

TESTIMONY OF WALT EVANS
ON BEHALF OF PACIFIC NORTHWEST INTERNATIONAL TRADE ASSOCIATION
REGARDING PEMBINA MARINE TERMINALS PROJECT

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BEFORE THE CITY OF PORTLAND PLANNING AND SUSTAINABILITY COMMISSION
JANUARY 13, 2015

FIRST, CHAIR AND FELLOW COMMISSIONERS, THANK YOU FOR THE OPPORTUNITY TO TESTIFY ON THE PROPOSED ZONING CHANGE THAT, WHEN MADE, WILL ALLOW THIS PROJECT TO PROCEED THROUGH THE REGULATORY PROCESS TOWARD EVENTUAL APPROVAL OR REJECTION.

MY NAME IS WALT EVANS, AND I REPRESENT THE PACIFIC NORTHWEST INTERNATIONAL TRADE ASSOCIATION (PNITA), WHERE I CHAIR THE TRADE POLICY COMMITTEE. MY DAY JOB IS AS A LAWYER WITH SCHWABE WILLIAMSON & WYATT, IN THE PACWEST BUILDING. EXCEPT FOR OUR PAID EXECUTIVE DIRECTOR, THE REST OF US WHO ARE ACTIVE ALL ARE VOLUNTEERS FOR PNITA, THE LEADING OREGON AND SOUTHWEST WASHINGTON ADVOCACY GROUP DEDICATED TO INCREASING INTERNATIONAL TRADE TO GROW THE NUMBER OF LOCAL FAMILY-WAGE JOBS AND OTHER BENEFITS LINKED TO INTERNATIONAL TRADE HERE IN OREGON AND SW WASHINGTON.

PNITA IS PLEASED TO TESTIFY IN FAVOR OF CHANGING THE CODE TO ALLOW THE PROPOSED PROPANE EXPORT FACILITY'S CONSIDERATION TO PROCEED. THIS PROPOSED PROJECT, AS WE UNDERSTAND IT, IS ONE THAT DESERVES SERIOUS CONSIDERATION BY THE CITY GOVERNMENT—AND, IN OUR OPINION, EVENTUAL APPROVAL; AS AN EXPORT PROJECT WHICH WILL HELP PROVIDE BETTER JOBS LOCALLY WHICH HAVE A DIRECT LINK TO AMERICAN EXPORTS HEADED TO ASIA.

IN SUM, IT APPEARS TO US THAT THIS IS A PROJECT WHICH WILL STRENGTHEN OUR CITY'S CONNECTION TO THE GLOBAL MARKETPLACE.

PNITA URGES YOU TO SUPPORT A CHANGE IN THE CODE WHICH WILL ALLOW THE PROPANE GAS EXPORT PROJECT TO PROCEED WITH A VIABLE MARINE TERMINAL FACILITY THAT TAKES ADVANTAGE OF OUR EXISTING INFRASTRUCTURE AND OUR GLOBAL COMPETITIVE ADVANTAGE HERE ON THE COLUMBIA RIVER CHANNEL THAT ALLOWS OUR TRADED SECTOR ECONOMY TO THRIVE AND GROW.

PLEASE ALLOW ME TO STRESS THAT DEVELOPING THIS FACILITY ADJACENT TO TERMINAL SIX IS AN IMPORTANT ELEMENT FOR THE PORTLAND-METRO REGION'S ECONOMIC FUTURE. TRADE ALREADY IS A KEY PART OF OUR LOCAL ECONOMY, AS MANY RECENT ECONOMIC STUDIES HAVE HIGHLIGHTED, AND AN ESSENTIAL

COMPONENT IN CONNECTING OUR REGION'S BUSINESSES WITH MARKETS THROUGHOUT THE WORLD.

ALTHOUGH I WILL NOT REVIEW DETAILS FROM THE STUDIES THAT HAVE HELPED US QUANTIFY AND EXPLAIN THE IMPORTANCE OF THE TRADED SECTOR IN OUR LOCAL ECONOMY, I WILL REMIND THE COMMISSION, BRIEFLY, WHY A STRONG TRADED SECTOR ECONOMY IS SO IMPORTANT.

- FIRST, TRADED SECTOR JOBS PAY, ON AVERAGE, 42% MORE THAN LOCAL SECTOR JOBS IN THE PORTLAND-METRO REGION.
- SECOND, EVERY TRADED SECTOR JOB CREATES 2.5 LOCAL-SECTOR JOBS, DUE TO THE NEW MONEY THAT EXPORTS BRING INTO THE LOCAL ECONOMY.
- THIRD, TRADED SECTOR ACTIVITY BOOSTS SMALL BUSINESS GROWTH AND DEVELOPMENT, AS THEIR LARGE SCALE GENERATES SPINOFF FIRMS IN VARIOUS SUPPORTING INDUSTRIES.

TRADE IS AN ECONOMIC SECTOR WHERE OUR REGION NEEDS TO BUILD ON OUR NATURAL AND HISTORICAL COMPETITIVE ADVANTAGE OVER OTHER REGIONS. IT'S AMONG THE ECONOMIC SECTORS THAT ARE HELPING TO PULL US OUT OF THE RECESSION. WE ALL SHOULD REMEMBER THAT:

1. OREGON ALREADY IS THE 9TH MOST TRADE DEPENDENT STATE IN THE NATION
2. OREGON'S BUSINESSES EXPORT MORE THAN \$17.7 BILLION IN GOODS ANNUALLY
3. OREGON IS 7TH IN THE NATION IN TRADE PER CAPITA AND EXPORT VALUE AS A PERCENT OF GROSS STATE PRODUCT
4. THE PORTLAND/VANCOUVER REGION IS THE 14TH LARGEST EXPORTING REGION IN THE U.S.
5. PORTLAND-METRO EXPORT VOLUME IS MORE THAN DOUBLE THE AVERAGE OF TOP US METRO AREAS

PNITA WANTS TO KEEP THIS SECTOR THRIVING IN OUR REGIONAL ECONOMY. WE WANT TO CONTINUE TO PROVIDE GOOD WAGES AND INCOMES TO PORTLAND CITIZENS, AND TO GENERATE TAX REVENUE FOR IMPORTANT PUBLIC SERVICES. WE THINK MOST PORTLANDERS WOULD AGREE.

I ALSO NOTE THAT, IN THIS CASE, PEMBINA WILL BE EXPORTING CANADIAN PROPANE, WHICH, I AM AWARE, IS NOT AN AMERICAN PRODUCT. HERE, WE PROVIDE THE SITE AND THE INFRASTRUCTURE, AND GOOD MIDDLE-WAGE JOBS WITH GOOD BENEFITS—ALL IMPORTANT IN TODAY'S ECONOMY.

MY SHORT "ELEVATOR SPEECH" ON HOW PORTLAND STAYS COMPETITIVE INTERNATIONALLY REMINDS PEOPLE OF THREE KEY ELEMENTS:

- FAVORABLE INTERNATIONAL TRADE LAWS AND REGULATIONS
- AN EVEN PLAYING FIELD IN INTERNATIONAL TAX TREATMENT
- THE MOST EFFICIENT TRANSPORTATION SYSTEM POSSIBLE

AMONG THESE THREE ELEMENTS, ONLY ONE—MORE EFFICIENT TRANSPORTATION—CAN WE STRENGTHEN LOCALLY HERE IN PORTLAND. THAT IS WHY OUR REGION MUST KEEP A SPOTLIGHT ON WAYS WE CAN INCREASE OUR COMPETITIVENESS IN THE TRANSPORTATION SECTOR. OBVIOUSLY, DEVELOPING A SMALL SECTION OF PROPERTY ADJACENT TO TERMINAL SIX WITH A NEW MARINE TERMINAL CAN BE AN IMPORTANT ELEMENT IN THIS STRATEGY.

WE NEED TO CONTINUE TO INVEST IN THE INGREDIENTS THAT ALLOW US TO TRADE BY:

- PUTTING THE RIGHT INFRASTRUCTURE IN THE RIGHT PLACES
- ENSURING EFFICIENT TRANSPORTATION ACCESS TO EXPORT FACILITIES
- SUPPORTING MULTIPLE TRANSPORTATION MODES
- BUILDING FACILITIES THAT MATCH OUR COMPETITIVE COMMODITY TYPES.

THE PROPOSED PROJECT SITE, ADJACENT TO T-6 IN THE RIVERGATE INDUSTRIAL DISTRICT, IS ONE WHICH ALLOWS CONSIDERABLE BANG FOR THE BUCK—OR “BANG FOR THE SPACE” IN THIS CASE. IT PROPOSES EXPANDING THE DEVELOPED SHORELINE DIRECTLY ADJACENT TO THE T-6 SITE. IN OUR OPINION, IT IS A GOOD EXAMPLE OF A THOUGHTFUL EXPANSION OF ECONOMIC DEVELOPMENT WITHIN THE RIVERGATE INDUSTRIAL DISTRICT.

I URGE THE COMMISSION TO CONSIDER THE CONSIDERABLE ECONOMIC BENEFITS WHICH WILL FLOW FROM THIS PROPOSED NEW PROJECT. THE \$500 MILLION INVESTMENT PROPOSED BY PEMBINA IS ONE OF THE MOST SIGNIFICANT CAPITAL INVESTMENTS MADE BY A COMPANY IN PORTLAND. IT WILL GENERATE UP TO 800 GOOD-PAYING CONSTRUCTION JOBS AND 30 TO 40 PERMANENT JOBS. PEMBINA WILL PAY BETWEEN \$12 AND \$15 MILLION IN LOCAL PROPERTY TAXES, PLUS LEASE PAYMENTS TO THE PORT OF PORTLAND. AND THE COMPANY IS NOT SEEKING ANY PUBLIC TAXPAYER SUBSIDY OR ENTERPRISE ZONE DESIGNATION FOR THE PROJECT.

PEMBINA IS CONSULTING WITH THE COLUMBIA BUILDING TRADES COUNCIL TO ENSURE A SKILLED WORKFORCE TO BUILD THE FACILITY AND WITH AFFECTED NEIGHBORHOOD ASSOCIATIONS TO DISCUSS A COMMUNITY BENEFIT AGREEMENT.

PEMBINA HAS EXTENSIVE EXPERIENCE CONVEYING PROPANE BY RAIL. IT ALSO HAS A STRONG COMMITMENT TO A SAFE WORK ENVIRONMENT IN HANDLING ALL ENERGY RESOURCES. ITS PROPOSED PORTLAND FACILITY WILL BE SOLELY A TRANSSHIPMENT TERMINAL, RELYING ON RAILCAR DELIVERY AND UNLOADING

PROCESSES PEMBINA USES AT ITS CANADIAN FACILITIES. NO PROPANE PROCESSING ON SITE HERE IN PORTLAND MEANS THE FACILITY WILL HAVE A SMALL CARBON FOOTPRINT IN PORTLAND.

PEMBINA IS PREPARED TO MOVE AHEAD ON THE PROJECT, INCLUDING AN EARLY RESERVATION FOR THE STEEL REQUIRED FOR THE SITE'S TWO STORAGE TANKS.

AS WE NOTED, HOWEVER, A CRITICAL POTENTIAL ROADBLOCK MUST BE REMOVED. THE CITY OF PORTLAND'S CURRENT E-ZONE OVERLAY PERMITS TRANSPORT OF HAZARDOUS SUBSTANCES BY TRUCK OR RAIL, BUT NOT BY THE ELEVATED PIPE, AS PEMBINA PROPOSES. A NARROWLY WRITTEN AMENDMENT HAS BEEN CRAFTED AND WILL BE UNDER CONSIDERATION BY THE COMMISSION ON JANUARY 13. WE AT PNITA, AND OUR MEMBERS AND SUPPORTERS ALREADY INVOLVED IN INTERNATIONAL TRADE IN OUR REGION, HOPE THE PSC WILL APPROVE THE PROPOSED NARROW AMENDMENT.

MAYOR HALES AND GOVERNOR KITZHABER HAVE SUPPORTED INTERNATIONAL TRADE, AND ARE WELL AWARE OF ITS ROLE IN PROVIDING HIGHER WAGE JOBS HERE LOCALLY THAN DO JOBS NOT LINKED TO INTERNATIONAL TRADE. THE PROPOSED PROPANE EXPORT TERMINAL APPEARS TO US TO FALL WITHIN THE SCOPE OF PROJECTS OUR LEADERS HAVE SUPPORTED IN THE PAST, AND SHOULD SUPPORT IN THIS INSTANCE. WE URGE THE COMMISSION TO SUPPORT THE SMALL AMENDMENT TO THE CODE WHICH WILL ALLOW THE PEMBINA PROJECT TO TAKE SHAPE AND TO PROVIDE ANOTHER PIECE OF THE INTERNATIONAL ECONOMIC JIGSAW PUZZLE THAT STRENGTHENS OUR INTERNATIONAL COMPETITIVENESS.

THANK YOU FOR YOUR CONSIDERATION OF PNITA'S VIEWS ON THIS IMPORTANT TOPIC.