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ADDING IT ALL UP:

A SOLID TRANSPORTATION SYSTEM

The Port of Portland will spend nearly half a billion dollars for capital projects in the coming three years. That's billion with a "B."

Many manufacturing firms spend similar amounts of money to maintain and upgrade manufacturing processes and components, but Port projects are unique because no two are the same; they are difficult to forecast years in advance; and they tend to invite unusual technical needs. "Our engineering teams work on a wide variety of projects," said Tom Peterson, the Port's chief engineer. "They typically have broad scopes and many specialized requirements. Few projects are simple because construction activities impact Port operations and stakeholders. Whether we're working on a large-scale or a specialized project, it's imperative that we have the right team of people assigned to the work. I'm looking for proactive thinkers and problem solvers who can see a project from many dimensions and develop solutions that are sustainable, economically feasible and that fit our business needs."

Peterson said the engineering department is currently engaged in 32 construction projects. In addition, 46 projects are being designed; 18 construction contract awards are under way; 33 projects are in the initial planning phase; and 15 unassigned projects are on the drawing board.

Just as the Port's marine, industrial development and aviation projects are specialized in scope, calculations for funding them are different than most, as well.

The Port currently has the largest planned expenditure of the general fund in its history and manages two completely separate budgets, one for Portland International Airport called "aviation" that is defined by the Federal Aviation Administration and airline partners and restricted to aviation needs; and one called the "general fund" that includes marine, industrial lands and administrative needs.

The monies can't co-mingle in any manner; thus, the organization is unable to leverage one budget with the other for projects such as paying for a marine terminal improvement with airline-generated funds.

In addition, it's important to remember the majority of the money the Port receives into

the general fund comes from customer revenues for the use of services and facilities. In other words, the Port gets what it can earn from the marketplace. Property taxes account for only 3 percent of Port revenues, thus grants and various partnerships are also important funding opportunities.

PORTLAND INTERNATIONAL AIRPORT

When you travel through Portland International Airport (PDX), you expect a worry-free experience from parking the car to checking bags, and from going through security to boarding the airplane. Upon your return, you anticipate a smooth landing, your bags waiting and your car only minutes from the terminal. However, the infrastructure that supports your experience is broad, often out-of-sight, and it takes a beating from some 38,000 passengers using the facility every day – that's 14 million passengers a year.

Tom Peterson, chief engineer for the Port of Portland, seated, and Steve Schreiber, the Port's chief financial officer and director of operation services.

PDX in-line baggage screening improvements Price tag: \$118 million

Think of the baggage processing facility as the pulsating heart of the airport. Buried in the basement of the 66-year-old airport, surrounded by miles of cables, hundreds of routing ducts and layers of concrete and plaster, the baggage system processes your suitcase by taking it in and routing it to the proper airline dispatch area. When you return, the system must take your bags that have been removed from the airplane, route them to the proper airline facility and then to the appropriate carousel in baggage claim. Much like oxygen to the heart, the system needs to keep running and processing even when a "transplant" or overhaul of the system takes place.

This isn't your typical "build a new box" capital project. The improvement includes hundreds of technical requirements, structural modifications, identification and relocation of utilities (HVAC, plumbing, power and telecommunications), rerouting of baggage conveyors, and serving airline clients who work

into a single new office," said Bill Wyatt, Port executive director. The office under consideration would combine functions located in the downtown Port headquarters with most Port aviation offices now located in the airport terminal.

The parking garage will provide approximately 3,000 parking spaces and 500 spaces for rental cars, whether or not the office is added. Port commissioners have approved additional design work to help pinpoint final costs. After weighing those costs, a decision about consolidating Port offices will be made in April 2007. The garage, with or without the office, is expected to be completed in 2009.

Airfield program Annual price tag: \$10.5 million

When a plane lands or takes off on a runway, it creates an enormous amount of wear and tear on the pavements. Fortunately, the Port can boast expertise in the field of maintaining airfield runways and taxiways. The rehabilitation design work is handled inhouse by the Port's engineering team. Pouring

"This year we are engaging in more capital projects than at any other time in our history to ensure that our customers continue to have cost competitive and convenient access to national and international markets."

Steve Schreiber, Port of Portland chief financial officer and director of operation services

against the clock – all while keeping "systems go," as if no changes were taking place. And the project is a priority because the airport needs to ensure that as many as 36,000 bags will reach their intended destination daily.

Stan Snyder, project manager for the Port, said, "This project will install two miles of new conveyors integrated with automated bag screening equipment, more than doubling the length of conveyor the Port currently maintains. All of this work needs to be accomplished while keeping the baggage moving to the planes without interruption."

Post-9/11, a myriad of security regulations were set forth by the Transportation Security Administration for airports to execute in a manner that best suited individual facilities. However, no two airports are identical. For Portland, elephant-sized CTX machines were delivered to the front of the airport to allow luggage to be analyzed pre-security. The immediate available space was the airport's front ticket lobby, however the machines have cut off pedestrian walk ways and waiting lines, and they block the natural light found elsewhere throughout the facility. Moving the monstrous machines out of the public space will be a part of the baggage screening improvement process.

Additional PDX parking garage Price tag: \$140 million

With the present parking garage filling to capacity on a regular basis, the airport needs more parking spaces, and a new parking garage is in the design process for construction adjacent to the current garage. Coupled with the process is an alternative plan that includes a possible new headquarters space for the Port of Portland as part of the garage structure.

"We think it makes sense to consider the possible efficiencies and cost-effectiveness of combining our entire Port work force layer upon layer of industrial strength gravel, concrete and asphalt creates a commercial-grade taxiway and runway that provides for safe takeoffs and landings.

Taxiway T and terminal apron project Price tag: \$25 million

Near the international arrivals and departures area of Concourse D, attention is being given to the rehabilitation of the asphalt taxiway, the concrete apron, the aircraft fueling system and the accommodation of future international service.

The concrete apron provides parking for wide body aircraft, such as Airbus 340s, which require a parking area totaling a little more than the equivalent of a football field. Dennis Bertek, project manager, said, "We're pouring concrete that is 16 inches thick and paving asphalt taxiways that serve an area the size of 13 football fields (640,000 square feet)."

MARINE AND INDUSTRIAL PROPERTY

The Port has enjoyed a banner year for the marine side of its business. With two new container services and seven steamship lines bringing container ships to Terminal 6, a top priority is ensuring smooth operations for new and existing customers. More than 50 projects are scheduled to be completed by the end of 2008, including dredge upgrades, rail yard improvements, security upgrades, storage facilities, berth extensions, roadway improvements, wildlife habitat improvements, and wharf rehabilitation.

Rail improvements Price tag: \$13 million

Rail transportation is a critical component of modern freight transportation, and Port marine and industrial property tenants are highly dependent on efficient rail service. The Port is investing in a number of rail

improvements including a new third track into Terminal 6, a new rail yard at Terminal 4 for soda ash exports, and an additional loop track at Terminal 5. The Port built or is building rail storage capacity for more than 450 loaded rail cars. Additional projects in the planning phase will add capacity for hundreds more.

"The freight transportation industry is healthy and growing, and we've worked very hard with the railroads and our customers to ensure Portland has a first class, high-capacity, high-speed rail system. We're continuing to improve that system to handle projected increases in future volumes," said Sam Ruda, marine and industrial development director.

T-6 third rail lead project Price tag: \$6 million

To increase intermodal cargo volumes through Terminal 6, 1.4 miles of rail track will be laid to improve the connection between the T-6 intermodal yard and both the Union Pacific and the BNSF main line tracks. It will also provide equal access to the intermodal rail yard at T-6 to both BNSF and Union Pacific for the first time. Under this project, BNSF also will construct a number of improvements to their adjacent yards to allow trains going to and coming from T-6 to bypass the BNSF rail yard. The third rail lead will also allow container trains to bypass switching operations that currently take place on existing leads into Terminal 6.

Post-Panamax crane Price tag: \$7.5 million per crane

A working seaport is only as good as the working equipment on the dock. In 2006, the Port added a third post-Panamax crane to Terminal 6. (The cranes are called post-Panamax because they work the new super ships built since the days when fitting through the Panama Canal was a criteria.) A fourth crane is on order for a spring 2008 delivery.

Each crane can move 30 containers an hour, loading or unloading the equivalent of \$1.4 million worth of imports and exports. State of Oregon ConnectOregon funds underwrote the majority of the cost of the fourth crane.

The Port is particularly focused on leveraging state and federal funds to help meet critical infrastructure needs, especially since 97 percent of Port revenues are generated through private transactions; the Port is subsidized at a much lower level when compared to other competing West Coast ports.

Construction is a good sign and reflects a healthy business demand in Portland. A common refrain by city planners is, "Look at a city's skyline and count the number of cranes in the sky." The more construction cranes you can see, the better off the community. In this region, people also look for quality of life, good jobs, thoughtful growth, and responsible stewardship of land and water resources.

By many counts, the Port is on the right track for these ever-changing and growing needs. From improving roads for cars and trucks, to having suitcases delivered quickly to the proper baggage carousel; from making sure that imported cars get quickly from dock to rail cars, to improving wildlife habitat, the Port of Portland is investing in our collective future.

by Susan Bladholm

FIREFIGHTERS HONORED FOR COURAGEOUS RESCUE

A dark evening with driving 50 mph winds, wind chill air temperature of 7 degrees and a river with 8-foot swells is the antithesis of a boater's dream — in fact, it's a boater's nightmare.

For three Port of Portland firefighters assigned to Rescue Boat 860 that evening, however, it was just a part of their job.

On that cold February evening last year, John Hagstrom, Pete Hallenius, Jr., and Dave Palmer were called to assist the Portland Fire Bureau in rescuing two people from aboard a damaged sailboat.

The boat had lost its rudder and was being

smashed against wooden pilings on the eastern tip of Hayden Island on the Columbia River. Spray from the swells breaking over the boats' bows instantly froze. as did the tow lines the two boat crews were trying to attach to the violently pitching sailboat.

'We train for water rescues related to aircraft incidents," said Port Fire Chief Kevin Elmore. "I'm proud that our crew was able to offer assistance and have an impact in this joint rescue operation."

The Portland Fire Bureau recently recognized and honored the Port firefighters' efforts with a fire chief's certificate for their act of courage and dedication.



Left to right, Port of Portland firefighters John Hagstrom, Dave Palmer and Pete Hallenius, Jr.



GOVERNMENT SETS NEW PASSPORT REQUIREMENTS

The United States Western Hemisphere Travel Initiative now requires all travelers to present a passport or other appropriate secure document when entering or re-entering the United States by air. The regulations were effective Jan. 23, 2007.

The new passport requirement applies to all persons, including U.S. citizens, traveling by air between the United States and Canada, Mexico, Central and South America, the Caribbean and Bermuda. Parents should also get passports for their children, regardless of age, if they are accompanying adults on such trips.

Under the regulations, the following valid documents are considered secure for entry into the United States by air from within the Western Hemisphere:

- Passport, or
- Air NEXUS card, or

• U.S. Coast Guard Merchant Mariner document. The goal of the program is to strengthen border security and facilitate entry into the United States for U.S. citizens and legitimate foreign visitors. Secure

documents contain special security features and follow specific manufacturing and issuing processes. To safeguard against counterfeiting, these documents meet certain standards to help ensure they are not improperly acquired, issued, altered or used by impostors.

For more information on new passport requirements, visit the "Passports" section on the U.S. Department of State Web site at www.state.gov.

FUN IN THE SUN WITH ALASKA'S NONSTOPS TO MEXICO BEACHES

Alaska Airlines and Portland International Airport (PDX) are celebrating the launch of the airline's new nonstop service to Mexico. It is Alaska's first nonstop international destination departing Portland.

On Oct. 28, Alaska inaugurated service between Portland and Los Cabos. Flights operate seasonally and are initially offered four days each week. On Oct. 29, the airline launched service between Portland and Puerto Vallarta. Flights operate seasonally three

days per week.

PDX celebrated the new service with a mariachi band, salsa dancers and a special appearance of Alaska's mascot "Buddy the Airplane." More than 100 passengers boarded the first flight that departed under PDX's ceremonial water arch, supplied by the Port of Portland Fire Department.

"As Mexico's popularity continues to grow among our customers, we're pleased to add more nonstop flights to some of our most popular Mexican resorts,"

said Gregg Saretsky, Alaska Airlines' executive vice president of marketing and planning. "These new flights will give customers in the Pacific Northwest – and those connecting from Canada, Alaska and beyond – more convenient and more frequent opportunities to visit some of Mexico's most beautiful destinations.'

Alaska introduced service to Mexico in 1988 and now transports more than 1.2 million passengers annually between the U.S. West Coast and Mexico.



LUFTHANSA OFFERS ADDITIONAL WINTER SERVICE FROM PDX TO EUROPE

Portland International Airport passengers now have a choice between five weekly winter flights on Lufthansa, compared to just three weekly winter flights in previous years.

Lufthansa is meeting increased demand on its nonstop Portland-Frankfurt route with a 67-percent capacity increase, or an additional 500 seats per week compared with its 2005 winter schedule.

"Our team has worked extremely hard with many of our local partners to grow and develop the Portland flight to the success it is today," said Carleen Goeckel, Lufthansa's regional sales manager for the western U.S. "This increased capacity is a first, big step in achieving our goal of year-round daily service."

"Lufthansa's nonstop service saves our travelers four hours each direction, providing a productivity boost as well as a way to support employees' quality of life," said Ted Cullen, Nike travel director and co-chair of the International Air Service Committee of Portland and Southwest Washington. "Clearly, the community supports the service, and Lufthansa is showing its support of our community. Together, we have a lot to be proud of as we continue to strengthen Portland's position as an international business center."

Flight LH 469 departs Portland on Mondays, Wednesdays, Fridays and Sundays at 1:25 p.m. and arrives in Frankfurt at 8:40 a.m. the next morning. On Saturdays, LH 469 departs Portland at 2 p.m., arriving in Frankfurt at 9:15 a.m. the next morning. Flight LH 468 from Frankfurt to Portland departs Frankfurt Mondays, Wednesdays, Fridays and Sundays at 9:55 a.m. and arrives in Portland at 11:40 a.m. the same day. On Saturdays, flight LH 468 departs Frankfurt at 10:15 a.m. and arrives in Portland at noon the same day. The flight operates daily the rest of the year.





SHARE YOUR VIEWS ABOUT KEY PDX PROJECTS

Watch for opportunities to learn more and share your views about three important Port of Portland projects this year.

Public meetings are planned for the proposed extension of the Portland International Airport (PDX) north runway, plans to enhance PDX's deicing storm water runoff collection system, and the joint PDX master plan update and city of Portland airport land use designation planning process.

Like Port meetings of all types, information about these gatherings will be available as they develop on the Port of Portland Web site at **www.portofportland.com**. Just click on "Inside the Port" and then "Community Events and Public Hearings Calendar."

With closure for rehabilitation of the PDX south runway beginning in 2011, an extended north runway would allow the largest aircraft to continue departing the airport fully loaded. The existing north runway is not long

enough to accommodate such flights.

While the existing PDX deicing storm water runoff collection system is effective in capturing most of the storm water runoff from the use of deicing solutions at PDX for aircraft flight safety, enhancements are necessary to bring the system into full compliance with environmental requirements.

In May 2007, the Port of Portland and city will launch a four-year joint planning process to create a long-term development and land use plan for PDX. The public meeting will highlight key milestones in the project and invite input on the proposed public involvement plan.

For additional information on these projects, go to www.portofportland.com and click on "Inside the Port" and then "Projects, Plans and Studies." Or contact Lise Glancy for north runway or PDX master plan update information at 503.460.4018; Sue Safford for deicing information at 503.944.7047.

NEW NONSTOPS ADDED TO EAST COAST, VEGAS, CALIFORNIA

Alaska Airlines will offer new daily nonstop service beginning Sept. 9 between Portland International Airport (PDX) and Boston and Orlando.

The year-round flights are Alaska's first nonstop transcontinental routes from Portland and mark the airline's ongoing expansion at PDX. The new nonstops are strategic priorities for the Port of Portland to serve the air travel needs of the community.

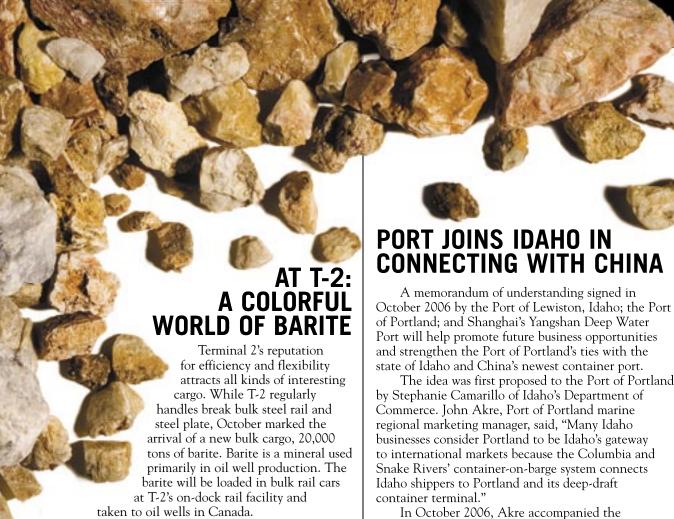
"We are pleased to bring PDX travelers new opportunities to fly to the East Coast nonstop, especially to the popular business and leisure destinations of Boston and Orlando," said Gregg Saretsky, Alaska Airlines' executive vice president of marketing and planning.

In addition, Horizon Air teamed up with Alaska to launch more frequent flights between PDX and Las Vegas, Oakland, Palm Springs and San Diego. The flights expand the combined airlines' schedule from PDX, including offering new, nonstop service to Palm Springs during late April through early June.

Horizon will operate flights through June 2, including:

- Two more round-trip flights between PDX and Las Vegas, bringing the total number of daily flights to five.
- A sixth round-trip flight between PDX and Oakland, ensuring all popular times for travel are offered.
- A second daily PDX-Palm Springs flight, providing more flight choices to this popular seasonal destination.
- A fourth PDX-San Diego flight, enabling convenient, same-day, round-trip travel options.

The new PDX-San Diego and PDX-Las Vegas flights will be operated by Alaska after June 2, while the remaining new flights will discontinue after that date.



taken to oil wells in Canada. The Port established T-2 as a bonded facility with the U.S. Customs and Border Protection in order to store cargo duty-free for a number of months prior

to delivery. Fast Facts:

- Barite is a major ingredient of a mixture inserted into drilling holes to create a "cake" or "filter" that prevents water from getting into oil wells. It also prevents oil and gas from coming out. The mixture even helps float rock chips away from drilling heads.
- Larger fireworks get their color from different types of minerals. Barite creates vibrant greens.
- Oklahoma's state rock, Rose Rock, is a form of barite that resembles fully bloomed roses and can be found in only a few places around the world.
- Barite is a filler in the manufacture of paint, paper, rubber and linoleum.
- Radiologists use barite to line the intestines during x-rays to improve image results.

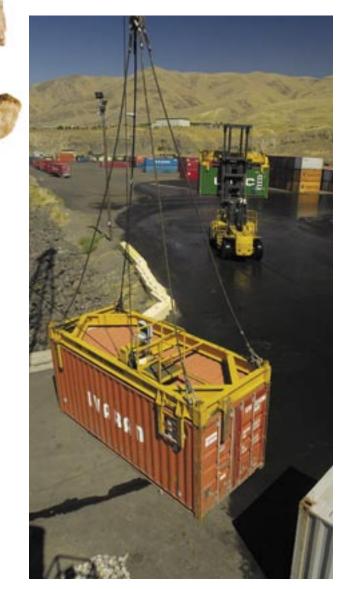
FOURTH POST-PANAMAX CRANE COMING IN 2008

Proving you can't have too much of a good thing, the Port of Portland placed an order for a \$7.8-million post-Panamax container crane with Chinese manufacturer Zhenhau Port Machinery Co. in October. When it arrives at Terminal 6 in early 2008, it will be the Port's fourth post-Panamax crane.

Funding for the fourth crane's purchase comes from two sources. Gov. Ted Kulongoski presented the Port with a \$7.5-million check in July from his \$100-million ConnectOregon non-highway transportation infrastructure funding initiative. The Port will pay for the remainder of the purchase price

and additional installation costs from its general fund. "We're very excited about the capabilities a fourth post-Panamax crane brings to T-6," said Port Marine and Industrial Development Director Sam Ruda. "This, along with other infrastructure projects, will improve the Port's ability to grow."

Zhenhau Port Machinery Co., which delivered Port's third post-Panamax crane in May 2006, wil build the fourth one at its manufacturing facility in Shanghai, China.



A MAIDEN VOYAGE: T-4 WELCOMES NEW SODA ASH SHIP

Port Executive Director Bill Wyatt joined representatives from Kinder Morgan, Sincere Shipping and ANSAC to celebrate the arrival of a new dedicated soda ash bulk ship, the ANSAC Kathryn, to the Port's Terminal 4 soda ash export facility Sept. 7.

Taiwan-based Sincere Shipping owns the new 580-foot-long ship and will operate it under a long-term charter to load soda ash in Portland and deliver it around the world. Sincere Shipping enjoys a special relationship with Portland, Kinder Morgan and ANSAC. Of the six ships they own, three are now working under long-term charters to transport soda ash from Portland, and two are under long-term charters to transport potash from the Port's Terminal 5. The name of the new ship highlights Sincere's relationship with ANSAC – the ship gets its name from the 10-year-old daughter of ANSAC's President John Andrews.

"This new ship, combined with our berth and rail yard improvements, and Kinder Morgan's new rail car handling equipment, will help secure this facility's position as one of the world's premiere bulk export facilities," Wyatt said. "Each year this facility is fed by about 200 trains and it loads about 100 ships. Those trains and ships support high-paying jobs in Portland's working waterfront. This is a great demonstration of how a public/private partnership can benefit the private partners, the public agency and our whole region.



CONTRACT APPROVED FOR INTERMODAL RAIL PROJECT

In November 2006, the Port of Portland Commission approved the second of two rail construction contracts for a project that will help increase intermodal cargo volumes through the Port's Terminal 6 container facility.

Idaho delegation led by Lt. Gov. Mark Ricks to the

by the People's Republic of China to provide deep

A 25-kilometer bridge connects the port to the

water access for the new generation of larger vessels.

mainland. Yangshan Port will handle approximately

3.5 million containers in 2006 and up to an estimated

participated in the signing ceremony.

7 million containers in 2011.

Yangshan Port Free Trade Area in China, where they

Yangshan Port was built on Little Yangshan Island

The \$2-million contract is the second part of a \$6-million third rail lead project. The new contract follows a previous contract issued to BNSF Railway in September 2006 for construction of switching and track improvements at BNSF's A and B yards near T-6.

The third rail lead will improve the Port's ability

to expedite the arrival and departure of unit trains at T-6. Unit trains are up to one mile long and carry only one type of cargo – at T-6 that would be all autos or all containers. The Port considers the third rail lead project crucial to its ability to serve as a gateway for imported containerized cargo from Asia. The additional rail track will allow unit container trains to bypass the switching operations that take place on the existing rail lines at T-6. The new track will also provide equal access to T-6 for both BNSF Railway and the Union Pacific Railroad.

Construction on both projects began last year and will not affect operations at T-6. The whole project will be completed by July 2007.

UNITED PARCEL SERVICE EXPANDING ON SWAN ISLAND

United Parcel Service (UPS), the world's largest package delivery company and a long-time Port of Portland tenant on Swan Island, is expanding its operations and leasing additional property.

The company is renovating several of its existing Swan Island buildings located on North Basin Avenue. Construction plans include adding a storm water management system and sanitary sewer and water services, a new employee driveway, additional parking spaces, sidewalks and landscaping. UPS is also leasing an additional 4.69 acres at Port Center from the Port that will serve as truck and trailer storage during the renovations and improvements.

UPS is one of Swan Island's largest employers. The company currently has more than 1,750 employees on the island. After the renovations and improvements, employment numbers will increase by about 20 percent over the course of the next eight years.

Founded in Seattle, Wash. in 1907, UPS is now headquartered in Atlanta, Ga. The company has more than 1,000 facilities in more than 120 countries encompassing about 35 million square feet. UPS began operations in Portland in the 1920s and now has five Portland area locations — Swan Island, downtown Portland, Tualatin, Portland International Airport and Vancouver, Wash. The company has been a Swan Island tenant since 1971. The facility there serves as the company's main sorting operation for the region.

The Port of Portland purchased Swan Island in 1921. The 580-acre Swan Island Industrial Park is a major corporate center and hub for distribution, warehousing and manufacturing activities. Approximately 170 businesses are located within the fully developed industrial park.

PORTLAND'S NEW AERIAL TRAMS ARRIVE AT TERMINAL 6

After crossing half the globe during an eight-week journey, Portland's aerial tram cars arrived at the Port's Terminal 6 facility on Oct. 29. Attending their highly anticipated arrival were Sam Adams, Portland city commissioner; Sam Ruda, Port marine and industrial development director; Jeff Smith, president of the Columbia River District Council of the International Longshore and Warehouse Union; and representatives from Oregon Health and Science University.

The two tram cars, manufactured by Gangloff Cabins in Bern, Switzerland, traveled by truck, barge and container ship to get to Portland.



Each tram carries up to 78 people on the 4,000-foot, four-minute journey between the university and the new office buildings, condominiums and apartments at Portland's South Waterfront.

PORT IMPROVES WORLD'S LARGEST SODA ASH TERMINAL

The Port, along with Terminal 4 operator Kinder Morgan Bulk Terminals, Sincere Shipping, and soda ash exporter, ANSAC, recently celebrated the completion of a new rail yard and the arrival of a new dedicated soda ash ship that will help the T-4 soda ash export facility keep up with global demand.



Global economic growth is spiking demand for a host of products made from soda ash, such as steel, detergents, soap, glass, baking soda, paper, ceramics, soda pop and beer. As demand for these products grows, so does demand for soda ash. This bodes well for T-4, which is home to the world's largest soda ash export facility.

The recently completed rail yard will help T-4 reliably handle the 20,000 heavy rail cars required to haul more than two million tons of soda ash into the facility each year. The Port moved the rail yard to a more efficient location and installed heavier gauge rail to handle today's bulk rail cars, which can hold 100 tons of soda ash each. To put that in perspective, 100 tons is about what 50 Ford Explorers would weigh. With enough track to hold 260 rail cars, the facility can handle two full unit trains consisting of 100 rail



"THIRSTY" ASPHALT WINS **ENVIRONMENTAL AWARD**

The Oregon Chapter of the American Public Works Association (APWA) recently bestowed its coveted Julian Prize for Sustainability for Public Works to the Port of Portland for installing 35 acres of environmentally friendly "porous" asphalt at one of the Port's auto import facilities.

While water runs off most asphalt, porous asphalt allows storm water to leak through the surface and recharge the ground water in a more environmentally friendly way. The Port also installed a system of swales and natural vegetation to handle heavy rain.

There are many benefits from incorporating porous asphalt. For instance, it:

- provides 100-percent on-site storm water management
- shortens design, construction and permitting process
- lowers annual operating costs, maintenance costs and reduces storm water fees
- improves storm water quality, with groundwater recharge
- reduces impact on "storm surge" in adjacent waterways
- allows storm water (in warm weather) to cool before entering the river
- saved \$250,000 in reduced permitting requirements and because no storm water system was necessary

The Oregon APWA Chapter includes more than 650 professional engineers, technicians and others who join together to exchange ideas and information, promote education and training, and work as a team to meet professional and community needs. The Oregon Chapter awarded three Julian prizes this year.

Partners in the porous asphalt project included: Auto Warehousing Co.; Century West Engineering, a leading northwest consulting firm in sustainable design; GreenWorks, a Portland-based landscape architecture firm with a sustainable design focus; and Cahill Associates, a nationally recognized storm water management design firm.

SPERRY TAKES ON NEW RESPONSIBILITIES AT PORT

"The Port's commitment to environmental stewardship is as strong as ever," said Dorothy Sperry, who recently became environmental manager for the Port's Environmental Affairs Department.

Sperry, who has been with the Port for more than nine years, will oversee all environmental programs in her new job.

"What continues to evolve," Sperry said, "is the integration of environmental considerations into the many facets of the Port's business."

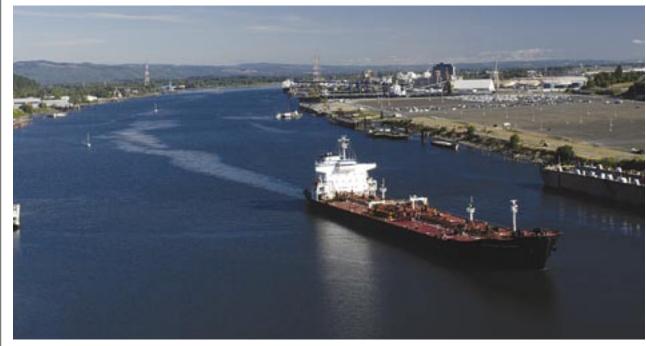
"We're always looking for opportunities to work together with Port staff, tenants and customers who use our facilities to identify environmental improvements

that also save money," Sperry said. "It's all connected. There are possibilities everywhere you look."

In addition to her role as program manager for the Port's water and natural resources programs, Sperry now coordinates seven additional programs: air quality, energy management, sediment management, site characterization and remediation, waste



management and recycling, tenant environmental management and construction environmental management, as well as administration of the Port's environmental management system. She cites water and energy efficiency evaluations that identify money-saving conservation opportunities as examples of integrating environmental considerations with the Port's business.



CORPS PREPARES WILLAMETTE MAINTENANCE PLAN

The U.S. Army Corps of Engineers is preparing a dredged material management plan for the existing 40-foot-deep lower Willamette River navigation channel. The 20-year plan will manage material dredged from the channel to maintain its authorized depth and provide safe navigation. The federal navigation channel in the Willamette stretches from the Broadway Bridge in Portland downstream to the Columbia River.

The Willamette's channel was last maintained by the Corps in 1997. Historically, the Corps dredged from 500,000 to 750,000 cubic yards of sediment from the channel every three to five years. However, the Corps deferred channel maintenance when the U.S. Environmental Protection Agency listed the Portland Harbor as a Superfund site in December 2000.

The dredged material management plan will provide for managing dredged material in a least-cost, technically feasible manner that meets all federal environmental laws. Its development is being closely coordinated with the U.S. Environmental Protection Agency to assure consistency with the Portland Harbor Superfund process.

As the nonfederal sponsor of the lower Willamette River navigation channel, the Port of Portland will be obligated to provide the lands, easements and rights-of-way identified in the plan for upland disposal of dredged material by the Corps. For more information visit: www.portofportland.com and click on "Projects and Plans."

PORT WINS ANOTHER TOP **ENVIRONMENTAL AWARD**

The American Association of Port Authorities (AAPA), the leading organization representing public ports in the Western Hemisphere, again recognized the Port of Portland for its environmental work. The Port shared top honors in the comprehensive environmental management category with the Port of Long Beach.

The 2006 award brings the Port's total of AAPA environmental awards to 10, including seven consecutive - more than any other port in the Western Hemisphere.



FOOD WASTE DIVERSION PROGRAM EXPANDS AT PDX

Horizon Air serves Portland International Airport (PDX) travelers about 600 cups of coffee each day. All that coffee generates a lot of coffee grounds that are now being turned into compost as part of the PDX food waste diversion program. United Airlines also supports the program by collecting food scraps from three employee lunch rooms at PDX.

The Port of Portland launched the effort in 2003. Since then, the program has sent about 550 tons of food waste to a regional composting facility. Working largely behind the scenes, 21 airport food and beverage restaurants fill bags with their food scraps, meats, wax-coated cardboard, food-soiled napkins and coffee grounds. The bags are made of a corn-based material that biodegrades along with the contents.

Collecting food waste from airlines is the newest phase of the program. In 2006, Horizon and United joined the Port and its growing list of partners, the Sheraton Hotel, Gate Gourmet, LSG Sky Chefs, and Holiday Inn, to divert more than 240 tons of food waste from landfills.

IMESON TAKES REINS AS PUBLIC AFFAIRS DIRECTOR

Tom Imeson traded his commissioner's hat for a hands-on role at the Port of Portland this fall when he accepted the position of public affairs director. Imeson served on the commission for nearly four years and is a former principal of the consulting firm,

Imeson & Carter. He wrapped up his consulting business this past fall and officially began his new job Nov. 30, 2006.

"We are incredibly fortunate to have someone of Tom's caliber agree to join us on staff," said Port of Portland Executive Director Bill Wyatt. "Tom is uniquely suited to help us continue to build and improve relations with our state and federal government partners,



and his experience at PacifiCorp, where he managed a variety of functions from government and media relations to strategic planning, will serve the Port well as we strive to meet our strategic business objectives."

Imeson took the helm of the public affairs group, which encompasses media relations, government affairs and community affairs. He will also direct the corporate marketing and environmental affairs teams. In addition, he will head the Port's strategic planning efforts.

Imeson is no stranger to Oregon government. He served with three Oregon governors. He was chief of staff for Gov. Neil Goldschmidt from 1987 to 1991 and served on the transition teams for both Gov. John Kitzhaber and Gov. Ted Kulongoski. He spent 16 years on Sen. Mark Hatfield's staff serving in a variety of positions including Oregon field director and the Senate Energy and Senate Appropriations committees.

Imeson's work on community committees and boards is notable. It includes the Oregon Environmental Council, Oregon Health & Science University, the Oregon Chapter of the Nature Conservancy, Cascade AIDS Project, Oregon Land Conservation and Development Commission and the Oregon Board of Higher Education.

CORPORATE AD CAMPAIGN FEATURES PDX, MARINE EXPORTS AND RECYCLING EFFORTS





"Years of costly renovations have paid off: Oregon's Portland International takes first prize among domestic airports..."

Condé Nast Traveler Magazine

Ballots are in and the votes are tabulated . . .

Portland International Airport (PDX) is the best domestic airport, according to Condé Nast Traveler magazine's annual "Business Travel Awards" readers' poll.

As cited in the October 2006 issue, "Years of costly renovations have paid off: Oregon's Portland International takes first prize among domestic airports, thanks to easy access (travelers can reach downtown in 38 minutes by light rail for \$2 per person), an array of shops (including hometown favorites Nike and Powell's Books), and free wireless Internet access throughout the main terminal."

"We are incredibly honored to receive this vote of approval from business travelers," said Port of Portland Aviation Director Mary Maxwell. "I would like to thank each of the more than 10,000 airport workers whose daily dedication and friendliness have earned this distinction by making PDX a very special place."

Reflecting on airport renovations, the Port of Portland, which owns and operates PDX, and its regional partners have essentially rebuilt the airport over the past two decades. More recent improvements include an expanded Concourse C, award-winning airport shops and restaurants, a new south lobby, and more efficient and comfortable security checkpoints. Additional improvements covered an expanded terminal roadway with a stunning canopy for protection from the weather, delivered light rail to the airport's doorstep, and added traveler amenities such as free wireless Internet service.

Major improvements in the next few years will bring an in-line baggage screening system to increase traveler convenience and security and a second parking garage to enhance parking availability at peak times.

EASY ACCESS

Access to PDX, the city of Portland and the entire region is easy with the TriMet Airport MAX Red Line.

There's a convenient train station near the baggage claim area, and the trains run every 15 minutes, every day, from about 5 a.m. until midnight.

The Red Line became the West Coast's first train-to-plane service when it opened in 2001. Since that time, the line expanded beyond Portland to Beaverton, and now more than a million riders take the train to or from the airport each year.

ARRAY OF SHOPS

What's open 365 days a year, has no sales tax, fair retail pricing, and quality Pacific Northwest products as well as national brands? The shops and restaurants at PDX – of course.

With outstanding shops and restaurants already in place, more are on the way with new developments that will expand and enhance food concessions in the airport's Oregon Market food court and on concourses A, C, D and E. The new developments include regional favorites Pizzicato Gourmet Pizza, Beaverton Bakery Café, Laurelwood Public House and Brewery, Rose's Deli and Bakery, Big Town Hero and Rogue Ales Public House.

These new local brands are among new or expanded concessions coming to 25 locations throughout the airport over the next 18 months. Others include Baskin Robbins, Brookstone, Coffee People, Good Dog/Bad Dog, InMotion Entertainment, Jamba Juice, Sandoval's Fresh Mexican Grill, Starbucks Coffee, Wendy's and Your Northwest Travel Mart.

FREE WIRELESS INTERNET

PDX connects people and places by air, as well as through its free wireless Internet service, one of the most popular features of the airport.

The airport became a regional wireless Internet "Hot Spot" in November 2004, and is still going strong, making travel easier by enabling people to stay connected to their home or office. The service allows instant access to online travel tips and security information at www.flypdx.com. The site also features real-time updates on flight arrivals and departures, a virtual tour of the airport, and information on PDX's shops and restaurants.

Travelers can use their wireless-enabled portable electronics to surf the Web, e-mail, and access corporate networks in most of the airport terminal's main level. That includes most gates, the Oregon Market and food court, and lobby areas near the north and south security checkpoints. To use the service, portable electronics must use an 802.11b capable wireless network card.

The people, renovations, easy access, array of shops and free wireless Internet, all add up to make PDX one of the best airports you'll find anywhere. Learn more about PDX at www.flypdx.com.

by Steve Johnson





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