

West Coast Marine Trades Association
2007 State Street Salem, OR 97301
503-480-0523
www.wcmta.com

**Information in Regard to House Bill 2902,
Oregon Legislative Assembly**

A copy of this bill, consisting of one page, is attached.

The key change in this legislation is specific authorization for Oregon ports to acquire, construct, maintain and operate shipyards. This language is presented in the new subsection 8 to ORS 777.210 at lines 26 and 27 of the bill.

Current Oregon law does not contain such specific authorization.

The bill has been requested by the Oregon Public Ports Association, and that Association's Director, Mark Landauer, is lobbying in favor of the bill.

In many instances, Oregon ports traditionally have provided facilities for shipyards but have leased these facilities to private sector businesses for operation of the facilities. Such operations fit in with the competitive nature of private sector businesses. In addition some ports may make their facilities available to boat owners to haul out boats so owners themselves can conduct repairs and maintenance or hire out such activity to private sector contractors.

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 necessary. 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.

We should 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.

Kevin L. Mannix
Director
West Coast Marine Trades Association