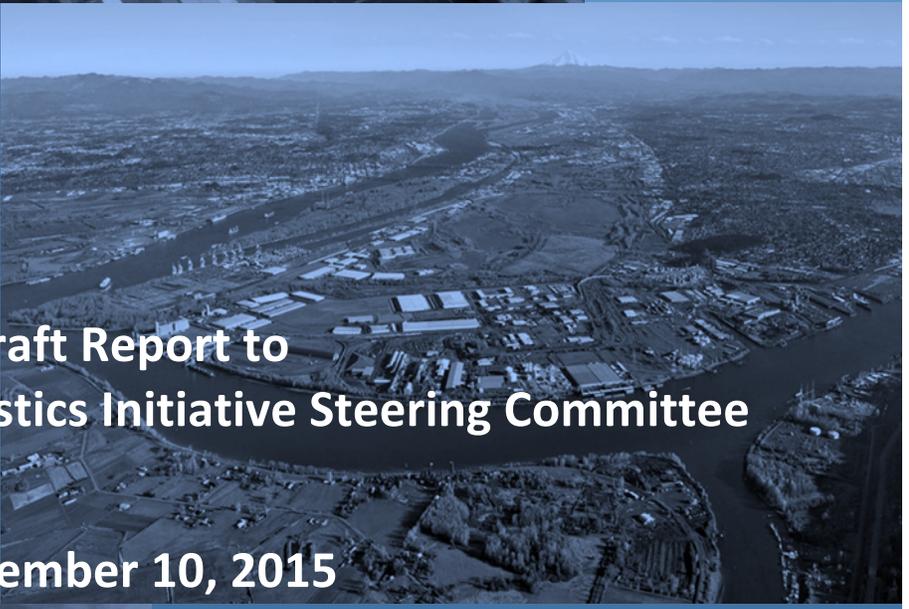




Oregon Trade and Logistics Solutions (Preliminary Trade Data)



Draft Report to
Oregon Trade and Logistics Initiative Steering Committee

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Executive Summary

Objective

The suspension of direct weekly container service at Portland and international maritime industry changes pose a series of challenges to Oregon shippers, to public agencies charged with trade and economic development, and to the State of Oregon as a whole. The Governor's Trade and Logistics Initiative – led by Business Oregon in partnership with the Port of Portland, and Oregon department of Agriculture and Transportation – was launched in April 2015 to help Oregon businesses remain competitive in the global marketplace. The initial research phase of the Trade and Logistics Initiative focused on:

- The impacts of service withdrawal on Oregon importers and exporters, with special attention to small and medium-sized firms.
- Trade and Logistics Initiative opportunities to assist Oregon shippers in the near-term and to prepare for new container services in the long term.

Oregon's economy is heavily dependent on containerized trade, and the impacts identified by the research team place that trade at risk.

The research team, the sponsoring agencies, and stakeholders at regional workshops held across the state were tasked with suggesting initiatives to:

- Assist Oregon shippers,
- Promote resumption of Portland vessel service, and
- Strengthen Oregon's long-term trade and logistics capabilities.

The responses are the series of suggested initiatives described in this report.

Candidate Trade and Logistics Initiative Elements

The Trade and Logistics Initiative is envisioned as an ongoing multi-agency effort to provide both near-term assistance with current problems and long-term leadership to build a strong foundation for Oregon trade growth. Many of the suggested initiatives fit within that framework, as outlined below. Six were chosen for developed of more detailed business cases, and are identified as such.

Near-term Trade & Logistics Facilitation - measures to assist Oregon shippers in coping with the loss of service at Portland, and to provide long-term benefits.

- Port Trucker Information System. (Business case)
- Truck Driver Training. (Business case)
- Satellite Container Yards. (Business case)
- Columbia River Rail/Barge Service. (Business case)
- Facilitating Customs Processing at Tacoma and Seattle.

- Facilitating the Use of Third Party Logistics providers (3PLs), Cooperatives, and Shipper Associations for Small Shippers.

Promoting Portland Vessel Calls - steps toward securing and retaining new vessel services at Portland.

- Financial Incentives for New Vessel Calls
- Facilitating Terminal 6 (T-6) Labor Issue Resolution.

Trade and Performance Monitoring - insuring that Oregon shippers have the services they need, and that future shortfalls or problems can be anticipated and mitigated.

- Monitoring Northwest Container Services Capacity and Performance.
- Monitoring Chassis Supply.
- Monitoring Westwood Vessel Staging Effectiveness.
- Monitoring Barge Service Capability.

Long-Term Trade & Logistics Support - ways to build long-term support for Oregon trade and logistics capabilities, and to keep the momentum generated by Trade and Logistics Initiative activities to date.

- Portland Transloading, Cold Storage, and Logistics Services. (Business case)
- New Rail Intermodal Yards and Services. (Business case)
- Policy and Regulatory Changes.
- Sustaining Stakeholder Engagement.
- Trade and Transportation Education.

The matrix in Exhibit 1 lists these initiatives and summarizes their applicability to the major Trade and Logistics Initiative objectives. As the matrix suggests, most were found to be feasible from a high-level perspective and are recommended as elements of the Trade and Logistics Initiative. Some did not have a suitable public agency role, and should be left to the private sector.

Exhibit 1: Summary of Matrix of Trade and Logistics Initiative

Proposed Solution	High-level Feasibility	Business Case Developed	Near-term Trade & Logistics Facilitation	Anchoring Trade & Logistics Activity	Promoting Portland Vessel Calls	Trade & Logistics Performance Monitoring	Improving Trade & Logistics Capabilities	Long-Term Trade & Logistics Support	Recommended Trade & Logistics Element
Near-Term Freight Logistics Solutions									
Port Trucker Information System	✓	✓	✓				✓	✓	✓
Truck Driver Training	✓	✓	✓				✓	✓	✓
Satellite Container Yards	✓	✓	✓	✓	✓		✓	✓	✓
Columbia River Rail/Barge Service	✓	✓	✓	✓			✓	✓	✓
Facilitating Customs Processing at Tacoma and Seattle	✓		✓						✓
Facilitating the Use of 3PLs, Cooperatives, and Shipper Associations for Small Shippers	✓		✓	✓					✓
Monitoring Northwest Container Services Capacity and Performance	✓		✓			✓			✓
Monitoring Chassis Supply	✓		✓			✓			✓
Monitoring Westwood Vessel Staging Effectiveness	✓		✓		✓	✓			✓
Mid-Term Initiatives									
Financial Incentives for New Vessel Calls	✓			✓	✓		✓	✓	✓
Facilitating T-6 Labor Issue Resolution	✓			✓	✓		✓	✓	✓
Match Back/Street Turn Program									
Container Availability Information System									
Monitoring Barge Service Capacity	✓					✓			✓
Sustaining Stakeholder Engagement	✓					✓		✓	
Policy and Regulatory Changes	✓							✓	
Trade and Transportation Education	✓							✓	
Long-Term Freight Logistics Solutions									
Portland Transloading, Cold Storage, and Logistics Services	✓	✓		✓	✓		✓	✓	✓
New Rail Intermodal Yards and Services	?	✓		✓	-		✓		
Additional Rail Service Capacity									
Other Oregon Deep-Draft Ports					-				

Recommended Action on Business Cases

The six initiatives chosen for more detailed analysis are summarized below with the research team's recommendations.

Port Trucker Information System. A trucker information system should be part of the Trade and Logistics Initiative. The system should be started as soon as possible. The Oregon Department of Transportation or the Port of Portland would be logical public agency sponsors.

Truck Driver Training. There is both a clear need and a clear public role in expanding the truck driver labor pool. An expanded truck driver training and recruitment program would be a logical component of the Trade and Logistics Initiative, with a well-defined public agency role.

Satellite Container Yards. Satellite depot/drop lot/dray-off concepts have significant promise, have been raised by multiple stakeholders, and have a feasible public agency role. Consideration of such facilities should be part of the Trade and Logistics Initiative, and pursued in public-private partnership.

Portland Transloading, Cold Storage, and Logistics Services. Expanding and anchoring transloading and other logistics services in the Portland area could be a valuable part of the Trade and Logistics Initiative. Potential development of cold storage facilities for imports in the Portland area could provide refrigerated containers for Oregon agricultural exporters and help provide a balance of imports-exports needed for Portland container service.

New Rail Intermodal Yards and Services. Establishment of new rail intermodal yards and services within the Trade and Logistics Initiative would require further investigation of the business value for Class 1 railroads, cargo volumes, import container opportunities, and financial support from carriers and/or others. Any long-term public agency involvement should be contingent on private sector development of a robust business and operations plan with the necessary commitments from anchor customers, Union Pacific, and ocean carriers.

Columbia River Rail/Barge Service. The Northwest Container Service/Tidewater Columbia River rail/barge service linking Lewiston, Washington and Boardman, Oregon is scheduled to begin in November 2015. The service has received start-up financial support from the Port of Portland. The Trade and Logistics Initiative should monitor development of the service and anticipate emerging needs for additional public support as it expands.