



Vote “NO” on HB2284

HB2284 removes local election of the Port of Newport’s leadership and gives appointment authority to the Governor. HB2284 is unnecessary, could undermine the current activities at the Port, and it threatens a segment of Oregon’s commercial fishing industry which contributes over \$100 million annually into Oregon’s economy. We ask you to reject HB2284.

Background: In 2006 the voters in the Port of Newport (“Port”) taxing district passed Bond Measure 21-114 with a goal of rebuilding Newport’s “International Terminal” (“IT”) to support commercial fishing and reintroduce shipping. The bond was also intended to address environmental concerns at the location that were the result of leaking contaminants from the existing structure. Ultimately a majority of the \$15.4 million bond went to environmental remediation and the Port sought loans and grants to complete the IT rebuild. Commercial fishing vessels have been paying customers at the IT since the early 1970’s. Cargo was shipped out of Newport beginning in the 1940’s but ceased in 1999. Port leadership has been seeking shipping opportunities ever since the IT was rebuilt, but previously identified challenges to a robust shipping industry continue to exist:

- The IT is small with only 860 total linear feet of dock space, 3.3 acres of useable laydown area, and a 2 ton rotating hoist.
- Although 9 additional undeveloped acres are available, the cost for development is significant.
- Transportation options to the IT are limited; there is no rail service to Newport and none is planned.

The Legislation: HB2284 proposes replacing the locally-elected port commissioners with political appointments from Salem. The bill may also threaten access to the IT for local vessels including the distant water fleet.

What is at Stake: If the large fishing vessels cannot access the IT during the critical times of the year, they will have to leave the Port of Newport since there is no other place within the Port that can accommodate their size. Seattle is the only other West Coast Port that can accommodate these vessels and their unique needs. This means they not only lose their home port, but they will take the millions of dollars they spend in Oregon’s economy, including the fees they pay to the Port, to Washington.

Newport is home to over 300 commercial fishing vessels. In 2018, over 129.4 million pounds of seafood worth \$62.6 million dollars crossed Newport’s docks. In addition to onshore landings, Newport is also home to a major portion of Oregon’s Distant Water Fleet. These are locally-owned vessels that fish off the west coast and for part of the year, they also travel north to participate in federal fisheries off Alaska. **In 2017 alone over \$107 million** in fisheries-related earned revenue was brought to Lincoln County by the offshore whiting and Distant Water fleets – **that’s more than 70% of the Oregon coast-wide earned income** derived from offshore and distant water fishing activities.

Local Representation is Diverse and Critical to Effective Operation: In the last twenty years, 17 different individuals have served on the Port Commission. Only 6 of these individuals have been related to the fishing industry. Moreover, during that time-frame, non-fishing interests have held a majority on the commission in all but two years. In 21 of the last 27 elections for Port Commission, candidates have run unopposed leaving plenty of opportunity for new community members to get involved. For the 2019 special election in May only one of the three seats that are up is contested. Additionally, all Port meetings follow public meeting laws that guarantee stakeholder involvement through a transparent and open process.

The Port of Newport's Efforts to Diversify the Economy Continue: The Port is currently updating its 5-year Strategic Plan with an emphasis on maximizing revenue and seeking shipping opportunities that make sense with the limited space available and the ongoing activities at the IT. During this process the Port welcomes input from the Governor's office, legislators and various other stakeholders. The "Industry Platform" for commercial fishing interests at the Port has been updated to detail how space at the mixed-use IT has been utilized over the last decade and will reveal important data to how additional shipping could be successful.

The Port Continues to Have Good Fiscal Performance. Perhaps most importantly, the Port has finished the last several fiscal years in the black with all bills paid on time while also devoting money to maintenance and other capital improvement projects. Like most ports, Newport will always need a combination of operating revenue, loans and grants to operate successfully.

In short, the Port of Newport continues to improve and grow, including its work to find new opportunities through shipping. HB2284 not only undermines the Port's activities, it also threatens an important, existing industry which contributes millions into the local and State economy. We propose a different approach that is already being used by the Port of Newport: 1) do no harm to the existing industry that powers Newport and the region; and 2) expand and maximize use of existing space while looking for additional efficiency and revenue through activities like shipping. We urge you to support the Port of Newport and the local and regional economy and reject HB2284.

Midwater Trawlers Cooperative, April 16, 2019.