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Background Brief on...

Oregon Ports

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Background

Oregon's system of 23 public ports plays an important role in the state's economy. Ports are the gateways through which Oregon products, as well as those of much of the Western United States, begin their journey to markets throughout the world. The state's agricultural, timber, and manufacturing industries rely on ports, in coordination with all modes of transportation, to move their goods. Goods from throughout the world also arrive at Oregon ports to be distributed throughout Oregon and the United States.

Oregon's nine ports on the Columbia River make up one quarter of the 36-port Columbia-Snake system, along with one in Idaho and 26 in Washington. The three ports on the lower Columbia, Astoria, St. Helens, and Portland, are deep water ports. Over 11 million tons of goods move through the Port of Portland's marine terminals annually. Oregon also has 14 coastal ports, including the deep water ports of Newport and Coos Bay.

Ports are a critical part of the state's multimodal freight transportation system. Multimodal refers to the fact that goods are transferred between ships, barges, trains, or trucks on their way from production facilities to markets. Goods are generally transported in one of three forms: *bulk*, such as grain, potash, or wood chips; *breakbulk*, carried in bags, crates, boxes, or on pallets; or *containers*, large metal boxes that can be customized for a variety of goods and can be mechanically moved between modes of transportation.

Port districts create and maintain industrial and commercial infrastructure in surrounding areas. They own and develop industrial parks for lease to private companies and help to maintain transportation infrastructure. Their role in attracting jobs and private investment is especially beneficial to rural areas where industrial infrastructure might not otherwise be developed. Several Oregon ports also operate air terminals and railroads in addition to marine facilities.

Oregon's public ports are also important to state tourism and the commercial and recreational fishing industries. Ports develop and own marine and land-side infrastructure necessary to support thousands of fishing and leisure boats. The ports are a primary

link in getting Oregon seafood products to domestic and international markets.

Oregon's ports are incorporated special local districts, regulated under Oregon Revised Statutes (ORS) Chapter 777. They are authorized to generate income through bonding, user fees, taxation, and other sources.

Because of differences in waterway conditions, surrounding transportation infrastructure, and goods shipped, each port faces different issues. For example, forest products make up 99 percent of the tonnage shipped from the Port of Coos Bay, while accounting for only eight percent of commodities on the Columbia River, where the single largest commodity is wheat. The Lower Columbia is first in the nation in wheat exports and second in the world as a grain export center.

Infrastructure Improvements

Port managers continually seek ways to upgrade their infrastructure. Because ports are but one part of a multimodal system, it is vital that rail and highway connections be maintained and, in many cases, enhanced. Achieving seamless movement of goods across transportation modes and geographical regions minimizes transportation costs, thereby making Oregon's ports and Oregon's products more competitive.

Port needs range from rail improvements, an overpass, and a four-lane bridge at the Port of Portland, to repairs and improvements to a railroad bridge at the Port of Coos Bay, to improved linkages to Highway 20 at Newport.

The navigation channel and bars of most ports must be dredged periodically to maintain their depths, due to natural buildup of silt deposits. Federal funding for maintenance dredging of some of Oregon's shallow draft fishing ports is annually threatened for reduction or elimination.

Legislative Action: In 1999, the Legislature authorized \$45 million in lottery bonds for local commercial and industrial infrastructure projects, including port facilities (House Bill 2153). House Bill 3364 (2001) created the Oregon Freight Advisory Committee to advise ODOT on freight transportation policies and programs. HB 3446

(2003) provided \$3.5 million in lottery bond capacity for small port dredging purposes.

Deepening the Columbia River Channel

While large cargo ships have transported goods to and from the Port of Portland for decades, the newest generation of larger, deep-draft cargo vessels are unable to transit the Columbia River when fully loaded, as they require river depths greater than 40 feet. The current channel depth limitation is expected to threaten the region's ability to provide competitively priced transportation compared to Oregon and Northwest importers and exporters. Dredging the 103-mile, 600-foot-wide navigation channel between the mouth and Portland to deepen it from 40 feet to 43 feet requires removal of 19 million cubic yards of sand. Environmental groups have challenged the dredging action as a threat to indigenous fish and wildlife, both in the river and at sea where some of the dredged materials would be taken. On May 20, 2002, the National Marine Fisheries Service and the United States Fish and Wildlife Service jointly announced findings that the channel deepening project presented negligible risk to threatened and endangered species.

The navigation channel is managed by the United States Army Corps of Engineers, in part through funding from the State Marine Navigation Improvement Fund (ORS 777.267). It was originally dredged in 1878 to a depth of 20 feet, and has been subsequently deepened in 5-foot increments to its current depth of 40 feet.

Legislative Action: House Bill 2275 (2001) authorized issuance of \$28,780,000 in lottery bonds through the Oregon Economic and Community Development Department to pay Oregon's share of the total cost of the dredging project. The bonding authority was extended through the 2003-2005 Biennium by HB 3446 (2003). Under the legislation, payment may occur only after (1) a final environmental impact statement has been issued; (2) Congress authorizes the project; (3) Washington commits its share of the cost; (4) both Oregon and Washington sign off on the impacts to their coastal zones, and; (5) a project cooperation agreement is signed with federal agencies. Oregon and Washington are to pay identical amounts for the project, with the remainder provided primarily

through federal appropriations. The recently revised total estimated cost of the project is \$156 million.

Port Security

Following the terrorist attacks of September 11, 2001, security became an issue demanding attention. Ports are particularly vulnerable, due to their high volume of international goods movement and ships arriving from foreign ports of call. The potential threat, combined with a lack of sufficient numbers of inspectors and security workers, lead many to consider ports to be the weakest link in the new homeland security program. The sheer volume of cargo allows inspectors to examine only two percent of containers. Of particular concern is that terrorists might smuggle a weapon of mass destruction into the United States, perhaps even detonating it in the port itself.

Federal Action: The federal government has taken, or is considering, several actions to address the threat, in tandem with state and local efforts.

The Department of Homeland Security's Transportation Security Administration funded a three-state emergency preparedness exercise via a

grant to the Regional Maritime Security Coalition-Columbia River in November 2003. The exercise highlighted the multimodal, critical interdependencies among rail, truck and barge traffic that depends on the river system. The Regional Alliances for Infrastructure and Network Security (RAINS) system performed flawlessly in a lengthy set of steps.

Other possible actions include increased Coast Guard presence, threat assessments, and nuclear/biological strike teams.

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