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Chairman Blumenauer, Ranking Member Buchanan, and members of the Committee, thank you for the opportunity to speak with you today about the importance of investment in smart infrastructure to support trade.

I am the Executive Director of the Port of Portland. Located in Portland, Oregon, the Port is the link that connects Oregon and Southwest Washington – one of the most trade-dependent regions in the country – to the world. Established in 1891 by the Oregon Legislature, the Port today owns three airports – Portland International (PDX), along with two general aviation airports, Hillsboro and Troutdale – four marine terminals on the Columbia and Willamette Rivers, and five business parks. Our mission is to enhance the region's economy and quality of life by providing efficient cargo and air passenger access to national and global markets, and by promoting industrial development as the largest owner of industrial land in the state. Our core values are leadership, inclusion, and service.

The Port of Portland was created to dredge a shipping channel from Portland 100 miles to the sea, to support the export of wheat. The Port continues to this day to maintain the shipping channel on the lower Columbia River. The Columbia River is the largest wheat export gateway in the U.S. with ports in both Oregon and Washington handling agricultural and other cargo from Oregon, Washington, Idaho, Montana, the Dakotas, and Wyoming. Our growers rely on trade more than most states. Nationally, about 20% of a state's agricultural production is

exported to foreign markets. Oregon exports 40% of our agricultural production. Oregonians are rightfully proud of our high-demand goods, including Tillamook cheese, top-rated wines, cherries from the Columbia Gorge, and Dungeness crab from the coast.

PDX is the largest commercial airport in Oregon and SW Washington, serving nearly 20 million passengers annually. PDX is both a beloved local landmark and a source of significant economic value to the region. In addition to being a perennial favorite of travelers worldwide, PDX is also a growing hub for air cargo. Every week, footwear products like Nike Air Soles, along with high-tech components, are sent by plane to Asia. In the summer, Oregon's fresh blueberries and cherries are flown overnight to consumers across the Pacific.

The Port plays perhaps as significant a role in our multistate regional economy as any entity. Indeed, the Port provides services for businesses, communities, farmers, and workers well beyond our region.

- Nearly 27,000 jobs, \$1.8 billion in wages, salaries, and consumption impacts, and nearly \$172 million in state and local taxes were generated by activities at the Port's marine and aviation facilities.
- Visitor industry impacts at PDX add an additional 99,000 jobs, nearly \$3.5 billion in personal income, and \$5.8 billion in business revenue.
- The Port's industrial and business parks are home to more than 300 firms, which generate 32,000 jobs and \$177 million in state and local tax revenue across the region.

Further, a recent statewide [study](#) confirmed that nearly 1 in 5 jobs in Oregon are connected to trade in some way. These workers are paid 11% more than those in similar jobs in non-traded industries.

At coastal ports around the country, the marine elements alone generate more than 650,000 direct jobs and support 2.2 million direct, induced, and indirect jobs. But, of course, there are far greater jobs that rely upon the services that these marine ports provide. The American Association of Port Authorities recently determined that 28.6 million jobs are with exporters and importers that use coastal seaports to sell their products. Marine cargo in 2018 generated approximately \$5.4 trillion of total economic activity, accounting for nearly 26 percent of our nation's gross domestic product.

The Port of Portland's location at the confluence of two navigable rivers, two transcontinental railroads, and two interstate freeways has been a factor in the development of facilities and the commodities we ship. The Port relies upon investments in nearly every kind of infrastructure imaginable: waterways, bridges, marine terminals, airports, transportation safety, levees, locks, roads, transit, rail.

As a country, we are behind on those investments. The American Society of Civil Engineers 2017 Infrastructure Report Card warns that we are behind on investments for both the landside, where ports depend upon an interconnected network of roads, rail, and waterways, and on the waterside, where ports badly need consistent investment for dredging and

upgraded equipment to remain competitive and to accommodate a new generation of larger marine vessels. As to the former investments, the Report Card noted that ports reported a 25% drop in productivity due to congestion during the prior 10 years. On the latter investments, it was noted that Ports rely heavily on dwindling state and local resources for most such investment.

Because the Port of Portland and entities like it play such a critical role in supporting jobs and the American economy, it is imperative that Congress act to support our ongoing capabilities and create new opportunities. As Gus Grissom allegedly remarked about the need for public funds to put an American in space, “No bucks, no Buck Rogers.” In the context of infrastructure, we might say, “No money, no mobility.”

With marine ports and airports playing such a significant role in America’s economy, we must make the investments to keep this industry strong and stable. Other than what is hopefully short-term uncertainty on trade agreements, which I will address briefly below, a lack of investment in trade-related infrastructure is the greatest threat to this economic activity and opportunity. I would like to suggest several ways in which the federal government could maximize its support for a sustainable economic future through investment in trade infrastructure.

The need for significant new investment in infrastructure in our region and around the country is both obvious and well documented. We need to improve our existing infrastructure and invest significantly in new ways to move people and goods. Still, we need to make these investments in a way that prepares for and protects us from climate change and natural disasters. For transportation systems to function and have long-term reliability, we must plan for climate change, extreme weather, and natural disasters. The past is no longer a reliable predictor of the future.

Climate change represents one of the most important challenges for my generation and that of my children. It is past time to get serious about this threat to our existence. It is why the Port of Portland has long had our own emissions reductions goals and supported climate, clean energy, and clean fuels legislation in Oregon. It’s why we are currently working with other local governments in Portland on clean diesel construction standards that we hope will accelerate the use of cleaner equipment in our region in a meaningful way.

The Port has also worked with airport partners to reduce emissions and minimize our impact on the people who live near, travel through, or work at PDX. We have installed preconditioned air and ground power units on all loading bridges – eliminating onsite emissions of parked aircraft. We participated in the Sustainable Aviation Fuels (SAF) Network and will continue to work with airlines and other partners to support the development of SAF use. All PDX shuttle buses run on compressed natural gas. PDX also has one of the largest collections of electric vehicle parking spaces among airports in the U.S. We know we can do more. We know one answer is a far greater reliance on the electrification of transportation and continued pursuit of a cleaner source of fuel for all modes of transportation.

Further, sea level rise, warming, and severe weather events will result in changes to the flow of the Columbia River. Our river and coastal ports are already only as effective as the federal navigation infrastructure that links them to the world. We need both regular investment in the ongoing maintenance of our existing navigation infrastructure – the channels, jetties, locks, and more. We also need to develop resilient systems to prevent and deal with flooding and seismic events.

Any new, significant investment in infrastructure must prioritize projects that increase the resilience against all of these threats. We also must not take big steps in the wrong direction, increasing our dependence on fossil fuels. That's why I was pleased last week to see the **Moving Forward Framework** from the House Committee on Transportation & Infrastructure. This is the kind of comprehensive approach to infrastructure investments that is needed to keep us competitive, safe, and able to withstand the growing threat of climate change and natural disasters.

Oregon has the potential to experience a massive 9.0 earthquake caused by the Cascadian Subduction Zone off the coast. The resulting damage and loss of life could be horrific. But investment in advance of a disaster can mitigate some of the expected impacts. With new investments in airfield infrastructure, PDX can play a crucial part in the region's response and recovery following a major earthquake.

The largest seismic risk at PDX is soil liquefaction and settlement. Following an earthquake of significant magnitude, the ground beneath our runways is likely to settle and spread, cracking and breaking the runway pavement surface and rendering it unusable for aircraft. The Port has spent the past few years studying the engineering and design of a seismically resilient runway for PDX. A runway like this could provide a staging area for the immediate relief operations for the nearly 2.4 million residents in the Portland and SW Washington region, serve as an access point for air operations to the coast and valley, and ultimately become part of the economic recovery of the region and state by allowing a return to commercial operations.

Japan faces similar risks from earthquakes. You likely recall the 9.0 earthquake that struck Japan in 2011, causing a massive tsunami and nuclear emergency and killing over 15,000 people. The devastation was staggering. But the Japanese investments in seismic infrastructure in advance made recovery efforts feasible and, no doubt, saved countless lives.

One of those investments was at the Sendai Airport, where a portion of their runway had been retrofitted to withstand a large earthquake. The airport terminal itself was significantly damaged and was completely underwater for days following the event. Japanese cleanup crew and others were still able to clear off the runway. A mere five days after the event, the United States Air Force was able to land a Lockheed C-130, bringing much-needed food, water, and medical supplies to the Japanese as well as additional heavy equipment as a part of a joint operation with Japanese Self-Defense forces. Larger Boeing C-17s were soon able to land, which allowed Sendai Airport to serve as a base for the entire region. Had they not invested in infrastructure in advance, such heavy-lift aircraft would not have been able to arrive with support so soon.

I personally visited Sendai Airport in 2017 and saw first-hand where the water levels had inundated the terminal building. I spoke with the Director of the Airport at the time of the tsunami and listened as he described how important the airport was to the recovery of the immediate vicinity as well as the entire Tohoku region. That experience reinforced for me the role we expect PDX will have to play when a Cascadia subduction zone quake hits the Pacific Northwest. Strategic investments in resilient runways is indeed smart infrastructure.

Mitigating seismic risks, while costly, is critical. The Port estimates the cost of a resilient runway to be just over \$100 million. We know we will need federal investment and support. An increase in the Passenger Facility Charge – a longstanding priority for our airport and every airport – and included in the Moving Forward package would absolutely help. But we know we'll need a variety of funding sources to make to make this critical infrastructure project a reality.

The Port has another opportunity to be part of the regional solution to earthquake preparedness. The Columbia River may well be needed as a key transportation access point following an earthquake, if roads and bridges are not accessible. The river access at our Marine Terminal 6 could facilitate the movement of fuel and other supplies into Portland. The Port has already constructed reinforced stone columns at two of the berths at T-6. The Port hopes to do more by investing in mobile harbor cranes. These cranes stand on rubber wheels, can be maintained at a location away from the river, and are more versatile in the event of a disaster than fixed cranes. Further, mobile cranes can reduce diesel and carbon emissions.

### Comments on Legislative Proposals

Although there is significant agreement that the United States has fallen behind on its reinvestment in critical infrastructure like that discussed above, the Port of Portland and many others have been encouraged over the last several years at efforts by Congressional leaders and staff to develop proposals that would increase direct federal investment, provide innovative new financing tools for states and local jurisdictions, and also attract private resources to such investments. Many of these ideas seemed to coalesce in the Moving Forward Framework. Although some judgment needs to be reserved until details are worked out, I want to highlight several elements that would be very helpful to the Port of Portland, other such ports and airports, and trade in general.

- **Making Resilience a Priority.** Any infrastructure investments for trade only matter if they can withstand the increasing impacts from climate change and natural disasters. Nearly every port and airport in the country faces these risks – hurricanes, floods, wildfires, tornados, sea-level rise, or earthquakes. Each year, this country grapples with an increasing array of disasters that threaten our public safety, our economy, and our environment and taps federal dollars for disaster recovery and relief. Focusing resources on infrastructure with a more efficacious and efficient life cycle – combined with additional resilience to changing conditions and natural disasters – will pay off for trade and our economy.

- **Increasing Flexibility for States and Localities.** Many of the challenges faced by the Port and other entities like it are complex and involve more than one jurisdiction. Creating a broad range of tools over which we can exercise wide discretion is very helpful.
- **Flexibility in Financing.** Understanding that the infrastructure investments our country must make outstrip current budgetary constraints, the Port and others have focused a significant effort on working with Congress to develop flexible and effective infrastructure financing tools. This includes bipartisan legislation put forward by Representative Blumenauer and Senator Wyden. The Move America Act that both have introduced in their respective chambers, along with Republican colleagues, offers three critical elements: 1) ability to create new financing through subsidized or tax-preferred bonds; 2) flexibility to leverage private resources in situations useful for public-private partnerships; and 3) a significant level of local decision-making for how to use these resources.
- **Investment in Major Projects and Bridges.** The Moving Forward Framework highlights a need to focus on projects of regional importance, including bridges. Dedicating significant resources in these areas is welcome. The Port's ability to continue providing an entire region with access to the world depends upon the effectiveness of a vast network of interstates, bridges, transit assets, and other transportation infrastructure. Interstate 5 is the primary trade corridor on the west coast and the I-5 bridge replacement project between Oregon and Washington is a regional priority. This new project should include high capacity transit, congestion pricing and a structurally-sound bridge, a resilient solution for our region.
- **Increasing Airport Infrastructure Investment.** Because our Port owns and operates Portland International Airport as well as general aviation airports, we see the clear connection between air passenger travel and air freight and trade. Our air cargo operations have grown 34% in the last five years, while we jumped 3 million passengers during the same timeframe. Accordingly, I was very pleased to see the proposed increase in the passenger facility charge ("PFC") in the recent Framework, as well as other funding mechanisms for airports. The PFC is a user fee, capped by the federal government. This cap hasn't been updated in nearly 20 years, which means that it's not keeping up with inflation or addressing the \$128 billion in infrastructure projects needed to bring U.S. airports in line with the needs of travelers. An increase in the PFC will allow airports to prioritize the most important airport planning projects, supporting local economies by creating good jobs and improving the passenger experience.
- **Harbor Maintenance Trust Fund.** The Port maintains the lower Columbia River shipping channel on behalf of the Army Corps of Engineers and other ports along the river. At the start of this year, the Port welcomed the return of container shipping to Terminal 6 after several years without a transpacific service. This is great news for the region's farmers, shippers, and small businesses, as well as for workers. Just last week, I saw the largest ship to ever come up the Columbia – a container vessel capable of carrying 6,500 containers. That would not have been possible without the annual dredging to maintain

the Columbia to a depth of 43 feet. This dredging work ensures we can continue to connect one of the most trade-dependent regions with the rest of the world.

However, we can only move cargo efficiently if the Army Corps of Engineers is provided enough funding to maintain the federal navigation channel and associated infrastructure. Fully spending Harbor Maintenance Tax (HMT) collections each year is a key priority for us, and we appreciate that the House has passed a bill that would not only allow access to annual HMT collections, but also to the longstanding surplus of unspent funds.

While these investments in infrastructure provide the foundation for global trade, strong relationships with our trading partners are also essential. I want to thank this Committee for its work on USMCA. Our region counts Canada and Mexico amongst its most significant trading partners and core businesses in the region's manufacturing base rely on certainty with these trade rules to thrive.

Trade is not an abstract concept in the Pacific Northwest. It brings food to our tables and supports living wage jobs in our communities. It unites our state and region – from high tech manufacturing, like Intel, to footwear and apparel, like Nike and Columbia Sportswear, to agriculture in eastern Oregon. More than 6,000 companies export from Oregon locations annually, and nearly 90% are small and medium sized businesses with fewer than 500 employees.

Because our region is so intrinsically tied to trade, we need stability in trade policies to keep our economies strong. It is our working-class residents who take the hit if we don't. As an example, the tariffs on Chinese goods have had a direct impact on Oregon consumers who, by and large, pay those increased costs. Furthermore, Oregon businesses will pay more for their inputs. Retaliatory tariffs imposed by China on U.S. exports reduces demand for Oregon-grown and manufactured goods.

For example, in 2019, wheat exports to China dropped about a million tons, from 1.3 million the year prior to 300,000 tons. Oregon cherry exports to China were down 75% last summer, which is typically their peak season. But the trade uncertainty goes beyond just China. While uncertainty about the current trade situation with China causes concern for Oregon farmers, the bigger impact is the competition with other countries who remain in the Trans-Pacific Partnership (TPP), which enjoy lower tariffs with our major customers such as Japan.

Fair, open trade policies provide a foundation to help advance American interests. Thank you for your continued commitment to stronger, deeper and more meaningful relationships around trade to help us get there.