

PORTSIDE

SPRING 2008

A Port of Portland publication featuring news and information about airports, marine terminals, industrial parks and environmental programs.



CLIMATE CHANGE
UNDERSTAND. PLAN. ADAPT.

2

Climate Change

4

Aviation News

6

Marine/Industrial Development
News

8

Corporate News

9

Environmental News

10

Congratulations, Lufthansa



CLIMATE CHANGE

UNDERSTAND. PLAN. ADAPT.

BY RACHEL WRAY, PORT OF PORTLAND ENVIRONMENTAL OUTREACH MANAGER

In February of this year, the Port of Portland celebrated its 117th birthday. While it's not a particularly noteworthy anniversary, it is an opportunity to reflect on where we've been and, more importantly, what lies ahead. It's a chance to review and learn from what we've done right to help make our corner of the world a better place. And it's a time to make sure we use everything in our power to help confront environmental challenges that extend beyond the Port's borders.

No issue on the horizon is more important to consider than global climate change.

"This is one of those forces that is already having an impact on the way people think about business and business practices," said Bill Wyatt, Port of Portland executive director. The Port is no exception. "Everything we do," Wyatt said, "leaves in its wake a fairly sizable carbon footprint, from oceangoing vessels to diesel-powered trains to airplanes and passenger vehicles at the airport. Everything we own is protected by levies. Climate change represents potential change in how our physical infrastructure is managed and how we meet our mission."

To ignore climate change, or to not have a sense of responsibility for our contributions to it, is not an option for an entity with a public mission. Still, the Port of Portland is a port. Facilitating the movement of people and cargo by sea, air and rail is currently dependent on the creation of greenhouse gases. The challenge facing the Port is how to meet our transportation responsibilities, reduce impacts related to our operations, and plan for how we will adapt as the world around us changes.

David Breen, the Port's air quality program manager, has one solution. "The clearest, most undisputed tactic for reducing greenhouse gases," he said, "is to cut fossil fuel consumption." Moreover, this has the co-benefits of reducing all air emissions, including particulate matter and hazardous air pollutants, and saving money. At our marine terminals and airports, finding strategies for reducing emissions we control, and influencing emissions outside of our control, have yielded tangible, meaningful reductions.

Understanding Our Impact

"The approach has to be systematic," Breen said. "We can't just acknowledge our impacts – we have to understand and address them." To that end, the Port's Air Emissions Inventory calculates Port-related air emissions up to 3,000 feet in elevation. The inventory distinguishes between Port-controlled emissions – like those from Port equipment, vehicles and facilities – and emissions from sources at our facilities, but that are outside of Port control, such as aircraft and ships, ground service equipment and passenger vehicles. The inventory also tracks the greenhouse gas carbon dioxide. This spring, the inventory will be expanded, using a more refined methodology to estimate greenhouse gas emissions related to PDX and the Port's general aviation airports in Hillsboro and Troutdale. A Portwide greenhouse gas inventory for sources under Port control is being developed in accordance with protocols from the Climate Registry, a nongovernmental organization dedicated to accurate and consistent greenhouse gas reporting.

Having a baseline of emissions allows us to identify opportunities for reductions and prioritize strategies with the most beneficial results. Further, the source of the emissions determines the response. Port-controlled emissions, while smaller, can be evaluated and potentially changed through actions by staff in operating areas; reducing emissions from our tenants, airlines or airline passengers requires a different, collaborative approach – or solutions that come through policy, technology, regulation and voluntary action.

Through the inventory and from Port energy audits, we found that some of our biggest sources of Port-controlled emissions came from parking lot shuttles at Portland International Airport and from electricity generation required to operate our facilities. Based on those results, we started purchasing electricity generated from renewable sources. Our fiscal year goal calls for 20 percent of Portwide energy needs to be met with "green" power, and our long-term environmental goal is for 100 percent renewable energy. At PDX, our entire fleet of parking lot shuttle buses runs on compressed natural gas, a lower carbon fuel.

The PDX emission inventory also identified another significant source of greenhouse gas emissions: passenger vehicles to and from the airport. The Port response has focused on creative ways to influence how and when people drive. The Quick Pay parking terminals, installed in 2006, reduced passenger vehicle idling time by 79 percent. A new parking guidance system was installed to help drivers reach parking spots more quickly; a cell phone waiting area was designated to help eliminate the circling around the terminal by people waiting to pick up friends and family; and passengers and airport employees are encouraged to use light rail, which runs to the airport terminal.

At the marine terminals, cleaner-burning reach-stackers have reduced particulate matter and volatile organic compounds in addition to the greenhouse

Worldwide marine emissions are estimated anywhere from 2 percent to 4.5 percent.

Concerns about climate change have prompted the airline industry to take a comprehensive look at aviation emissions and strategies for reduction. Technologically advanced aircraft that reduce fuel usage by up to 30 percent per flight have been introduced to the market. And airlines are researching alternative fuels and tugs to move aircraft from gates to runways. On the marine side, the American Association of Port Authorities, of which the Port is a member, is working with the Environmental Protection Agency to encourage the International Maritime Organization to adopt more stringent vessel emission requirements. Recommendations include limiting particulate matter and sulfur and instilling new fuel standards.

According to Bill Wyatt, there is a growing sense within both industries that consumers are paying attention to this. And the Port stands to benefit. "Because of the Port's relatively small size," he said, "in some ways, we're tagging along, because we can't readily mandate change in the way that other large ports can." So, for example, when the enormous ports of Los Angeles-Long Beach demand that commercial freight haulers replace older trucks with newer, cleaner-burning trucks, the Port of Portland also gains.

But the Port has other opportunities to make change. We participate in a number of forums dedicated to determining how we as a state, region and nation measure greenhouse gas emissions and implement goals – regulatory or otherwise – for emissions reductions. These forums include the Transportation Research Board, Airports Council International, and the West Coast Diesel Collaborative. Using our expertise from our Air Emissions Inventory, Port staff has commented on The Climate Registry's greenhouse gas emissions reporting protocol, and we're contributing to an Oregon Department of Environmental Quality effort to develop greenhouse gas reporting regulation. In January of this year, Wyatt was appointed by Gov. Ted Kulongoski to the Oregon Global Warming Commission, a 25-member group that will advise policy makers on measuring and reducing greenhouse gases. (See story page 8.)

Planning for Change

Another key requirement for the Port is to consider how we'll need to adapt to changing climate conditions. This isn't easy to do. Businesses and public agencies assess potential challenges and threats on numerous fronts, but in many ways, this is unfamiliar ground. How do we stretch our assumptions if we're unsure about climate change's effects? How do we estimate whether or not our facilities will face flooding or droughts, or both?

Still, if we look at what it means to be sustainable, it's incumbent upon us to consider how we'll meet our public mission in a variety of future conditions, be they environmental or economic or social. For the recent Terminal 4 rail enhancement project, the Port asked that the project's design factor in potential changes in river behavior due to climate change. A Terminal 6 berth expansion project estimated how lower river levels might affect the project, and the design also incorporated the potential effects of stronger storms.

At PDX, engineers on the deicing enhancement project are going beyond weather model assumptions, which rely on historical data, to ensure the system is adaptable to varying precipitation levels due to climate change. And the joint

"The Port has been a leader for so many environmental issues, from biodiesel to composting to wildlife management. This is an area where we have a lot to learn, but we also have an opportunity to make a difference." Bill Wyatt, Executive Director, Port of Portland

gas nitrous oxide. Later this year, the Port will lead an energy audit to help reduce electricity needs at marine administrative offices. Vehicle idling was identified as a challenge at marine facilities, too. At Terminal 6, trucks waiting to be processed line up 20-deep; a multimillion dollar optical card reader, expected to be completed by spring 2008, will reduce engine idling by processing up to three trucks per minute.

Portwide, older equipment has been retired and replaced with more efficient vehicles; the Port's fleet is complemented by hybrid vehicles; and Port staff is eagerly awaiting commercially available hybrid equipment for moving cargo at the marine terminals. Individually, these might all seem like small things, but the collective result is less fuel combusted more efficiently, and, perhaps more importantly, the cultivation of a Portwide strategy to approach every project with an eye toward emissions reduction.

Industry Changes

Port-controlled sources are a small slice of regional air emissions, so the logical next step would be to look at other sources outside of the Port's control, including oceangoing vessels and airplanes. The aviation and marine industries are increasingly under regulatory and consumer pressures to better understand and reduce their impacts. The Intergovernmental Panel on Climate Change estimates that the aviation industry is responsible for 2 percent to 3 percent of worldwide greenhouse gas emissions.

Port-City Airport Futures project, a long-range look at PDX, is using information about climate change to help prepare forecasts for future numbers of passengers and aircraft arriving at and departing from the airport.

Predicting the future as it relates to global climate change isn't easy. But being alert for opportunities is a must, as is staying vigilant about how industry approaches operating at Port facilities. Bill Wyatt is firm, "We're in an air quality attainment area, but we still need to protect ourselves from being a repository for old ground-handling equipment. And we need to encourage green energy, like the cluster concept of related businesses at Terminal 4."

Further, Wyatt said, we need to continue to seek ways to lessen our impacts. "There isn't a silver bullet," he said. "We need to have a lot of tools in the bag." The future holds promise for ground service equipment electrified by renewable sources, hybrid taxis at the airport, and more air carriers like Southwest Airlines which installed pre-conditioned air units so their aircraft no longer run their engines at the gate.

Wyatt concluded, "The Port has been a leader for so many environmental issues, from biodiesel to composting to wildlife management. This is an area where we have a lot to learn, but we also have an opportunity to make a difference." ☘

Editor's note: The image on the cover is a graphic illustration. No real nests were disturbed.



SWEDE RALSTON'S LEGACY: "TEACH THEM TO FLY"

Norman "Swede" Ralston passed away Nov. 14, 2007, two weeks shy of his 91st birthday. Swede founded Aero Air in 1956 and was largely responsible for the growth in business aviation at Hillsboro Airport.

At age four, Ralston looked up and saw an airplane, then chased it over fields and fences to watch it land. Thus began his lifelong love of aviation. He became

a pilot while still in high school, working hard to buy hours of flight time. Always an entrepreneur, he generated money to fly by selling rides and giving lessons. He served in World War II, training pilots in California.

After the war and back home in Oregon, Ralston taught all four of his children, as well as his grandchildren, how to fly. He

also put on nearly 100 air shows, thrilling audiences throughout the Northwest, Canada and Alaska with his aerobatic performances.

Eventually Ralston added agricultural aircraft applications to his credentials and in 1955 became immersed in corporate aircraft, selling the high performance twin-engine Aero Commanders. He was the top salesman of Aero Commanders for several years and expanded into jet sales and aircraft service and management.

Ralston said it best, describing his career in aviation, "From my office at Aero Air, I see how the remarkable evolution of aircraft has changed the world, making it smaller and more available. After spending 68 years exposed to the various possibilities and opportunities of aviation, through pre-war times, post-war times, new technologies and their use for the benefits of mankind, and seeing it evolve into the No. 1 mode of transportation for so many, I am still convinced that the greatest thing you can do for another person is to teach them to fly."

Ralston remained chief executive officer of Aero Air, visiting his office regularly until a month before his death. He logged more than 25,000 flight hours. Swede Ralston's legacy in aviation continues through three generations and is evident in the thriving aviation business he started long ago at Hillsboro Airport.



PDX NAMED "AIRPORT OF THE YEAR" BY TSA

Mike Irwin, federal security director for the Transportation Security Administration in Oregon, traveled to the nation's capitol to accept an award recognizing Portland International Airport as the 2007 Airport of the Year for the West. The TSA Honorary Awards ceremony is an annual event that recognizes TSA employees and stakeholders from across the nation for their accomplishments, commitment, innovation and creativity.

PDX was selected for its exceptional customer service efforts, as well as its commitment to providing the highest quality of airport security. "Together, PDX and TSA have established a record of customer confidence and satisfaction through their proactive and vigilant efforts," said Irwin. "I am extremely proud of our partnership, and this recognition is really the icing on the cake after being named best U.S. airport by Condé Nast Traveler magazine."

The Condé Nast magazine honor was the second consecutive top rating from its business readers. They rated U.S. airports based on location/access, ease of connections, customs/baggage, food/shops/amenities, comfort/design, and perceived safety/security.



Northwest Airlines' Laura Liu thanks key partners for their support of the new nonstop flight from Portland to Amsterdam.

COMMUNITY CELEBRATES PDX-AMSTERDAM FLIGHT

Nearly 300 Oregon and southwest Washington business, tourism and government leaders turned out in March to celebrate Northwest Airlines new nonstop service connecting Portland International Airport and Amsterdam Airport Schiphol.

Northwest is providing the service in cooperation with its joint venture partner, KLM Royal Dutch Airlines. Featured at a dinner sponsored by Northwest at the Portland Art Museum were Northwest's Laura Liu, senior vice president, international; and Steve Sear, vice president, sales and customer care. Representing KLM was Jan Willem Smuelens, vice president, executive office North America.

"First with the Tokyo flight, and now with the nonstop flight to the NWA/KLM hub in Amsterdam and beyond, Northwest Airlines was a huge part of successfully bringing nonstop international air service to our community of Oregon and southwest Washington, service that simply didn't exist a few years ago," said Bill Wyatt, Port of Portland executive director.

Wyatt also thanked the many in business, tourism and government for their work helping meet the international travel needs of regional business and leisure travelers. Two key players were Ted Cullen, Nike global travel director, and Sho Dozono, Azumano Travel president, both co-chairs of the International Air Service Committee, along with Wyatt. That committee also received great support from the cities of Portland and Vancouver, and Travel Oregon and Travel Portland.

AIRPORT WAY NEAR PDX EXPANDS TO THREE LANES

Improvements to Northeast Airport Way are under way near Portland International Airport. The Port of Portland is completing a new third traffic lane in each direction west of Northeast 82nd Avenue. Construction runs through late fall. Roadway expansion is driven by all-time record air travel – more than 14.6 million travelers last year.

Tree removal to make way for roadway expansion was performed in February to avoid the spring bird nesting and migration season. New landscaping will include trees, shrubs, ornamental grasses and mulch, composed of removed trees. (See related story, page 8.)

Last year, Airport Way was realigned near the airport terminal building to mesh with current development of a new second parking garage and consolidated Port administration office. The widened roadway will connect to the realigned roadway and provide three direct vehicle lanes in each direction between I-205 and the terminal.

The existing parking garage is reaching capacity midweek. When completed, the new parking garage will provide an additional 3,000 long-term parking spaces for travelers and 500 spaces for rental cars. A portion of the new parking garage will open in spring 2009, and the garage will fully open in spring 2010.

Special instructions for motorists are planned as needed during construction at www.pdx.com and 877-PDX-INFO, and on variable message signs on the roadway.



PDX TESTS LASER BEAM TO DISCOURAGE BIRDS

The Portland International Airport wildlife management team has a strong industry reputation for using progressive approaches to reduce aircraft-bird strikes. It's no surprise, then, that the manufacturer of a high-intensity, handheld laser would seek out this team to field-test their newest device.

The laser, which emits a stark green beam reaching just over a mile, is used to disperse birds from taxiways and runway areas. It does not harm the birds, but to their eyes, the green spectrum is especially noticeable, and the laser will appear to be a solid, threatening object. The laser can be used during the day when it's overcast, which is often in Oregon, and at night in any conditions.

If the field test proves successful, wildlife management staff will add it to their collection of tools used for maintaining airfield safety while protecting wildlife. Other methods include pyrotechnics and audio hazing, reducing wildlife attractants around the airfield, and using antiperch strategies around PDX.

Before using the laser inside the aircraft operating area, staff had to secure approval from the Transportation Security Administration and the Federal Aviation Administration. With the agencies' support, the wildlife team is researching the laser's efficacy at moving birds away from aircraft. The PDX wildlife staff will undergo specific training for laser use in the aviation environment.



Horizon Air employees surround Oregon State University's mascot to celebrate one of Horizon's newly painted aircraft. Horizon honored four Northwest universities with the festive liveries.

FOUR HORIZON JETS PAINTED TO HONOR UNIVERSITIES

Students, alumni, staff and fans of four Northwest universities will cheer the new aircraft liveries now being introduced to the Horizon Air fleet. Logos of the University of Oregon, Oregon State University, the University of Washington and Washington State University are being painted on four 70-seat CRJ-700 jets.

The themed planes were already scheduled to be repainted when Horizon decided to celebrate the region's Pac-10 public universities – at no cost to the schools.

"Like Horizon, these four state universities are deeply rooted in the great Northwest. When we explored the possibility of creating special liveries

that reflect our Northwest heritage, these venerable institutions easily rose to the top of the list," said Dan Russo, Horizon's director of marketing and communications. "By flying their colors – and the colors of their rivals – we're aiming to add fun to the flying experience."

The aircraft are operating on normal routes in the regular schedule, including many flights in and out of Portland International Airport.

SHIPPING STATIONS PROVE TO BE BIG HIT

With a year's worth of statistics on record, it's clear the MailSafe Express shipping stations installed at Portland International Airport are popular with passengers.

Before the machines were in place, if a traveler accidentally approached the checkpoints with an item such as an expensive bottle of perfume or favorite all-purpose tool, they had just two choices: surrender the item to the TSA or leave the line to deal with the item. The machines offer a convenient and time-saving option to the traveler. They can deposit the item in the Mailsafe unit, choosing either to have it stored until their return or shipped to themselves or another destination.

More than 7,000 items have been processed in the past year from the two machines at PDX. Customers live just a few miles from the airport, and as far away as Australia, Taiwan, Europe and Canada.

Mary Maxwell, Port of Portland aviation director, credits the success of this customer service program to the ongoing commitment of Transportation Security Administration staff for their critical participation and for offering the service to passengers; and to Smarte Carte staff for their diligence in processing every transaction and maintaining the machines; and to the provider, ReturnKey Systems, for ensuring satisfaction through consistent customer follow-through.

SUSTAINABILITY TO GUIDE AIRPORT PLANNING

It's not that easy being green! And while actions definitely speak louder than words, it was a continued focus on the words and their meaning, which helped the Airport Futures Planning Advisory Group reach agreement on its vision and values document.

Airport Futures is a collaborative effort of the City of Portland, Port of Portland and the Portland-Vancouver metropolitan community to create an integrated long-range development plan for Portland International Airport.

Meeting first in the fall of 2007, the 30-person group embarked on a three-year planning process, which will incorporate principles of sustainability and livability, and reinforce Portland's planning legacy and PDX's reputation as one of the country's premier airports.

"Not only will the vision and values developed by the planning advisory group be used to guide the planning process, it will provide the foundation for a sustainability evaluation tool for the master plan alternatives," said Jay Sugnet, City of Portland project manager.

Sustainability is an overarching goal of Airport Futures. In the context of the project, sustainability means meeting the region's air transportation needs without compromising the livability and quality of life for future generations. In the planning process, staff and advisory group members will transparently explore and make recommendations that fairly, realistically and optimally balance the project's economic, environmental and social goals.

To learn more about Airport Futures, view the adopted vision and values document, and learn about upcoming public involvement opportunities related to this project, please visit www.pdxairportfutures.com.



PRESIDENT'S BUDGET GIVES BOOST TO CHANNEL WORK

With \$36 million allocated in the president's fiscal year 2009 budget, the channel deepening project on the Columbia River between Astoria and Portland/Vancouver will be substantially complete by 2010. Deepening the river from 40 to 43 feet allows Columbia River ports to be more competitive in attracting and retaining deeper draft vessels while sustaining jobs and boosting the economy.

"Being able to conduct trade on the Columbia River is vitally important to businesses throughout our region," said Peter Bragdon, vice president and general counsel for Columbia Sportswear and Port of Portland commissioner. "Whether you're a large corporation or

a small family farmer, we all have a shared interest in improving the channel for the future viability of the river system and its ports."

The U.S. Army Corps of Engineers estimates that the requested funding will be sufficient to complete all the environmental features of the project, including the mitigation and ecosystem restoration, and complete all the deepening work, except for one mile with rocky conditions near St. Helens, Ore.

Deepening the river involves the removal of shoals and the tops of sand waves from the navigation channel along the 103.5-mile stretch. The project is more than halfway complete.

PORT APPROVES SALE OF PROPERTY IN TROUTDALE

With approval of a 78-acre property sale by Port of Portland commissioners in January, FedEx Ground Package Systems, Inc. is one step closer to becoming the first company to secure a site in the new Troutdale Reynolds Industrial Park. The company has indicated interest in constructing and operating a new regional freight distribution hub.

"We are thrilled about FedEx Ground's interest in the Port's new Troutdale Reynolds Industrial Park," said Joe Mollusky, real estate program manager for the Port. "Companies will benefit from the location and transportation advantages that the industrial park and region have to offer."

The sale is contingent on approval of the new industrial subdivision by the city of Troutdale, and Phase 1 development of the industrial park is necessary to support new facilities. Port officials expect to close the sale this spring, with construction at the site beginning this summer.

The Port closed on the purchase of the 700-acre former Reynolds Metals Co. aluminum plant site in December. Acquiring the property was a key milestone toward converting the idle brownfield and Superfund site to productive use and making more than 350 acres available for new industrial development and job creation. It marked the largest purchase of land by the Port since the acquisition of West Hayden Island in 1994.



Port of Valparaiso, Chile

SOUTHERN EXPOSURE

Led by Bill Wyatt, executive director of the Port of Portland, a small delegation from Portland visited Santiago, Chile, for a week in January to connect with port officials and customers in support of the vibrant South American trade lane. Wyatt was joined by Barry Horowitz, general manager of container marketing for the Port, and John Akre and Steve Mickelson, Port marine operations marketing managers.

The group visited ports in Valparaiso and San Antonio. In San Antonio, they viewed the container terminal, which handles approximately 600,000 TEUs, or 20-foot equivalent units, annually. Radiata pine harvested from tree farms comes through this port to Portland. It is delivered to mills in Prineville, Bend and White City near Medford as blanks and blocks used to make moldings for doors and windows.

A reception hosted by the Port of Portland brought together government officials, carriers, shippers and other customers to further relationships and thank them for their business. Two representatives from Marine Terminals Corp., the terminal operator for Terminal 6, also attended.

"It was a prime opportunity to introduce our executive director, enhance Portland's visibility and demonstrate our commitment to the trade lane," said Akre.

NEW SAUVIE ISLAND BRIDGE SETS SAIL FROM T-2

It was a project worthy of the television show, "Mega Movers," when the center span of the new Sauvie Island Bridge set sail from Terminal 2 in late December. With the completion of construction, the move punctuated the productive partnerships and flexible uses of the active marine terminal that helped make the project possible.

To minimize impacts on the island and accelerate project completion, officials with the Oregon Department of Transportation and Multnomah County Bridge Section looked to Terminal 2. Even at almost seven miles from the original bridge, the terminal was identified as an ideal off-site location to construct the span.

"From the beginning, we welcomed this unique project, and it proved to be a positive and productive use of the terminal's lower dock," said terminal manager Jeff Krug. "There is a clear public benefit, and it made sense to work together and make our resources available for the bridge construction."

With the last bolts firmly in place, the 365-foot, 1,600-ton center span was slowly loaded onto a barge on the Willamette River and secured for the journey. County officials don't expect the bridge will be open to traffic until next fall. When complete, the new Sauvie Island Bridge will have a cost of approximately \$38 million. It has two travel lanes, unmarked 6-foot shoulders, and a 6-foot sidewalk.



PASSING THE TORCH

After 30 years of service to the Port of Portland, Bill Bach announced his retirement in December. Continuing where Bach left off, Keith Leavitt was named the new corporate real estate manager for the marine and industrial development division in January.

Bach was responsible for development, management and transactions related to the Port's industrial and commercial land holdings for the past 15 years. This included the Rivergate Industrial District, Cascade Station and Troutdale Reynolds Industrial Park. He worked closely with Leavitt on past projects.

Leavitt is now responsible for the oversight of property sales and marketing as well as contract and lease management functions under the Port's marine and industrial development division. Prior to the appointment, he was manager of special projects for the Port's land use policy and planning team, and the project manager for an initiative involving container operations at Terminal 6. He continues to manage that project in his new role.

An employee of the Port since 1999, Leavitt's previous positions include state government affairs manager in the policy and planning department and development project manager with the business development department on the properties and development team.



Bill Wyatt, Port of Portland executive director; Sam Adams, city of Portland commissioner; Jason Tell, Oregon Department of Transportation Region 1 manager; Corky Collier, Columbia Corridor Association executive director; and Rex Burkholder, Metro councillor.

CONNECTOR EQUALS SAFETY, MOBILITY, EFFICIENCY

It used to be one of the top five congested areas in Portland, but regional partners worked together for years on the creation of the East Columbia to Lombard Connector to improve conditions for trucks and trains at an important east-west arterial for freight traffic.

A critical transportation, air cargo and freight mobility project, the \$35.4-million project involves a new four-lane roadway from Northeast Killingsworth Street and Northeast Columbia Boulevard under two new rail bridges for the Union Pacific railroad tracks. The project replaced a two-lane underpass at Northeast 92nd Avenue, which had long been considered one of the worst traffic backups in east Portland. The old underpass was substandard for the large number of trucks using the Columbia Corridor.

In addition to providing benefits for freight traffic, the project also improved rail access in the corridor. As mitigation for temporary closures of the Union Pacific railroad track, the project built a mile-long siding east of Portland.

The project was made possible through partnerships including the Port of Portland, Oregon Department of Transportation, and the city of Portland, with support from Metro, the Columbia Corridor Association, Union Pacific and numerous area businesses. Business owners and managers had written letters and advocated for the project, and have since expressed gratitude for bringing the project to completion.

ENROLLMENT UNDER WAY FOR NEW FEDERAL ID

Starting in mid-January, Port of Portland workers, longshoremen, truckers and others who do business at the marine terminals began to enroll in the Department of Homeland Security's Transportation Worker Identification Credential program, also known as TWIC.

TWIC is a new universal identification system being rolled out nationally for those who work at the Port's marine terminals or visit them regularly. The federal program requires that anyone who needs unescorted access to secured areas of the Port's marine facilities must have a TWIC credential.

Each applicant must provide biographic information, identity documents and biometric

information (fingerprints); they must sit for a digital photograph and pay a fee of \$132.50. The application process then includes a criminal background check before issuance.

Applicants are encouraged to pre-enroll at <https://twicprogram.tsa.dhs.gov>. Pre-enrolling online speeds up the process by allowing workers to provide biographic information and schedule a time to complete the application process in person. Applying for a card requires visiting the Portland enrollment site at 7025 North Lombard St., Suite 100.

The rollout of TWIC at other ports, including the Port of Vancouver, USA, will continue throughout 2008 as the nationwide program expands to register more than a million workers by the end of the year.

FORMER PORT DIRECTOR ODGEN BEEMAN: A MARITIME TITAN IS REMEMBERED

Ogden Beeman, former Port of Portland marine director who was instrumental in the development of Terminals 5 and 6, passed away Jan. 12 at the age of 72.

Intelligent and tenacious, Beeman was a local talent with world-class attributes. He worked on maritime projects in more than 30 countries including the recent decision to expand the Panama Canal. He came to the Port from the U.S. Army Corps of Engineers, where he was chief of waterways maintenance. He served as marketing director and marine director for the Port before leaving to start his own consulting firm in 1976.

In addition to his work on channel deepening and studies on ship behavior on the bar and river channels, Beeman's self-proclaimed crowning achievement with the Port was the creation of the grain terminal and facilities now leased to Columbia Grain. Even in the past month, he was working with Port staff to build a formal historical record of the Port.

"Ogden Beeman was truly a leader whose work frames and defines the modern Port of Portland," said Bill Wyatt, executive director. "He is a titan of the maritime community who has left a wonderful legacy. We will miss him deeply."



NEW REPORT TRACES WATERFRONT IMPACT

Portland is one of a handful of U.S. cities whose riverside location is nearly as important to prosperity and growth today as it was a century ago. The water, rail, roadway and energy complex that converges around the lower Willamette River has long been home to vital industries and quality job opportunities. Yet the vast majority of area residents may not be familiar with its history, function and importance to Portland's economy and local tax base.

Schnitzer Steel Co., the Working Waterfront Coalition and Dr. Carl Abbott, a professor of urban studies and planning at Portland State University, have teamed up to produce an informative white paper, entitled Portland's Working Rivers: The Heritage and Future of Portland's Industrial Heartland. Dr. Abbott reminds the reader why and how Portland's industrial districts and working waterfront benefit the city and region. The report traces the stages of development of Portland's industrial heartland and industrial mix, identifies current issues and places Portland in a comparative context. It concludes by offering specific recommendations for planners, governments, employers, investors and the general public.

Copies of the white paper are available at www.schnitzersteel.com/whitepaper.

Hard copies are also available by contacting Ann Gardner at 503.417.2041.



Today's waterfront workers share a proud history with their predecessors.

PORT PROVES KEY TO LOCK REPAIR EFFORT

It was 11 p.m. on the night of Feb. 28, when a dreaded sound reverberated over the lock at the John Day Dam. An empty grain barge had collided with the upstream gate, moving it out of position and causing significant damage. All river traffic heading up and down the Columbia River via the lock ceased.

The U.S. Army Corps of Engineers immediately began working to get the lock reopened for business. Preparations were already in place for an annual two-week outage beginning March 8, when all locks on the system are "de-watered" so inspections and repairs can take place. However, the weeks preceding are needed to get goods moved before the closure.

The Corps planned to install a temporary floating bulkhead to replace the damaged gate. Unfortunately, the available equipment lacked the horsepower to open and close the manual lock. Enter the Port of Portland, which lent a tugboat and two crews to assist. By Sunday night, the lock was ready to be reopened.

At an annual meeting of the Pacific Northwest Waterways Association in Washington D.C. on March 3, Col. Thomas O'Donovan, Portland district commander, commended the Port for lending a hand in the successful effort.



TRANSPORTATION PLAN PRIORITIZES KEY PROJECTS

Early this year, Port of Portland commissioners approved the 2008 Port Transportation Improvement Plan which identifies, outlines and prioritizes 5-, 10- and 20-year marine, road, rail, transit, bicycle and pedestrian transportation improvement projects. The 44 projects outlined in the plan were identified through transportation studies conducted by the Port and other local, regional, state and federal agencies.

"Our recent studies have shown that freight volumes in our region will double by 2030," said Bill Wyatt, Port executive director. "This, coupled with our projected population growth, means increasing congestion unless we begin to make significant investments in our transportation infrastructure. Efficient freight mobility, distribution and market access are key drivers of this region's economic vitality and continued livability. The 2008 plan provides strategic prioritization of the projects best suited to achieving these goals."

Key projects outlined in the plan include increased air cargo access, Columbia River channel deepening, improvements to the northbound ramps on I-205, an improved interchange at Troutdale on I-84, several improvements at the Port marine terminals, the north runway extension at Portland International Airport and several improvements at the Port's general aviation airports in Hillsboro and Mulino.

Updated annually and requiring approval by the Port of Portland Commission, the Port Transportation Improvement Plan provides a long-range vision of transportation improvements that support the Port's mission of providing cost-competitive cargo and passenger access to regional, national and international markets.

Copies of the draft plan can be accessed via the Port Web site at www.portofportland.com.

WYATT APPOINTED TO GLOBAL WARMING COMMISSION

Bill Wyatt, executive director of the Port of Portland, has been named to the Oregon Global Warming Commission. The 25-member advisory group will develop recommendations for policy makers for the 2009 legislative session that will build on Oregon's aggressive actions on global warming and climate change. The governor announced the appointments Jan. 24.

"I am very honored to serve the governor on this commission," said Wyatt. "Perhaps no other issue has the potential to affect our state's economic performance and livability as much as climate change. This is an incredible opportunity to be involved in statewide solutions – the ultimate chance to think globally and act locally."

The commission is charged with:

- Recommending ways to coordinate state and local efforts to reduce greenhouse gas emissions;
- Recommending efforts to help Oregon prepare for

the effects of global warming;

- Developing an outreach strategy to educate Oregonians about the scientific aspects and economic impacts of global warming and ways to reduce greenhouse gas emissions in homes and businesses;
- Tracking and evaluating the sources of greenhouse gas emissions; and
- Reporting on progress made toward greenhouse gas reduction goals.

"The Port of Portland has integrated rigorous, meaningful and measurable environmental goals into the business of operating marine and aviation facilities – not because it's fashionable to be green, but because we take seriously our mission to enhance our region's quality of life," said Wyatt. "However, there is more to be done, not only in our industry but in all of the transportation sectors. I will take very seriously my role in representing an industry sector that is so critical to our state's economic vitality."

PORT PARTNERS WITH FRIENDS OF TREES

Visitors to Portland International Airport may have noticed some changes lately: Airport Way is becoming straighter, wider, and hopefully a little more efficient for people traveling to and from the airport.

Additional lanes of traffic mean the Airport Way median will be 30 feet narrower between Northeast 82nd Avenue and the terminal building. This, along with the Port's wildlife management program, influences the types and numbers of trees that can be replanted once the project is completed.

Recognizing that it could not replace each and every tree along Airport Way, the Port of Portland decided to look for other ways to help support Portland's urban tree canopy. The Port turned to Friends of Trees, a local nonprofit that helps residents select and plant trees in their neighborhoods. The

Port was attracted to Friends of Trees' commitment to tree survivability – always a key consideration for the Port in its own mitigation and natural resource enhancement projects – as well as the group's emphasis on making communities more livable.

The Port provided \$20,000, part of which will help fund Friends of Trees' neighborhood tree plantings this spring and fall in neighborhoods near the airport. Another Friends of Trees program reflected a shared value for enhancing natural resources in industrial areas: partnering with the city of Portland and corporate sponsors, Friends of Trees is working to increase the number of trees planted on industrial properties within Portland's inner eastside core. Part of the Port's funds will be used to help support this effort.

Healthy, diverse tree stands are an important facet of Portlanders' quality of life, and the Port is proud to be part of this unique organization's efforts.

DELTA REDUCES WASTE, PROMOTES RECYCLING

Delta Air Lines has initiated a large deplaned waste recycling program that connects airports across the country.

Delta staff worked with consultants and with employees from the Port of Portland and from Portland State University's community environmental services program. The Port and Portland State team work together to help tenants like Delta audit their trash – a seemingly messy project, but one that's necessary for creating a baseline inventory – and use the information gathered to identify opportunities for improvement. Armed with the inventory of their flight network's trash production, Delta created a plan that evaluated barriers like space and time constraints, and found workable solutions for its busy staff.

Debbie Johnston, environmental coordinator for Delta in Portland, is enthusiastic about the initial results. "The Port helped make it very easy for us to integrate

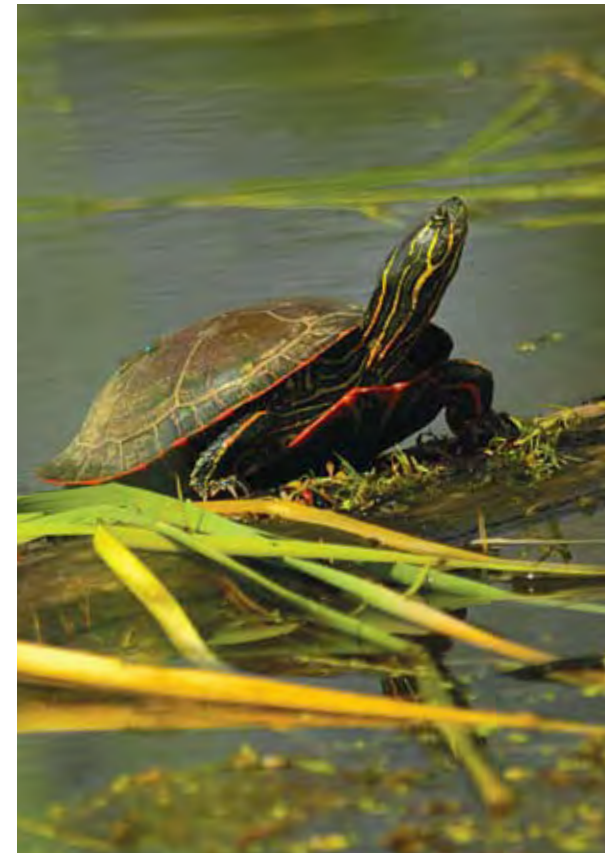
a recycling program into our service at PDX. Our customers and our employees are thrilled to participate in something that reduces waste and promotes recycling."

Stan Jones, program manager at the Port, attributes Delta's success to the open mind the airline brought to the project. "Delta really listens to their staff, especially their flight attendants, about what's worked and what hasn't. They've also used our data, specific to their PDX flights, to coach staff and maximize the collection of recyclables, which has only made it better."

Based on the success seen at PDX and other airports, Delta's pilot program for flights that fly in and out of Atlanta has been expanded to seven airports, with a plan to add an additional 30 airports by the end of 2008. Other airlines at PDX are pursuing deplaned waste strategies, including Horizon Air and Alaska Airlines; the latter rolled out a new recycling program in March.



Delta Air Lines employees and customers help collect recyclables onboard aircraft landing at PDX.



"TURTLE CAM" PROVIDES WILDLIFE RESEARCH DATA

Carrie Butler, environmental specialist with the Port of Portland, gave a presentation in February to the Urban Ecology and Conservation Symposium. She spoke about Port efforts to minimize impacts to western painted turtles. The native species, whose numbers in the Portland metro area are declining, were frequenting the same stretch of road used by cars, trucks, and even trains in the Rivergate Industrial District.

Butler explained how the Port installed an undercrossing – essentially a tunnel about 3 feet in diameter, with the hopes it would provide wildlife with a safer way to cross the road to get to other wetland habitat areas. Data on undercrossing usage are collected using a motion-controlled, infrared camera.

Initial monitoring showed the tunnel being used mainly by rodents and raccoons. A flood in 2006 interrupted the collection of data; the sensors that triggered the camera were reconfigured to avoid water problems in the future. Finally, in 2007, the pictures started to change. Throughout the spring and summer, the camera caught coyotes, beaver and turtles in action. Butler has 21 photos of the turtles, which can grow to the size of a dinner plate, using the undercrossing.

The pictures don't tell the Port how many turtles are using the tunnel; that's the next phase of Butler's research. But they do provide guidance on how the Port can manage its industrial lands and mitigation sites in ways that are beneficial for wildlife. Plus, the Port's experience is educational for people working in areas that intersect with wildlife. "It's good to show that undercrossings can work," Butler said. "I hope my presentation encouraged others to consider projects that improve habitat connectivity and reduce wildlife road mortality."

NOISE TEAM COLLABORATES WITH NEIGHBORS

Portland International Airport is a city within a city. Loved ones fly in for a visit; local products fly out to far-off markets; and jobs and revenues are generated by airport activities. There are many positive benefits of airplanes coming and going to and from this corner of the world. But there are negatives too, including aircraft noise. That noise can be annoying for neighboring residents and businesses alike. The good news is that the Port's aviation noise management team is working on projects to reduce noise impacts whenever possible.

The Port's strategic plan is made up of many goals, one of which is to engage with stakeholders who are affected by operations at PDX. Stakeholders include community residents, city officials, pilots, air traffic control and the airlines that operate at PDX. The Port's noise management department brings its expertise to work directly with these stakeholders, address their concerns, and work together to find solutions.

One example of collaboration with stakeholders is a recent study of cargo feeder aircraft flight track alternatives to relieve airport neighbors. Two

committees were formed – one to study flights over Portland and one to study flights over Vancouver, Wash. These committees included cargo feeder operators, officials from the cities of Portland and Vancouver, the Federal Aviation Administration, neighborhood groups, community residents and Port staff. The goal was to develop flight track change recommendations for the Port and the FAA to consider in order to address cargo feeder noise impacts. The recommendations urged the FAA to keep the planes flying higher over residential areas and disperse – rather than use narrow approach corridors – and to manage evening flights to minimize impacts to residents near the airport.

The FAA began the complex task of developing new flight procedures for these operators. Some of the procedures have already been implemented while others are still being studied, as they require significant changes to the utilization of air space around PDX. However, because of this collaborative effort – and the commitment of the noise management team – a positive result was achieved.

FAA TO LOOK AT PROPOSED HILLSBORO AIRPORT RUNWAY

A third runway at Hillsboro Airport is needed to accommodate rising general aviation activity while reducing delays. There were 200,000 takeoffs and landings there in 2006 and 208,000 operations in 2007. The Port of Portland is beginning preparation of an environmental assessment for a proposed third runway, its parallel taxiway, the Charlie Pattern training pad, and their associated infrastructure, all of which were identified in the 2005 Hillsboro Airport Master Plan.

The new runway will help alleviate congestion at the airport grows. The runway will allow simultaneous arrivals and departures and separation between training and larger business aircraft.

Under the National Environmental Policy Act, the Federal Aviation Administration must determine whether or not a federal undertaking would significantly affect the environment. At Hillsboro Airport, the Port intends to go far beyond the act's one public involvement requirement, which is a public hearing after the release of the draft environmental assessment.

Other opportunities for the public to learn about the project and get involved will include a scoping session, Web site updates and surveys, public document repositories, outreach events with Hillsboro Airport Issues Roundtable and other open house forums. The Port will issue a notice to proceed to the contractor in April 2008, and the environmental assessment will take approximately 18 months to complete. The Port anticipates a record of decision by the FAA in January of 2010.



Operations at busy Hillsboro Airport reached 208,000 in 2007.



Congratulations, Lufthansa!

Wir gratulieren!

It's been five years since Portland International Airport celebrated its first international nonstop service to Europe – Lufthansa's flights 468 and 469 connecting PDX to Frankfurt, and from there to other parts of Europe, India and the Middle East. The announcement of that service brought cheers from businesses on both continents, and from German-Americans in Portland and southwest Washington, and from many leisure travelers who were happy to shave four to eight hours off their trips to that part of the world.

It was an accomplishment worthy of some note five years ago – the travel industry was still hurting post-Sept. 11, 2001, and the expansion of this level of service was deemed a long shot. But expand they did, thanks to the determination of Lufthansa, the Port of Portland's International Air Service Committee and a host of committed partners – tourism, business and civic.

Bill Wyatt, executive director of the Port, said, "This achievement would not have been possible without the tremendous support from our local business community and government leaders." In fact, the inaugural flight celebration drew dignitaries ranging from the honorary consul of the Federal Republic of Germany, the governor of Oregon, the mayors of Portland, Ore., and Vancouver, Wash., and officials from the Port and Lufthansa.

But leading up to that happy launch were days and months – years – of hard work. To help make the business case that the flight would be profitable for Lufthansa, the Port set up a unique travel commitment system – perhaps the first-ever of its kind established for international air service. It asked dozens of regional businesses to make advance commitments to using the airlines' business class service. Wyatt said at the time, "We have an extraordinary opportunity available to us. This is a unique service with one of the premier airlines in the world. The message we must send to our community is, 'If you like it, use it.' Because it is 'use it or lose it' in today's world of aviation."

And it worked. Local businesses collectively made nearly \$11 million in commitments for Lufthansa's first year of operation. And throughout the first five years of service in Portland, those businesses and many more have been regular customers.

Employees of adidas, Nike and Daimler Trucks North America are just a sampling of the enthusiastic local customers who use Lufthansa's flight to do their business in Europe. Cindy Fillner, travel services administrator for Daimler said, "We have been using the direct flight for the last five years. Since our parent company is located in Stuttgart, we have many people who travel there for business, and we have a high number of expat employees from Germany who take

"I congratulate and thank our terrific partners at the Port of Portland, and our entire PDX team, for five years of exceptional service to the people of Oregon."

Wolfgang Mayrhuber, Chairman of the Executive Board and CEO, Deutsche Lufthansa AG

the flight for home leave. We can always count on excellent service from the team at Lufthansa."

That service paid off for the region. Very quickly after the inception of its nonstop flight, Lufthansa had generated millions in business revenue and wages and hundreds of airport-related jobs. In 2005, Oregon's Gov. Ted Kulongoski presented the airline with the International Service Award of the Year, which goes to an organization that has made a significant contribution to the Oregon international trade community through its service or business activity. Today, trans-Atlantic passenger traffic from PDX has grown 73 percent since Lufthansa began service, and cargo has grown by more than 69 percent.

Lufthansa has been not just an accommodating guest, but a good neighbor to Oregon and southwest Washington. It has enriched the citizens of the region with sponsorship of world class events such as the Oregon Bach Festival, World Cup soccer, the Oregon Symphony, the World Affairs Council and the Hesse German exhibit at the Portland Art Museum. Todd Davidson, chief executive officer of Travel Oregon, said, "These stellar events not only delight Oregon residents and add depth and diversity to our state, they also attract visitors who stay at our hotels, eat in our restaurants and shop in our stores."

Lufthansa's vice president, the Americas, Jens Bischof, said, "In five years, we've shared more than just a nonstop link between Portland and Europe. From the start, the people of Portland have demonstrated a shared passion for innovation, as well as for protecting our planet. Through our partnership and work with local organizations such as Sustainable Northwest, we have jointly set the example for other airlines to follow."

The Port recognized the airline in 2006 with an award for outstanding environmental performance. An innovative program recycles German-language magazines and newspapers left onboard Lufthansa flights. The airline donates the periodicals to high schools, colleges and universities throughout the region where they are reused by language students before being recycled.

Lufthansa – with roots that go back to 1926 – has much to celebrate. Systemwide, last year it flew 56 million passengers almost 74 billion miles. That's almost 3 million trips around the globe. Happily, Portland International Airport is the destination for some of those savvy worldwide travelers, and this spring they are acknowledging their good fortune for five years of nonstop access to the U.S. via Oregon and southwest Washington. Those who live in the Pacific Northwest, who love to travel, and who appreciate a very good thing when they see it, say, "The feeling is mutual." ✪

Karen Fisher

The Lufthansa Walk: an enduring image at PDX

It's a head-turner. A sight that has become a favorite of Portland International Airport employees and travelers alike. Each day that there's a flight leaving for Frankfurt, the Lufthansa crew – 13 strong – arrives at the airport together; walks through the ticket counter area together; proceeds down the length of the Oregon Market; goes through security, each waiting for the next to gather on the other side; then continues down the international concourse to Gate D-13. Always together.

Airport observers have said the image of the crew is striking, partly because there are so many of them, and partly because they look elegant in their formal uniforms. It harkens back to a bygone era. The en masse procession is actually company policy; they also disembark the aircraft as a unit. And they all ride in the same vehicle to and from their downtown hotel.

Lufthansa crew members are based in Frankfurt, Germany, but they are from many different countries, including the Netherlands, Bosnia, Russia, Romania, France, Switzerland, Japan, Italy, England and the U.S. They must speak German and English.

Ingrid Dinges, senior purserette with Lufthansa, said, "We really enjoy our Portland layovers. I think they put something in the water here – everyone is so friendly." Dinges said she and her co-workers love to shop in Portland; they ski, visit the beach, even travel to Crater Lake and other Northwest destinations. The Frankfurt-Portland assignment is a coveted one for Lufthansa crews.

During the approximately 10-hour flight from PDX to Frankfurt, the 10-member cabin crew tends to about 262 passengers, and a three-member crew flies the airplane.



PORTSIDE

P.O. Box 3529, Portland, OR USA 97208



Paid Advertising Supplement to the Business Journal

U.S. HEADQUARTERS

Port of Portland
121 NW Everett Street
Portland, OR 97209
P.O. Box 3529
Portland, OR 97208 USA
Telephone: 503.944.7000
800.547.8411 (U.S. only)
FAX: 503.944.7080

Port of Portland Web site:
www.portofportland.com

PORT OF PORTLAND COMMISSION

Judi Johansen • President
Mary Olson • Vice President
William Thorndike, Jr. • Treasurer
Steve Corey • Secretary
Ken Allen
Peter Bragdon
Diana Daggett
Bruce Holte
Paul A. Rosenbaum

EXECUTIVE DIRECTOR

Bill Wyatt

DIRECTORS

Tom Imeson • Public Affairs
Carla Kelley • General Counsel
Mary Maxwell • Aviation
Sam Ruda • Marine and Industrial Lands
Steve Schreiber • Operation Services and CFO
Gail Woodworth • Human Resources

OVERSEAS OFFICES

Tokyo, Japan
Masaaki Mukouchi, Director
Shimbashi - Hara Building, 3F
2 - 10 - 5, Shimbashi, Minato - ku
Tokyo, Japan 105 - 0004
Telephone: 81.3.3580.8941
FAX: 81.3.3519.4691
Email: masa.mukouchi@portofportland.com

Seoul, Korea
Jin Won (Jim) Kim, Representative
Room 1301, Sam Koo Building
70 Sogong - Dong Chung-Ku
Seoul, Korea 100
Telephone: 82.2.753.1349
FAX: 82.2.753.5154
Email: jimwkim@kornet.net

Taipei, Taiwan
Charles Wang, President
Formosa Transportation Co., Ltd.
13th Floor, No. 147, Minsheng E. Rd., Sec. 5
Taipei, Taiwan
Telephone: 886.2.746.8795
FAX: 886.2.762.4327
Email: charles.wang@formasatwn.com.tw

Hong Kong, China
Albert Kan
Sun Hing Shipping Co., Ltd.
Units A and B, 10/F., United Centre
95 Queensway
Hong Kong, China
Telephone: 852.823.5888
FAX: 852.528.6744
Email: albertkan@sunhingwarehouse.com

KEY MARKETING CONTACTS

Susan Bladholm • Senior Manager
Corporate Marketing
Barry Horowitz • General Manager
Container Marketing
Bob Lipscomb • General Manager
Autos and Breakbulk
David Zielke • General Manager
Air Service Development

PRODUCTION TEAM

Susan Bladholm • Sherry Brookshire
Karen Fisher • Shannon Huggins
Steve Johnson • Lloyd Lemmermann
Bob Lipscomb • Jerry McCarthy
Martha Richmond • Michael Satern
Kama Simonds • Josh Thomas
Rachel Wray • David Zielke

To request **PORTFOLIO** information,
address changes, mail list additions/deletions,
or to register a comment, please e-mail
Sherry Brookshire at sherry.brookshire@portofportland.com.
Inquiries can also be directed to the Port of Portland's U.S.
headquarters address listed above.

