations all across the U.S. So virtually every
3 major steamship company or cargo carrying company or barge
4 company does business with us somewhere. And if they've got
5 a vessel that's up in the northwest, we (inaudible) base of
6 good customer relationships.
- 7 Q. Mm-hmm.
- 8 A. If they need space and we can provide space for them, we do.
9 It helps us keep our business alive.
- 10 Q. This is a use that you described here, this idle moorage
11 that has been conducted at T-18 -- in your experience at
12 T-18?
- 13 A. Yeah.
- 14 Q. And prior to that, in your experience as a -- with the Port,
15 you were aware of these activities occurring?
- 16 A. Absolutely. Yeah, we've had -- I mean, moorage -- idle
17 moorage for large vessels is a limited commodity. Seattle
18 has some of the best docks really in Puget Sound for that
19 kind of moorage, and to the extent that the space is
20 available, it's been a constant for as long as I've been
21 involved in the industry to do that.
- 22 Q. And as long -- I mean, you've got ten years at SSA, and how
23 many years were you at the port prior to that?
- 24 A. About 20 years at the port.
- 25 Q. So about 30 years of experience you're speaking from.

- 1 A. Yeah. And ten years out of the Seattle-based fishing
2 industry before that. So more like 40 years.
- 3 Q. Mm-hmm. Did you sit down when you -- you said a client or
4 customer would call and need a location for idle moorage,
5 would you stop and check your permit to see if that was
6 allowed?
- 7 A. No, because it's been a standard industry practice for us
8 and all the other operators for as long as we've been in the
9 industry. So we've always just run under the presumption
10 that that's part of the operating permits that were -- that
11 went with the facility.
- 12 Q. And this is --
- 13 A. It's not something we would check.
- 14 Q. This dating back the same 30 years you're talking about?
- 15 A. Yeah.
- 16 Q. So you testified your customer comes in, calls, has a ship
17 in the northwest, "I need a place to be," sometimes you can
18 service them at T-18.
- 19 A. Right.
- 20 Q. What if you can't?
- 21 A. Then they go somewhere else. I mean, that's the -- it's
22 pretty simple. They have got a ship that needs to go to a
23 dock. They either come to Seattle.
- 24 Q. Mm-hmm.
- 25 A. If we can't service them, they will find another location,

1 able to do repairs and not able to have a temporary lay
2 berth if they are delayed on their vessel schedule or
3 something like that, it could affect whether they would
4 continue to call on Seattle or not.

5 Q. Mm-hmm. Would you say that this idle moorage activity
6 you've described is intrinsic in operating a cargo terminal?

7 A. Yeah, it's just part and parcel of what people expect out of
8 a cargo terminal to be able to do, or at least what our
9 customers expect, is the ability to come in, lay their
10 vessels up if they need to between vessels -- there is a
11 large difference between the different types of vessels that
12 call in, but some of the ones that aren't on -- you know,
13 the high profile, big containerships are going to be pretty
14 tight on their schedules. A lot of the other ships have,
15 you know, the opportunity or maybe need the opportunity to
16 stay for a day or two to make up their schedule or wait for
17 crew or wait for parts or whatever. So --

18 Q. Has this been the case for the last 30 years, in your
19 experience?

20 A. Yeah.

21 Q. Okay. Nothing -- oh, hold on one second. Well, I just
22 thought of another question. Spontaneously.

23 So you described that -- the impact that the
24 interpretation as I've described it would have. What would
25 be the impact if the Port told you you cannot conduct any

1 Q. (By Ms. Baxendale) And do you see in Section 1-1, it's
2 environmental review and land use approvals?

3 A. Yeah.

4 Q. Okay. The first bullet down under that says that there is a
5 supplemental EIS for the public short stay moorage in
6 this -- let me back up.

7 One -- the heading on 1-1 says that you're using a
8 combination of new and environmental documents to comply
9 with SEPA in evaluating the impacts for this proposed
10 passenal [sic] -- terminal expansion. Do you see that up at
11 the top?

12 A. Yeah.

13 Q. Okay. And then underneath its listing, the documents that
14 have been considered. And do you see the first bullet, it
15 talks about there being a study evaluating the impacts of
16 large commercial vessels that were addressed in the moorage
17 draft and final supplemental EIS.

18 What do you understand commercial vessels to be?

19 A. Generally, a company -- or vessels that are owned by a
20 company rather than by a person. So it's a wide variety of
21 vessels, from fishing vessels to tugs to barges. Generally
22 it's a -- my understanding is it's a vessel that's used in
23 some kind of business-related activity. So could include
24 charter ships, kind of a wide variety.

25 Q. Mm-hmm.

1 things. So it handles cargo, but not on the -- it's not
2 designed as a major cargo terminal.

3 MS. BAXENDALE: Thank you. No questions.

4 THE WITNESS: Okay.

5 HEARING EXAMINER: All right. Mr. Baca.

6 MR. BACA: Yes. Thank you.

7

8 C R O S S - E X A M I N A T I O N

9 BY MR. BACA:

10 Q. Good afternoon, Mr. Knudsen. I'm Matt Baca. You probably
11 heard me say this before, I represent the environmental
12 intervenors.

13 A. Okay.

14 Q. Just to start off, I was hoping you could define a few terms
15 for us that you used earlier.

16 Could you define what "stevedoring" means to you?

17 A. Yeah. Stevedoring is the act of loading and unloading
18 ships. I mean, that's what you call the people. The people
19 that do the work are called stevedores and the activity is
20 called stevedoring.

21 Q. All right. Thanks. And you also used the term "paying
22 cargo." What does that mean?

23 A. There is -- when we talked about the broader description of
24 cargo, being everything that's coming on and off the ship,
25 that included the stores and the provisions and all the

1 things we've talked about. It also includes cargo that's
2 there for hire. I think you heard on -- the previous fellow
3 talk about the fishing vessels and vessels that have a
4 coastwide sort of trading license. Unless you have a
5 trading license on your vessel, you can't carry paying
6 cargo. So paying cargo would be somebody that's -- cargo
7 that's being -- someone has paid you to put on your vessel
8 and move it to another location and take it off.

9 Q. Got it. Is that the same as cargo for carriage that --

10 A. Yeah. It would be the same thing. Yeah.

11 Q. Okay. All right. Let's talk about the companies that load
12 and unload containers, specifically at Terminals 18 and 30.
13 Are they handling paying cargo?

14 A. Yeah.

15 Q. Are they in the business of moving container cargo from one
16 place to another for a fee?

17 A. Sure. And other cargo.

18 Q. All right. After the containers are offloaded at Terminals
19 18 or 30, do they stay there, the containers?

20 A. Some -- most of the containers are -- you know, go to the
21 pier, and then they get loaded on a truck or a train for --
22 on, you know, destination. And some of the containers go on
23 the pier and come back onto the ship again. We have to do a
24 reload or maybe they will leave some containers there for --
25 you know, like an empty stack where they will have -- they

1 will leave the containers there till they need them again,
2 or then they will either go out by truck or back onto the
3 vessel and take -- a lot of our -- a lot of the activity and
4 stuff going, you know, westbound is empty containers.

5 And so for instance, if a vessel has come down from
6 Vancouver with a bunch of empties on a hatch, those empties
7 can come off, go onto our pier, they can sit on the pier
8 until that -- a different vessel or a vessel of the same
9 company wants to take those -- picks those same empties up
10 and take them back to Asia. So those are -- they are just
11 relocating their equipment, really.

12 Q. Okay. Thanks.

13 Now, speaking specifically to loading up container cargo,
14 vessels do that at Terminals 18 and 30, correct?

15 A. Yeah.

16 Q. And when vessels load up with container cargo, do they then
17 use the containers and the cargo inside the containers in
18 transit?

19 A. Not unless they are pirates.

20 Q. All right. Has the container business evolved to use
21 standard containers over the years?

22 A. Yeah, for the most part. There is four different container
23 sizes, but they are all multiples of each other. And that's
24 how they -- the ships are designed to carry that size and
25 the industry is designed to carry that size.

1 Q. And what's the purpose of that? Is it so they can be
2 stacked efficiently or --

3 A. Yes, that's completely the purpose, is so they can be
4 stacked efficiently and they -- so the same box fits the
5 road, fits the trailer, fits the ship, fits the rail.
6 Everything is a uniform size.

7 Q. And what are those -- you said there were four sizes?

8 A. Yeah, there is a 20-foot, 40-foot, and then 53-foot are the
9 biggest, and then there is some companies use 45- or
10 48-footers.

11 Q. And you would handle all four of those sizes --

12 A. Yeah.

13 Q. -- correct?

14 A. We handle anything that anyone brings us.

15 Q. All right. Are ships calling at Terminals 18 and 30
16 generally on a schedule?

17 A. If they are a liner ship -- there is two different kinds of
18 ships, the liner ships and then you've heard reference to
19 the tramp ships or the charter vessels. So the liner ships
20 are generally on a schedule, you know, every Thursday night
21 or whatever that schedule will be. Other ships that are in
22 this tramp service that aren't on a regular liner call, they
23 don't have a regular weekly schedule in places, they are
24 more opportunistic vessels that are getting cargo and
25 bringing it from one place to another, those are on a

1 schedule.

2 Q. Are the -- do you know when their call dates are going to be
3 and their departure dates even if they are not on a
4 schedule?

5 A. Yeah, sure. They don't just show up. I mean, we know they
6 are coming and they make arrangements with us to have a
7 berth window, we make arrangements to get labor down there
8 to work the ships. We have all the work that goes on on a
9 vessel, the agent lets us know what kind of repairs they are
10 going to do while they are on side, what kind of equipment
11 they are going to bring down, are they going to take on
12 fuel, are they going to take on bunkers, are they going
13 to -- or someone in the same -- but, you know, all of those
14 things are all prearranged by the vessel agent before the
15 vessel arrives.

16 Q. And is it in your interest to keep them on that schedule?

17 A. I mean, for the most part, yeah. That's what we -- I mean,
18 what we try to do is unload and move vessels as fast as we
19 can. That's kind of what we do. But we also -- if we know
20 their schedule is that they are going to be there for three
21 weeks, then we will put them in a berth that allows that
22 that doesn't get in the way of our other activity that we
23 have coming in.

24 So we generally try to do whatever the customer needs.

25 And it's a very uncertain world on the vessel side because

1 things happen. We've seen vessels come in here with their
2 containers demolished from a winter storm, those vessels
3 will stay on berth for 30 days while we sort that cargo out,
4 get it all cleaned up, deal with the mess, do the repairs to
5 the vessel and get it back out. So it's important for us.
6 That's even -- those are liner vessels that have storm
7 damage, then we put them up on another berth and we deal
8 with the storm damage. And you've seen some of the pictures
9 of twisted containers and broken stanchions and all the mess
10 that comes with winter storms, and that's just part of what
11 we do.

12 Q. As part of their scheduling, do they schedule maintenance at
13 Terminal 18 and Terminal 30?

14 A. Yeah, as they need. Again, it depends on -- generally, you
15 know, the big liner vessel operators try to do their
16 maintenance in scheduled blocks, you know, in discreet
17 locations, but they -- you know, they have to do maintenance
18 to keep the vessels running, so they schedule them in when
19 they can.

20 Q. What are those discreet locations they might be --

21 A. Well, you know, like they would go to a shipyard in Korea
22 for a week, they will take the ship out of service for a
23 week, or they will go to a bigger shipyard. A lot of our
24 big containers don't go to bigger, but most of them take
25 advantage of Singapore or some other location in the world

1 where they will get that done. But even when they do their
2 major repairs in a shipyard, they still have minor repairs
3 that they are doing on berth whenever they are available.

4 Remember, a lot of these vessels, as much as Vince, the
5 guy earlier for the Sailors' Union of the Pacific, there is
6 only a certain number of people that are on the vessel, so
7 they don't have experienced, you know, heavy duty mechanics
8 or, you know, electrical engineers that can troubleshoot
9 sophisticated electronic equipment. All that kind of stuff
10 they have to access from their port.

11 Q. When did you learn that Foss wanted to lease Terminal 5 to
12 moor the drilling rigs there?

13 A. Well, I -- we actually learned Terminal 5 was going to be
14 available for base sometime last summer, because we were
15 part of combining the APL operations which were at Terminal
16 5 to our terminal, and so we knew that that terminal was
17 going to be leased.

18 We looked at leasing it from the Port to bring in car
19 equipment or car operations and other things. We couldn't
20 find any market for that.

21 The Port was actively advertising that that terminal was
22 for sale. And I think at some point toward the end of the
23 year we knew that Foss was interested in leasing it. We
24 didn't know particularly for what client necessarily, but it
25 wasn't -- it wasn't a use that we -- we're not that kind of