

PORTSIDE

SUMMER 2009

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



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IMPROVE INFRASTRUCTURE

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SOUND THOR

Some transportation infrastructure projects may seem removed from everyday life – a crane or a runway, for instance – but a sound foundation of thoroughfares affects the way people get to work and to school; the way they travel for business or leisure; the way services are delivered; and the way goods are exchanged.

When it comes to the state of transportation infrastructure in Oregon – a system that has been suffering since the 1980s – there are some hopeful signs. Susie Lahsene, Port of Portland’s regional transportation and land use manager, put it this way, “I am cautiously optimistic.”

Lahsene points to the transportation infrastructure projects in the pipeline that have been dubbed recipients of federal stimulus monies, funds flowing from the U.S. government as part of the American Recovery and Reinvestment Act. These stimulus dollars are not a cure, but they are certainly a badly needed boost and a real reason to be encouraged.

Of the \$787 billion total for the country, the act provides about \$50 billion for transportation. Of that, it has sent about \$415.6 million to Oregon for its transportation needs. The state will also have a chance to compete for a share of at least an additional \$37 billion in grants.

Jobs

As much as the wood and mortar and asphalt and steel – finished products – are needed, it’s also the jobs that are crucial, and it is estimated this bill will create some 40,000 of them in Oregon. The job factor played big in the formula to divvy up the funds. As the decisions were being made at the federal and state levels in March and April, only those projects that could begin creating jobs by the middle of June were eligible. That’s because the Obama administration deemed job creation – quick job creation – a critical criterion for economic recovery. Typically it takes a minimum of two to three years to design, get permits for, and launch a transportation project, so the pressure was on for agencies to submit “shovel-ready” applications.

And that’s exactly what the Port of Portland did. It made a case for projects that were ready to roll, projects that would create jobs and have, not just statewide benefits, but benefits that reach across the country and around the world.

The fact is that one in five Oregon jobs is dependent on transportation. The economy of Oregon depends on core industries that have grown up in the state or have been attracted to the state because of its natural resources, skilled labor force and location advantages for distribution. These basic industries serve markets far beyond the state’s borders. By selling locally produced goods to customers outside the region, state and nation; by purchasing from local suppliers; and by importing supplies, they act as economic “pumps,” bringing vitality and wealth into the region and fueling future job growth. They generate very real economic impacts.

And these basic industries must have a reliable transportation system to make it all happen. It is important that traffic bottlenecks are eliminated; congestion eased; roads, rail, waterways and runways maintained and improved. This affects the future of these companies, their growth and very existence.

“Ninety-seven percent of Port revenues are generated by business transactions,” said Bill Wyatt, executive director of the Port of Portland, “so we have felt the sting of the current economic downturn and have had to cut or delay several capital projects. This stimulus funding will help keep critical transportation projects on track.”

Winning Projects

Port-related projects received a slice of the stimulus pie – approximately \$43.5 million. Through a variety of allocations that will be administered by a number of different agencies, the following projects received stimulus funding: \$26.6 million toward finishing the Columbia River channel deepening project; \$8.9 million towards crane and wharf modernization at Terminal 6; \$7 million towards taxiway rehabilitation at Portland International Airport; \$400,000 towards an interchange at Troutdale Reynolds Industrial Park; and \$615,000 towards a study of environmental dredging on the lower Willamette River.

“The five projects that have been funded are a great cross-section of intermodal needs in the region,” said Wyatt. “They illustrate the critical tie-in to the region of marine facilities, aviation infrastructure, waterways and surface highways. Many Port employees worked very hard to successfully advocate for these requests. They explained the jobs and economic value of the projects, as well as their readiness to be built.”

When Wyatt talks about tie-in, the evidence is clear. Finishing the



© Bergman Photography

TOUGH FARES

channel deepening project, for instance, will help exporters in the Pacific Northwest compete in overseas markets. Farmers and other businesses here in Oregon and around this region will enjoy transportation savings when a deeper channel accommodates a modern fleet of larger ships.

The second award for Terminal 6 crane and wharf improvements supports the state's only deep draft container terminal. An estimated 1,000 shippers throughout the region depend on T-6 to move their goods on and off ships at Portland. Containers carry everything from imported electronics, clothing, tires and furniture, to Oregon's exports of agricultural products, machinery and recyclable paper and steel. T-6 also handles autos, steel slab and other break bulk imports. The Port

Port-related Projects Receiving Stimulus Funds

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 - 2) \$8.9 million towards crane and wharf modernization at Terminal 6;
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of Portland was one of the few ports in the country to receive highway stimulus funds for use on marine terminal infrastructure.

The third award – help to rehabilitate a taxiway at PDX – supports the Port's aviation mission of providing competitive passenger and cargo access to regional, national and international markets. And the project will generate up to 175 construction-related jobs. Last year, PDX served 14.3 million passengers and moved more than 243,000 tons of air freight and mail.

The fourth award is helping with the first part of a three-phase package to build an interchange that will improve conditions for businesses at and near Troutdale Airport and the Port's new Troutdale Reynolds Industrial Park, just east of Portland near I-84. The industrial park is emerging as a major employment center, with FedEx Ground

already building a large regional distribution center that will bring about 850 jobs.

The fifth award helps to fund a joint project of the Port, the city of Portland and the U.S. Army Corps of Engineers. It's a multiyear study to determine if and how the Corps could contribute to the cleanup of the lower Willamette River, designated a Superfund site in 2000. The cleanup of the Portland Harbor by public agencies and businesses over the next few years will result in a river that is restored and protected for its ecological value and recreational uses, and a waterway that meets the region's transportation and industrial needs.

To-do Lists

Many more fixes are needed for Oregon's transportation network. Jurisdictions across the state have their to-do lists which range from roads and bridges to high-speed rail corridors to bus purchases, and the Port has a list, as well. Rick Finn, federal relations manager with the Port, said, "We'd also like to see the rehabilitation of jetties at the mouth of the Columbia River, electric car plug-ins at PDX, the Columbia River Crossing – a new bridge on I-5, and an improved northbound access from Airport Way onto I-205."

Finn and his state counterpart, Annette Price, look now to other sources of transportation funding for the future. They explain there are normally four such sources: A process through Metro, the Portland area's regional government; the federal transportation authorization bill which is renewed every six years or so; the state's transportation bill; and ConnectOregon funds.

And so the work continues. In Oregon, there's still the hope of winning some of those additional competitive grant dollars built into the stimulus bill – an estimated \$37 billion worth. To that end, Gov. Ted Kulongoski created a public-private partnership called The Oregon Way Advisory Group to assist state agencies in the quest. The Oregon Way is designed to develop proposals that include innovative elements of sustainability, renewable energy, carbon reduction, energy efficiency and green development. The governor has said this approach to doing business could be a model for the nation while creating greater success for Oregon as it pursues future federal dollars.

by Karen Fisher

SCHREIBER RETURNS AS AVIATION DIRECTOR

Steve Schreiber has returned to the role of aviation director, following the retirement of Mary Maxwell. He served as aviation director for the Port of Portland at PDX from 2000 until 2004. Before that he worked in aviation as the finance manager and, prior to that, the business manager. Schreiber started his career at the Port as a senior internal auditor. Most recently, from 2004 until 2009, Schreiber was the chief financial officer for the Port.

Schreiber said, "We are in challenging times, but I am confident we are up to the task. We have been recognized for operating one of the best airports in the world, and my goal is to continue to hold our standards high while we strive for excellence in serving our customers."



"I am very optimistic about the future. We have significant construction activity under way right now on projects and facilities, and some will begin to open as soon as 2010 – the new long-term parking garage and Port headquarters, the extension of the north runway, the in-line baggage screening system, and the airfield deicing stormwater collection system

enhancements. Together, these are helping to stimulate the local economy now, and will serve the airport well as the bigger picture improves across the country."



SALUTING MEN AND WOMEN IN THE ARMED FORCES

From the Port of Portland employee who suggested it, to a small committee that explored possible ways to accomplish it, to the people who designed, produced and built it, the Armed Forces tribute wall at Portland International Airport evolved with respect and gratitude.

The objective was to recognize the five main branches of the military, and the men and women who serve and who have served. Now a reality, the display salutes soldiers and veterans and their families in a prominent location in the ticketing lobby. In May a dedication ceremony brought Port staff together with guests and officials to dedicate the wall and thank all those who helped bring it from an idea to its permanent place in the airport.

"Thousands of military personnel arrive and depart every year from Portland," said Mark Crosby, chief of public safety and security with the Port. "Often their families are here to welcome them home or to say goodbye. The wall is intended to honor all military members – current and past – for their selfless service to our country."

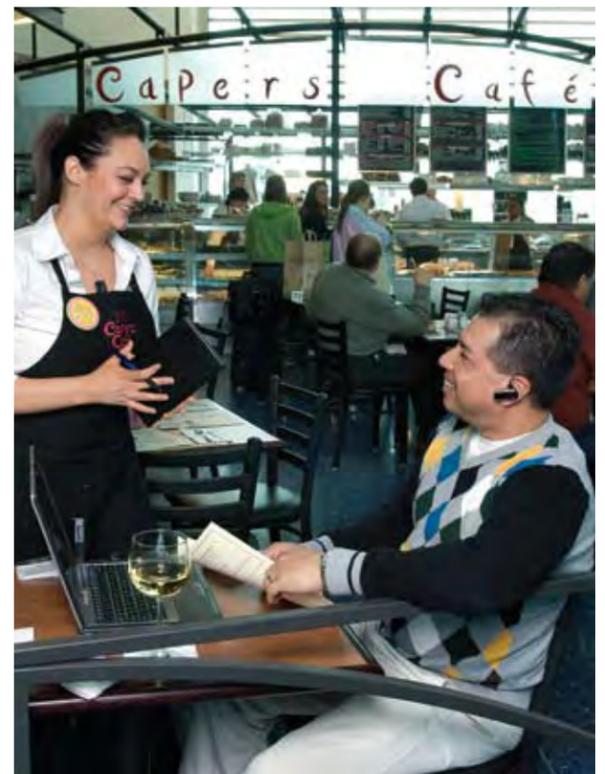


WIN BEACH TIME AT SUMMER SPLASH

Making waves at PDX this summer is Summer Splash, the annual event that energizes the airport terminal with sales and promotions, demonstrations, food and wine tastings and menu specials. Summer Splash puts the spotlight on airport retail and food and beverage concessions; and PDX shopkeepers, in turn, come up with new ways to make shopping and eating even more fun for airport visitors. Included are table-top specials outside many store fronts and surprise events at the Clock Tower in the Oregon Market. Summer Splash runs from July 27 to Sept. 7.

This year, Oregon Beach Vacations is providing a grand prize three-night stay at a beach rental house on the Oregon Coast. Travelers can sign up for the drawing at several locations around the airport. Oregon Beach Vacations is known for its award-winning service and has been pairing its customers with the right vacation rentals since 2004.

Live entertainment is a regular component of Summer Splash, and this year, musicians and vocalists will perform on several "stages," both pre- and post-security. Guitarists, pianists, vocalists and many other performers are on tap to soothe and delight passersby.



NEW AT CAPERS CAFÉ: WINE BAR, TABLE SERVICE

For staunch Capers Café fans, it's good to know the food hasn't changed – still a wide array of soups, salads, sandwiches, pastas, quiches, pizza, pastries and more. But the restaurant has undergone a transformation recently, when it added table service and a wine bar to its space in the lobby for the ABC concourses.

Jason Smith, general manager of Capers said, "We're offering the same counter service as before, but now our customers also have the option of being seated at a table, making their choices from a menu, and then just sitting back, relaxing and enjoying our first class service."

The wine bar is a brand new addition, and the restaurant offers some 22 wines by the glass and about 30 by the bottle, with labels from Oregon, Washington, California, France, Argentina, Chile, Italy and Spain. Unopened bottles of wine can be purchased to take on the airplane or can be mailed.

Annette and Christian Joly own Capers Café, as well as two other restaurants in Portland. Approximately 40 employees work at the airport restaurant.

PARKING RATE CHANGE

Rates for the economy and long-term parking lots at PDX have increased \$2 per day. Short-term parking garage rates remain the same, and hourly parking rates in all lots remain the same at \$3 per hour. Parking on the seventh day remains free for those who park for a full week in the economy lot.

Economy parking rates have increased to \$10 per day, the first increase in 10 years. Long-term rates are now \$16 per day; the first increase in five years. Rates for parking spaces for people with disabilities have increased to \$10 per day, the first increase in 10 years. People with disabilities may park in all PDX parking lots for the same price of \$10 per day, and the seventh day is free.

Revenues raised by parking fees support future airport parking and transportation improvements, such as parking and roadway expansion and maintenance, and shuttle bus purchases, operations and maintenance.

Free parking shuttles serve both parking lots, traveling regularly to the airport terminal every 7–9 minutes from 4 a.m. to midnight, and every 15 minutes from midnight to 4 a.m. Shuttles drop off and pick up passengers at the terminal's arrivals/baggage claim level. All airport shuttles run on alternative fuel, feature low-floor design for easy boarding, and are wheelchair accessible.



ONLINE CHECK-IN ENHANCES AIRPORT VALET PARKING

Travelers have a convenient new option when it comes to parking services at PDX. It's now possible to check in for Gold Key Valet before arriving at the airport. Online check-in from a home or office computer saves time and reduces stress – even for meeters and greeters who use valet parking on an hourly basis.

Gold Key Valet, a service at PDX since October 2007, allows travelers to drop off their vehicles in front of the airport terminal and pick them up at the same location when they return from their trip. "It's already a quick and easy process," said Steve Koester, parking systems manager at the airport, "but the online check-in lets our staff know when you'll be arriving so we can get you on your way even faster."

Valet parking is always open and never full. The drop-off is located on the outer lane of the upper, departures level in front of the terminal. Cost is \$10 per hour with a maximum of \$30 per day. Reservations are not required. For more information, call 888.862.4350. To check in online, visit www.pdx.com; click on PDX Airport Parking; complete the easy form and submit.



A milling machine removes pavement on the north runway at Portland International Airport. The runway closed and construction began May 1 and continues through October this year; it resumes next summer, wrapping up in fall 2010. The work will rehabilitate and extend the runway from 8,000 feet to 9,827 feet. This will allow departures by larger aircraft when the south runway closes in 2011 for pavement maintenance. For more information on the north runway project, visit www.pdx.com.

TSA TEAM OREGON RECEIVES MULTIPLE HONORS

At the Transportation Security Administration's national honorary awards ceremony, TSA Team Oregon received seven awards for 2008, the highest number given to any airport operation in the country. The ceremony is an annual event that recognizes TSA employees and stakeholders from across the nation for their accomplishments, commitment, innovation and creativity.

Terry Coleman, National Deployment Office area coordinator at PDX, received the Leadership Award; James Esse, PDX behavior detection officer manager, received the Heroism Award; Christina Urbach, Oregon customer service coordinator, received the Customer Service Award; David Garcia, supervisory transportation security officer in Medford, Ore., received the Transportation Security Officer of the Year Award; Tina Burke, Oregon stakeholder and customer

service manager, was selected as the TSA Employee of the Year; and the Oregon Advisory Council received the Team Award.

In addition, TSA honored TriMet with the Partnership Award, which recognizes industry partners or other government employees whose accomplishments and excellence in performance distinctly benefit the interests of the United States and clearly advance TSA's mission to protect the nation's transportation systems while significantly enhancing TSA's ability to achieve its strategic goals – Prevent and Protect; Respond and Restore; and Organizational Effectiveness.

DOWNLOAD MOVIES AT NEW BOOTH UNITS

Options for air travelers who want to watch a movie on their flight have recently expanded to include Movie Booth kiosks at PDX.

Three machines installed in former telephone booths – two on the C Concourse and one on E – are a test program being conducted by FSH Communications. Customers can browse the movie selection of more than 100 titles; choose one; connect an Ethernet cable to their laptop computer; swipe their credit card; and download the movie – takes about two to five minutes.

The customer has 30 days to first play the movie. The rental period is 24 hours from the time the file is opened. At the end of 24 hours, the digital movie basically erases itself. Actually, the file stays on the computer until it is manually deleted, but it can no longer be opened – in other words, no returns to worry about. Cost is \$2.99 for most movies; \$3.99 for new releases.



GOVERNOR TAKES TEST DRIVE AT TERMINAL 2



Half of Terminal 2 was recently transformed into a test track for an all-electric powered, million dollar prototype vehicle from Nissan – one of only two in the world. Guests were invited to get behind the wheel after they heard from Gov. Ted Kulongoski; Mayor Sam Adams; Sam Ruda, the Port's marine director; Eric Noziere, vice president at Nissan; and Jim Piro, PGE president.

"This is the future of Oregon's economy; it is the right path for Oregon's environment; and this is just the beginning," said Kulongoski. "I want to see these cars up and down Interstate 5 and in cities across the state."

It was no accident that a Port facility was selected as the venue to host the event. The Port imports the highest volume of autos on the U.S. West Coast, handling hundreds of thousands of vehicles annually. Each one brings an estimated economic benefit of \$310 to the region. The robust auto import infrastructure at the Port allows Portland to be an ideal gateway for the Nissan EV and other electric vehicles.

Besides Nissan, the city has seen recent interest from BYD Auto, Think!, and Mitsubishi. Both the Oregon Department of Transportation and PGE are committed to installing charging stations in the Portland metro area and statewide.

WELCOMING NATIONAL CONFERENCES

Over the years, Port staff has traveled the world to make business connections and keep Oregon on the map. In mid-May, the commute was a lot easier when two major industry events were hosted right here in the City of Roses.

Journal of Commerce Cool Cargoes Conference
"Linking Up the Cold Chain" was the theme of this first-ever event addressing the major issues driving the refrigerated and frozen cargo industries. The Port took an active interest in bringing this conference to Portland, given that the Port's share of reefers, or refrigerated containerized exports, has increased dramatically in recent years.

Panels of experts examined trends and significant developments in the transport of such temperature-controlled cargoes as perishable foods, pharmaceuticals and medical supplies. Industry leaders discussed how the supply chain for temperature-controlled cargoes is evolving, the expanded role of public refrigerated warehouses, the latest in technology advancements, and what ports and carriers are doing to improve transportation efficiencies.

American Apparel and Footwear Association Sustainability Conference

Portland also took center stage for the national American Apparel and Footwear Association annual Sustainability Conference in mid-May. With the theme of "Sustainability: Turning Responsibility into Opportunity," the seminar gave attendees the opportunity to learn how companies put sustainability into practice, how they effectively communicate their accomplishments, and how companies are adapting to the volatile and unpredictable economy to gain a competitive advantage.



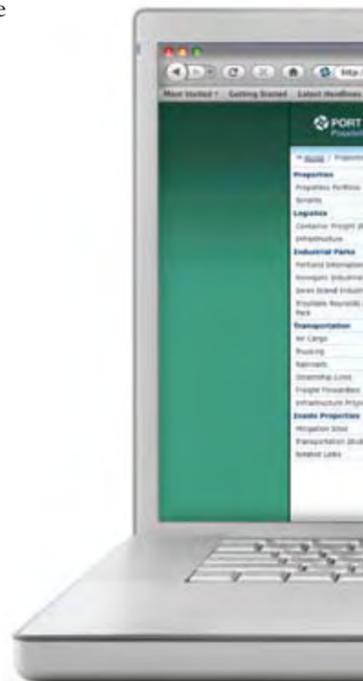
PORTLAND FIRST TO SEE WORLD'S LARGEST AUTO CARRIER

With the capacity to carry 8,011 cars, the Morning Lisa is the largest auto carrier in the world, and its first stop in the United States was the Port of Portland. When the vessel arrived at Terminal 6 in Rivergate Industrial District, Port officials presented a plaque to the ship's captain as it was being offloaded by longshore labor.

The record-setting auto carrier was ordered by Eukor Car Carriers, one of the world's largest carriers in the vehicle transportation industry. According to the company's Web site, Eukor "...directly operates above 90 modern pure car carriers and specialized pure car and truck carriers in global service, with a total combined lifting capacity of above 400,000 car equivalent units."

Portland receives Hyundai, Honda and Toyota vehicles, while across the river, the Port of Vancouver handles Subaru. Portland's volumes were down about 9 percent in 2008, but the Port still handled more than 400,000 cars. Due to the poor economy and lower consumer demand, volumes will be down significantly in 2009. The Port's all-time record was set in 2006 with 463,557 autos.

In addition to supplying the local market, as many as 80 percent of the vehicles received are delivered by rail to the majority of the 50 states and as far away as the East Coast. The Port handles many of the vehicles popular with American consumers, including fuel-efficient and hybrid models. All of the companies importing cars through the Port also have manufacturing facilities in the U.S.



SAFETY COMPLIANCE EFFORT PAYS OFF

For the past year and a half, Port employees and management at the marine terminals, marine facility maintenance, and landscaping/properties have worked collaboratively to develop and implement a comprehensive safety and health management program. The work paid off with acceptance into the Safety and Health Achievement Recognition Program.

Sponsored by the Oregon Occupational Safety and Health Division, the comprehensive safety and health management system was developed to provide Oregon employers with coaching and direction so that they learn to more effectively manage workplace safety and health, and in turn, be recognized for their achievement. Acceptance into the program is a public acknowledgement by Oregon OSHA that a model safety and health program exists at the Port's work sites and that safety is a company value.

Program administrators recognized the Port for successful completion of the first phase of the program, with praise for the teamwork and effort that went into the process. Plaques recognizing the Port's first year certification were presented at the May commission meeting by Michael Wood, Oregon OSHA administrator, and Cory Streisinger, director of the Department of Consumer and Business Services.

Employers approved for the second and subsequent years can be deferred from scheduled Oregon OSHA inspections. After five years, employers are eligible to graduate from the program. The Safety and Health Achievement Recognition Program emphasizes on-going improvement, and the Port will be expected to continue its strong commitment to making its facilities safe places to work and do business.



At Terminal 6, teams designed to enhance security participate in the Maritime Visible Intermodal Prevention and Response, or VIPR operation.

T-6 HOSTS MULTI-AGENCY SECURITY OPERATION

Recently, Terminal 6 was abuzz with activity that included the U.S. Coast Guard, U.S. Customs and Border Protection, Transportation Security Administration, U.S. Immigration and Customs Enforcement, Portland Police Bureau, Port of Portland Police Department and Port staff. At first glance, it might have appeared that there was some sort of a major problem, but, in fact, the intent of the operation was to prevent just that.

Multiple agencies participated in the Maritime Visible Intermodal Prevention and Response, also known as the VIPR operation. Teams were deployed to Terminal 6 to verify Transportation Worker Identification Card credentials and use certified explosives detection canine teams from the TSA.

Participants were able to conduct their duties without adversely impacting regular business activities. The successful interagency operation ensured the safety and security of workers, facilities and vessels, and was the first VIPR operation involving a marine facility in the Portland metro area.

VIPR operations are designed to enhance Department of Homeland Security networks to ensure the capability and flexibility to manage resources while allowing normal business to continue. Teams are comprised of Department of Homeland Security and other federal agencies, and are designed to enhance security by working in mass transit, aviation, maritime, rail and other transportation modes alongside local law enforcement agencies during specific periods of time or events.

FIND PROPERTIES INFORMATION ON WEB SITE

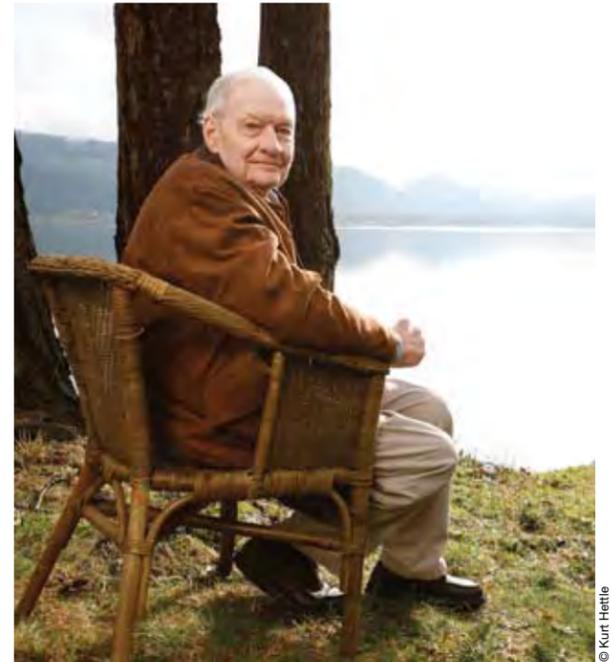
When most people think of the Port of Portland, they think of ships and planes, but a new Web site devoted to the Port's industrial development efforts helps explain the important ties

between sea, air and land. The new resource was added to raise awareness about the Port's development efforts, properties portfolio, and related strategies to help drive future volumes of cargo in the region.

The new site is now up and running at www.portofportland.com; click on Properties. Features include interactive maps of properties and a link to a statewide database of available properties.

The Port of Portland is one of the largest landowners in the Portland metropolitan area. It owns and manages more than 9,700 acres of land and nearly 12 million square feet of building space. The Port also owns four commercial and industrial parks, which are home to transportation, distribution and trade-related activities critical to businesses throughout the region.

As stewards of business and the environment alike, the Port also manages 720 acres of environmental mitigation sites. New development, like that at the Troutdale Reynolds Industrial Park, for example, includes open spaces and efforts to protect wildlife and natural resources.



REMEMBERING JIM CHURCH

Jim Church, a former Port of Portland deputy executive director regarded as instrumental in shaping today's Port, passed away in April.

Before coming to the Port, Church had a 26-year career in the U.S. Air Force where he was instrumental in planning, constructing and operating some of the country's most important military airports. After leading the engineering, planning and research teams for the Port, Church became the aviation director, overseeing operations, construction, planning and negotiations.

In 1975, Church served as Port deputy executive director until his departure in 1984. He was very popular with staff and widely known as demanding, but fair. He was responsible for key Port initiatives from the dry dock at the shipyards to budget and timekeeping practices. One of his proudest recollections of his tenure was his involvement with the Port's response to the eruption of Mount St. Helens.

"Cleanup efforts were coordinated by the U.S. Army Corps of Engineers, with the Port's dredge, the Oregon, playing a significant role," said Church. "The movement of commerce was re-established in record time and terminals were maintained during the ash fall to keep marine traffic and cargo moving. All areas of the Port contributed to the extraordinary efforts."

TOGETHER, OREGON PORTS INFORM LEGISLATORS

Amidst the regular hustle and bustle of the legislative session in Salem, it can be tough to garner the attention of legislators and staff for any given issue or agenda. On Ports Day at the Oregon Capitol in late April, Oregon ports worked together to turn a spotlight on the maritime and aviation industries and explain what they mean for jobs and economic vitality in the region.

In addition to the Port of Portland, staff and commissioners from the ports of Toledo, Astoria, Morrow, Hood River, Tillamook, Garibaldi, Nehalem, Coos Bay, Bandon, and Siuslaw were represented. All are members of the Oregon Public Ports Association, a group of 23 ports in the state. Many posted displays and provided information about their facilities, projects and legislative priorities.

Representing the Port were Annette Price, state government relations manager; Brooke Berglund, tour and outreach manager; and Abby Mullins, community and media relations coordinator.

"Ports Day is important because a number of issues critical to the ongoing viability of Oregon ports come before our elected officials every session," said Price. "It is an ongoing challenge and a necessity to keep ports on the map and to inform decision makers about what may help or hinder their success."



Members of a recent Portland Business Alliance trade mission, which included Port of Portland representatives, visit the Yangshan deep-water port southeast of Shanghai.

BILL WYATT REFLECTS ON TRADE MISSION TO CHINA AND MEETINGS IN KOREA

A recent Northwest Airlines flight to Tokyo from Portland International Airport took on a new economic development role when a group of 29 Portland business people jetted there en route to China as part of a Portland Business Alliance trade mission.

Representing the Port of Portland were several staff members, Bill Wyatt, executive director, and Steve Corey and Ken Allen, Port commissioners. They visited Shanghai and Beijing and had meetings with several Chinese government officials, business leaders and representatives of American companies doing business in China.

The trip also included visits to several Oregon-based businesses and, of key interest to the Port, the Yangshan deep-water port southeast of Shanghai, one of the world's largest container terminals. Yangshan has six kilometers of berth space and nearly 70 cranes.

In summing up the trip, Wyatt made several observations:

First, while there were definite signs of economic slowdown in China, most of the business people he met there felt that China has so much unmet demand in the medium and long-term that growth will continue in spite of this economic "bump in the road."

Second, China seems to be gearing up to produce for a larger share of its own domestic market and become less dependent on exports. Wyatt said, "For the U.S., it seems to me that our future will be confronted by a China that is a more sophisticated economic power than today and one which is producing on a massive scale needed to serve the one billion people in China who are, today, not really consuming."

Third, Wyatt noted some real opportunity for the Port. "More and more things we use in everyday life will be made in China, and the Chinese will need a

way to get goods here," he said. "It's only a matter of time before automobiles manufactured in China find their way to the U.S., and we're positioning ourselves to participate in that role. The Chinese will need to ramp up the importing of food (containerized and bulk) and food production inputs (such as potash, for example), and we are preparing to participate there, as well."

After the trade mission ended, Wyatt continued on to Korea for several Port customer meetings. One of the highlights was a lecture he gave to a class of about 50 Korean logistics executives at Inha University in Incheon, in which he provided information on Port facilities and operations, as well as a tutorial on the U.S. distribution and transportation systems.

The lecture also provided a chance to reconnect with three Inha interns who did a work study program at the Port for six months last year.



PORT'S HEADQUARTERS GARNERS ATTENTION

With a little less than one year to go until the official move-in date, the Port of Portland's new headquarters building at Portland International Airport is already receiving national and local media attention for its sustainable features. With a project goal of Leadership in Energy and Environmental Design certification, or LEED Gold to be precise, one of the features drawing the most attention has been the Living Machine, which is an ecological treatment system that treats wastewater for recycling without chemicals. The machine will be capable of treating 5,000 gallons per day and was recently featured in Wired Magazine and the Portland Tribune.

Other sustainable features will include geothermal heating and cooling, a 10,000-square-foot eco roof, daylighting and other water and energy conservation features, as well as air quality, natural resources and waste management systems. Through the combined effect of all of the energy-efficiency systems, the Port anticipates a 46-percent energy savings, as compared to a standard building of this size.

The Port's new headquarters will occupy the top three floors of a new parking structure at PDX and will house about 500 of the Port's 750 employees currently working in the airport terminal building and at the downtown headquarters building, which has been sold.



The Port's new headquarters, under construction at PDX, reached a major milestone in April when the final steel beam was lifted into place. A traditional "topping off" was held to allow contractors, iron workers and staff a chance to sign the beam to recognize the safe completion of structural steel construction. Project completion is scheduled for April 2010.

OREGON IS 150 YEARS OLD



The Port of Portland has embraced Oregon's sesquicentennial celebration by sponsoring the "I Am Oregonian" campaign as well as an employee food drive to generate donations to area food banks. For those who successfully complete "The Oregon 150 Challenge," Gov. Ted Kulongowski will send a signed certificate declaring the participant a "Certified Oregonian," and they will be entered to win a grand tour of Oregon. To learn more, go to www.oregon150.org.

AIR QUALITY INFO ROLLED OUT TO TRUCKERS

On Earth Day, nearly 800 truckers who rolled through the gates of Terminal 6 received a free copy of Cascade Sierra Solutions' "Guide to Saving Fuel and Reducing Emissions." The Port of Portland's marine environmental team organized the distribution of the guide, which offers information about, and assistance programs for, retrofitting and upgrading older trucks and purchasing new trucks to increase fuel efficiency.

The shipping and trucking industries have seen increases in voluntary measures and new restrictions intended to reduce greenhouse gas and other air emissions. With recent spikes in fuel costs and the prolonged economic slowdown this year, the Port sees opportunities in a proactive approach to air quality issues.

"There are ways to reduce greenhouse gas emissions and improve air quality while saving money, and even those not motivated by climate change may be motivated by pocket change," said David Breen, air quality program manager. "Most of the emissions at or near our facilities are not under direct Port control, but we can encourage our partners to do their part."

The Port of Portland's air quality program focuses on improving fuel efficiency, reducing emissions and protecting the region's airshed. The Port has implemented strategies that reduce idling at marine and aviation facilities; it has added hybrid vehicles to its fleet; and it has replaced older equipment with more fuel-efficient versions.



HOTSY UNITS HELP STOP INVASIVE SPECIES

The Oregon Invasive Species Council has honored efforts to help stop the spread of invasive species in Oregon. Included in the honorees were

Dave Loomis, Douglas County Public Works; and Mikeal Jones and Al Johnson, U.S. Forest Service, who received honorable mentions for their work to outfit hot water pressure washers for use by recreational boaters.

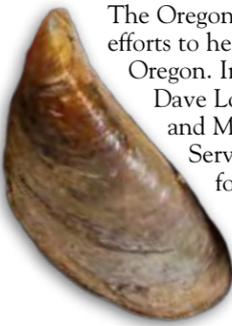
The Port of Portland joined with the Oregon Marine Board and Pacific States Marine Fisheries to purchase the washers, called Hotsy units. They

will be used by recreational boaters traveling into Oregon and are instrumental in reducing the chance that destructive invasive marine species like zebra and Quagga mussels are introduced into Oregon waterways.

The Port, which is represented on the Oregon Invasive Species Council by Marla Harrison, marine and industrial development environmental manager, contributed approximately \$10,000 to

the effort. The Port has several initiatives in place to reduce the introduction of non-native species through its marine, aviation and properties divisions. This new effort targets recreational boaters who don't have to meet the same regulations as commercial shipping.

The self-contained wash units are a convenient way for people to clean their boats before returning to Oregon or moving from one body of water to another. The Hotsy units will be based in Baker City, Klamath Falls, Ashland and Roseburg; and a fifth unit will be loaned out at special events like tournaments or during busy holiday weekends.



ON DISPLAY AT BETTER LIVING SHOW

In March, the Port of Portland participated in the Better Living Show, a home, garden and lifestyle show held at the Expo Center. Keeping with the event's sustainability theme, the Port presented information about its environmental programs and projects. More than 20,000 visitors attended, and as they passed by the Port booth, they were greeted by an unexpected sight: candid snapshots, projected on a big screen, of Western painted turtles, beaver, coyote and raccoon. The various critters were caught on infrared camera while using the Port's wildlife undercrossing, which connects two wetland areas near Rivergate Industrial District.

The slideshow proved just the thing to capture people's attention and encourage them to talk about environmental management and the Port's operations. If that didn't work, people were stopped by a size 13 tennis shoe covered in invasive Quagga mussels. The shoe, displayed under glass, prompted discussion of invasive species monitoring stations at Port marine terminals. Port staff members were also on hand to discuss Port water conservation and air quality efforts.

USING LESS, SAVING MORE

Portland International Airport serves more than 14 million people each year. In order to reduce the amount of paper towels used at the airport by hurried travelers, the Port of Portland has tested new strategies to encourage people to think more about using less.

Recently, paper towel dispensers in the airport's many bathrooms were affixed with a "Please Conserve" label. Paper towel usage was carefully studied both before and after the labels were applied to dispensers, with Port environmental staff consulting with maintenance staff on which rest rooms saw the heaviest use of paper towels. Staff also considered which message would be the most encouraging to people rushing to catch flights.

The initial results are positive: Across the board, paper towel usage has been reduced about 15 percent compared to conditions tracked before the labels were applied. Interestingly, the presence of labels reduced paper towel usage in the women's rest rooms but increased usage in the men's rest rooms. Fortunately, the net effect is a reduction, and hopefully the trend over time will be further decreases in the amount of paper towels used at the airport and in Port administrative offices. Meanwhile, staff will continue to look for ways to reduce waste and increase recycling Portwide.



STRENGTHENING SMALL BUSINESS PARTICIPATION

Small business participation in Port of Portland contracting opportunities has always been a part of the Port's strategic objectives. Port programs and initiatives such as the mentor protégé program, online supplier registration system, disadvantaged business enterprise program, and emerging small business project goals have received local and national recognition and have led to an increasing number of local and diverse small businesses participating in Port projects.

And these programs are about to get even stronger.

As a result of a recently completed disparity study, the Port will resume setting disadvantaged minority enterprise contracting goals on federally funded projects and will expand its definition of “small business” to increase the pool of subcontractors available.

Disadvantaged minority enterprises, or DBEs, are businesses that are certified as socially or economically disadvantaged and can be based on race and gender. The Port will also require that at least two of the bids in solicitation processes for \$5,000 to \$100,000 projects are from small businesses – the current requirement is one – and will develop a contractor rotation process to ensure that work is spread fairly among pools of on-call contractors.

Recent court rulings prohibited setting DBE contracting goals on projects funded through the Federal Aviation Administration without first having evidence of the presence of a disparity between the availability of contractors and the utilization of contractors, or its effects on the recipients’ contracting processes. Disparity studies help establish that evidence.

“The bottom line for us in this study,” said Rhonnda Parsons Edmiston, Port small business development program manager, “is to make sure we do the best we can with our small business contracting programs within the legal guidelines. We want to ensure open and fair access for all businesses to compete for and be awarded contracts for Port business opportunities. Ninety-eight percent of the businesses in the Port’s contracting market are small businesses and are important stakeholders. We have successful programs at the Port now, but we know we can always do better in reaching out to those businesses.”

The Port knew a study was needed when it saw DBE participation in projects decrease in the absence of project goals.

The study compared data on the Port’s utilization of firms with the availability of those firms in the Portland region from July 2002 to June 2007. The underlying assumption of the comparison being that the proportion of dollars received by a particular minority group should approximate that group’s proportion of the relevant population of firms.



Rhonnda Parsons Edmiston is the Port's small business development program manager.

The study looked at statistics for African American, Hispanic American, Asian American, Native American, nonminority women and nonminority firms. The study also included personal interviews, focus groups and a public meeting. “We really owe a great deal of thanks to all of the firms and individuals who assisted us in gathering the data,” said Parsons Edmiston.

While the report found that some disparity for prime and subcontracting existed in all business categories, it commended the Port in several areas, including the level of outreach and program satisfaction, its utilization of minority enterprises in concession businesses at Portland International Airport, establishing an emerging small business program, and its mentor protégé program.

The Port created the mentor protégé program in 1995 as a business development program for small construction companies. Once accepted into the program, each protégé is initially paired with two mentors who are seasoned professionals willing to share their knowledge of owning and operating successful businesses. Working together in monthly meetings, mentors focus on assisting protégés in developing business plans and marketing strategies, understanding financial statements, and identifying and implementing other action items needed to meet the protégé company goals.

Mentors also assist their protégés in establishing and building working relationships with prime contractors and large specialty subcontractors; improving access to job notifications; building business capacity, and securing adequate financing and bonding.

Since its founding, 72 protégé firms have gone through the Port’s program with some outstanding results. In 2008, for example, 33 protégé firms generated about \$63.5 million in sales and employed 444 people. Currently, there are 15 firms in the program.

To provide opportunities for small business in the shops and restaurants at PDX, staff actively recruits small, local companies, often working through the local minority Chambers

of Commerce. Not only does this outreach give these companies new opportunities and exposure, it also provides the airport with a unique mix of local stores and restaurants, unlike the chains found in other airports. One such success story is Sandoval’s Mexican Grill. Owner Danny Sandoval began offering Mexican fare at his concession in the main terminal’s Oregon Market, expanded onto Concourse C with a margarita bar, and now is providing special “Taco Tuesdays” as part of a Port-sponsored promotion.

The Port’s online supplier registration system allows businesses



Annette Joly is the owner of Capers Café, one of the Port's DBE concessions at PDX.

to register as potential Port suppliers and to receive automatic e-mail notification of business opportunities. More than 4,100 suppliers, including 865 minority-owned, women-owned and emerging small businesses, are registered in the Port supplier catalog. In addition to receiving immediate e-mail notification of solicitations, interested suppliers can review many solicitation documents online, order documents

not available online, keep current on solicitation addenda, review plan holder lists, and view solicitation results. Since 2002, more than 500 business opportunities have been communicated to suppliers using the online system.

To mitigate the decrease in the DBE program participation that followed the court rulings, the Port began establishing small business goals on large construction projects through an emerging small business program in 2006. Because the program was race neutral and gender neutral, it created opportunities for small businesses within the new legal framework. Small business participation in 15 large construction projects in the past year has averaged 12 percent. With the completion of the study, the Port will resume DBE project goals on federally funding projects and continue using small business project goals on nonfederally funded large construction projects.

And, there are many contracting opportunities on the horizon.

With more than \$500 million in capital projects under way at its marine and aviation facilities, the Port is contracting work that will provide a much needed boost to local employment. At its new PDX headquarters project alone, more than 18,000 hours of work per month are generated, and a portion of that work is going to small businesses.

The \$191 million project has an overall goal of 8.9 percent minority, women and emerging small business participation and

so far has exceeded that goal with an actual overall participation of 21.7 percent. This equates to more than \$41 million of work going to these contractors.



Kidane Tekle is the owner of Champion Sweeping, one of the Port's small business program participants.

“The Portland area’s approximately 44,000 small businesses play an essential role in local job creation and economic vitality,” said Parsons Edmiston. “The Port of Portland sees the importance of working together to create an environment that

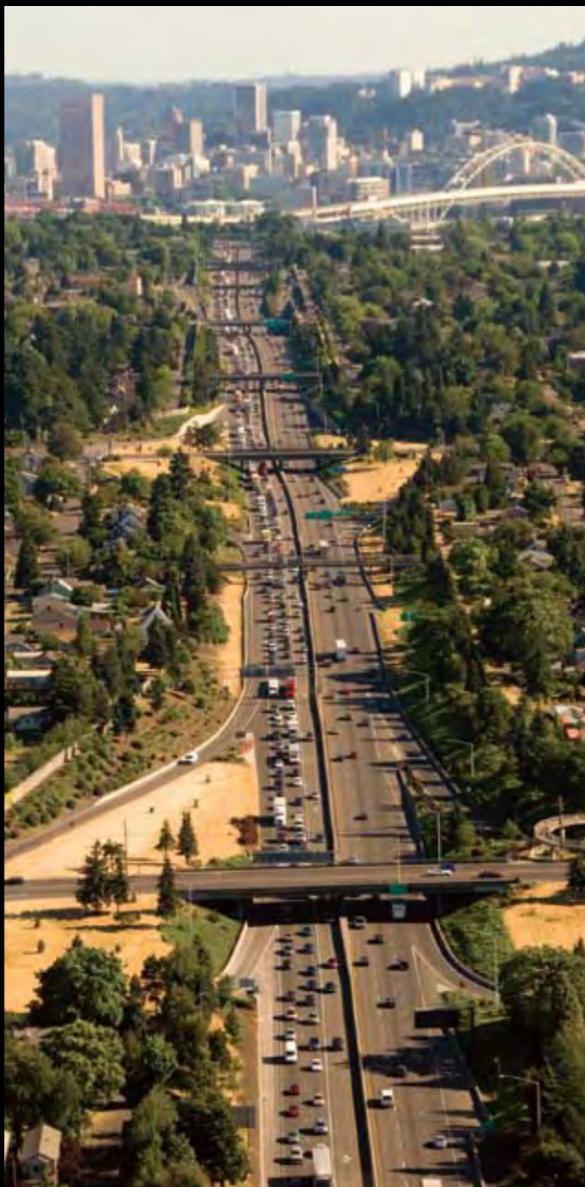
nurtures and supports innovation, entrepreneurship and business formation, and growth and expansion among this segment of the business community. This study has really helped us see how we can improve our efforts.”

The Disparity Study Executive Summary and other study documents, as well as information on all of the Port small business development programs, are available on the Port’s Web site at www.portofportland.com or by contacting Parsons Edmiston at 503.944.7587.

by Martha Richmond

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