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Bill advances ports' mission to enhance coastal economies

HB 2902 clarifies that ports can operate shipyards to benefit local industry

SALEM – Ports best serve their communities when they have the tools to contribute to the economic wellbeing of local businesses they serve, and the Oregon Senate passed a bill that will give them more tools to accomplish that mission.

House Bill 2902 – which passed by a 20-9 vote on the Senate floor today – clarifies that ports can legally acquire, construct, maintain and operate shipyards.

“Ports are key leaders on economic development, particularly in coastal communities,” said Sen. Arnie Roblan (D-Coos Bay), who carried the bipartisan legislation to passage on the Senate floor. “When private sector businesses aren’t available or choose not to pursue ship building and repair opportunities for any reason, that port should be able fill that need, if it exists, by operating the shipyard themselves. This already is going on at several ports in Oregon, and this bill simply clarifies that these activities are allowed through clear language in the statutes. It will help these agencies, which exist solely for the economic development of their communities, an option to fill service needs for the small businesses and other community members they serve.”

Oregon’s system of 23 public ports plays an important role in helping Oregon products begin their journeys to markets throughout the world. They also are home to Oregon’s coastal fishing fleet. Commercial and recreational fishers alike rely on ports. Nine ports are on the Columbia River system, and there are 14 ports on the Oregon Coast. The Oregon Public Ports Association advanced the shipyard idea to the Oregon Legislature.

A shipyard is a facility where ships, boats and other watercraft are constructed and repaired. Currently, there are at least five Oregon ports – all on the coast – that own shipyards. The Port of Toledo owns and operates one of these shipyards.

“The Port of Toledo and its Commission strongly support the passage of House Bill 2902, without amendments,” Port of Toledo Port Manager Bud Shoemake said. “The Toledo Fred Wahl Boatyard closed in 2008 and sat idle for 2 years without any interest from the private sector. The Port, through a public planning process, stepped forward to purchase it and signed a Consent Order with the Oregon Department of Environmental Quality to complete environmental cleanup at the site. The boatyard was reopened with tremendous support from the state and the local community. Currently, there are 42 marine businesses licensed to work through the boatyard, in addition to Port staff. Although ORS 777 provides ports the authority to operate businesses, House Bill 2902 provides clarity by including specific language allowing ports to operate shipyards and provide services that are critical to our local economy.”

Giving ports the ability to operate shipyards allows them the opportunity to fill potential gaps that can have detrimental effects on their local maritime economies. When private business is unwilling or unable to profitably provide these services, they may still be necessary for the vitality of the local fishing and shipping industries. Ports already operate ice houses, lifts and other facilities that help local fishing and maritime shipping businesses. This simply adds one more capability for ports to help their local businesses survive and thrive. The Oregon International Port of Coos Bay is the largest deep-draft facility on the Oregon Coast.

“Ports are a vital economic driver for the regions in which they are located, as well as for the state of Oregon,” Oregon International Port of Coos Bay CEO John Burns said. “Port operations are intended to be significant drivers to local economies. There are a number of ports that own shipyard facilities along the Oregon Coast; some have private businesses as tenants and some shipyards are currently operated by ports. These facilities are providing necessary operational services to our fleets. Ports have invested millions of dollars to these facilities, regardless if they are operated by private business or a port. This is to ensure that vessel repair, maintenance and construction services are available for Oregon’s commercial and recreational fleets. However, in the event that private businesses are no longer willing or able to provide those services, it is essential that ports maintain the legal authority to step in to ensure that those services would still be available to the local fleets and to protect the investment the public has made in those facilities. Ports are charged with promoting sustainable economic development.”

HB 2902 now goes to Gov. Kate Brown for signature.

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