
From: Kevin Mannix
Sent: Tuesday, March 7, 2017 2:25 PM
To: HECDT Exhibits
Subject: Fwd: HB 2902

Please enter the following letter as part of the record on this bill.

Dear Members of the House Economic Development and Trade Committee:

I am writing to share concerns about HB 2902, which is set for a hearing before the House Economic Development and Trade Committee on March 8, 2017.

HB 2902 gives specific authorization for public ports to operate shipyards. Current law does not include such specific authorization, for good reason. Public ports are able to provide boat lift facilities and to lease facilities to private sector businesses which construct and repair boats and ships. But it is a step beyond such capacity for ports to compete with private sector businesses in a system where the ports themselves operate ship and boat construction and repair businesses

State statutes are detailed about these specific authorizations for public port facilities in order to clearly delineate the authority of port districts and to encourage private entrepreneurs to provide services wherever possible. This is because ports can unfairly compete with private sector businesses for the following reasons:

- Public ports do not pay Oregon real property taxes.
- Public ports do not pay personal property tax on equipment.
- Public ports do not pay incomes taxes
- Public ports enjoy limited liability under the Oregon Tort Claims Act, lowering insurance costs.
- Public ports have access to special pooled, lower-cost insurance through the Special Districts Association.
- Public ports have special access to capital through bonding, property tax assessments, and much greater access to public funding sources such as ConnectOregon and the United States Maritime Administration (MARAD).

The West Coast Marine Trades Association does not object to allowing public ports to provide haul out facilities for use by boat owners and private contractors.

We **DO** object to allowing public ports to directly compete with private shipyards for new construction and repair work.

If a specific public port finds that existing private sector shipyards are insufficient to meet market needs, that port should come forward and identify such insufficiency. Otherwise, this legislation authorizes public ports to drive existing private shipyards out of business.

I encourage the state to support the enhancement of private sector businesses and related jobs by avoiding authorizing public ports to compete with private businesses where the private sector is ready, willing, and able to carry on the work.

Thank you for your consideration.

Sincerely,
Kevin L. Mannix
Director
West Coast Marine Trades Association