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International Trade and Logistics Initiative Report Offers Solutions to Keep Oregon Freight Moving

The International Trade and Logistics Initiative today released its recommendations to help Oregon businesses facing logistics challenges due to the loss of weekly Port of Portland Terminal 6 container service and changes in the international maritime and transportation industries. The goal is to help Oregon businesses move freight to markets and compete globally.

In April 2015, Governor Kate Brown launched the Initiative—a partnership of Business Oregon, Oregon Department of Agriculture, Oregon Department of Transportation, and the Port—to identify trade-related, freight logistics solutions to help small- and medium-sized businesses across Oregon stay competitive. Over 88 percent of Oregon exporters are small- and medium-sized businesses. Many of these businesses are experiencing increased transportation costs, longer transit times, reduced reliability, and loss of markets and market share.

Recommendations included in the International Trade and Logistics Report fall into the following four categories:

- Resolution of Terminal 6 labor-management issues and restoration of weekly container service
- Operational enhancements and actions to improve the existing logistics system
- Strategic investments in freight logistics to sustain services
- Policy actions to enhance Oregon trade and improve the transport of goods

The full report is available at www.oregontradesolutions.com.

“As a trade dependent state, container service is critical for managing costs and maintaining the competitiveness of Oregon businesses,” said Bill Wyatt, Port executive director. “Terminal 6 captured 53 percent of Oregon containerized exports and imports in 2014. The Port recognizes the urgency of this issue and has been actively working with our partners and Oregon shippers to find interim freight solutions and restore service.”

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“Finding reliable freight logistics solutions is a time sensitive issue for the agricultural industry due to narrow cost margins, perishability of products and global competition,” said Oregon Department of Agriculture Director Katy Coba. “Agriculture is a foundation of Oregon's economy. Eighty percent of Oregon's farm, ranch and fishery production is sold outside the state and approximately half of that goes to international markets.”

Support to shippers currently underway includes the creation of a drop yard for the monthly Westwood container service at Terminal 6, the restart of an upriver barge-rail shuttle to connect with farmers in eastern Oregon, southeastern Washington and Idaho; and exploration of both a container reuse pilot and intermodal rail facility for mid-Willamette Valley shippers.

“The Governor's initiative and the agency partnership exposed both the opportunity and need to improve Oregon's capabilities to transport containerized cargo,” said Matthew Garrett, director of Oregon's Department of Transportation. “It underscores the need for coordinated focus by public agencies, shippers and the state of Oregon to monitor performance of the overall trade and transportation system, and make operational enhancements and strategic investments in that system.”

Roadway and port congestion is increasing, with substantial impacts on the port trucking industry. An estimated 1,400 additional heavy-weight trucks per week travel Interstate 5 to Puget Sound ports to access markets, resulting in an estimated \$15.1 million in added trucking costs for Oregon businesses. More truck drivers and satellite container yards are needed to help move freight efficiently by truck both in the short and long term. Improved intermodal rail access to move cargo to either Portland or Puget Sound ports will help efficiency and reduce costs and truck congestion on highways.

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