

**Port of Newport / City of Newport
Joint Public Forum
Regarding Port of Newport International Terminal and Log Export Activities
MINUTES
March 19, 2013**

I. CALL TO ORDER

Commission President JoAnn Barton called the Port of Newport / City of Newport Joint Public Forum to order on Tuesday, March 19, 2013 at 6:00 p.m. in the Oregon Coast Community College Community, Room No. 140, 400 SE College Way, Newport, OR 97366, the same being within the boundaries of the Port District.

II. INTRODUCTIONS

Commissioners Present: JoAnn Barton, Walter Chuck, Dean Fleck, David Jincks, Don Mathews.

City Councilors: David Allen, Richard Beemer, Ralph Busby, Mark Saelens, Dean Sawyer, Laura Swanson. Also in attendance from the City: Newport City Recorder Peggy Hawker, Newport Mayor Sandra Roumagoux, and Director of Public Works/City Engineer Tim Gross.

Port of Newport Staff: Pat Albaugh, Pete Dale, Rick Fuller, Maureen Keeler, Patty Benjamin.

Panelists Present: Jim James, Oregon Small Woodlands Association (OSWA); Don Mann, General Manager, Port of Newport; Eric Oien, General Manager, Teevin Brothers; Joe Squire, Project Manager, Oregon Department of Transportation (ODOT); Derrick Tokos, Community Development, City of Newport; Rian vanden Hooff, Ballast Water Program Manager, Department of Environmental Quality (DEQ); Jeff Vermilya, Hancock Forest Management; Jim Voetberg, City Manager, City of Newport; Doug Wills, Chair, Port—City Pedestrian/Vehicle Safety Plan Task Force.

Others Present: Facilitator John Baker and see additional list of attendees attached.

III. MEETING PROCEDURE

Commission President JoAnn Barton explained that the purpose of the joint public forum was to provide accurate, up to date information on the proposal that is before the Port to site a log handling operation at the Port's International Terminal; to provide ample opportunities for concerned citizens to have their questions answered by qualified individuals; and to hear comments at the latter part of the program. She then provided a brief overview of the process to date, including Teevin Brothers' proposal to lease and develop nine acres of Port property for the purpose of accepting delivery, debarking, and storing of logs, which would be loaded onto ships primarily bound for the Far East. Teevin would assume all costs for the development and log handling operation, and would amortize their investment by offsetting lease payments for the initial 20-year term of the lease. In accordance with the City of Newport ordinance, a Traffic Impact Analysis had been done to ensure the city streets that would be utilized could safely and adequately accommodate truck traffic, and development charges would be paid by Teevin for burdens placed on public systems, including transportation, sewer and storm water management, and structural and construction fees. The separate agreements that will exist between the Port of Newport and the shippers are not part of the negotiations between Teevin and the Port. Barton emphasized that transparency was of paramount importance to the Port and the Board of Commissioners. She said to date only land lease term discussions had occurred behind closed doors, as was permitted under Oregon public meeting laws. She added that state agency requirements and regulations would be adhered to by Teevin Brothers in developing Port land. Barton explained the process of using the question cards that had been provided to the audience ahead of the meeting and noted that contact information for the panelists was included on the cards, in case all questions were not answered at the joint public forum that evening.

Barton introduced the public forum facilitator, Dr. John Baker, who provided additional information about the meeting agenda and procedure.

Newport Mayor Sandra Roumagoux explained that the City of Newport recently issued a decision concluding that the Traffic Impact Analysis provided by Teevin Brothers satisfied the City's standards for those types of reports. That decision would be final on March 26, 2013 unless an appeal was filed, in which case a hearing would be scheduled before the Newport Planning Commission. Since the City Council could be a decision making body on that appeal, she said the council members would likely refrain from engaging in a dialogue during the joint public forum in the interest of ensuring a fair, impartial, and objective approach should a decision on an appeal be required.

IV. PANEL PRESENTATIONS

Rian vanden Hooff, DEQ, discussed the risks associated with shipping as they relate to ballast water and bio-fouling (or hull fouling), and the regulations that DEQ administers on the shipping industry to reduce those risks. Referring to a Power Point program, he said studies on global and regional levels have

shown that the most common way for invasive species to be transported is via ballast water and bio-fouling. A variety of regulations related to bio-fouling management will be coming online in Oregon soon; and Oregon, California, and Washington now require mid-ocean exchanges of ballast water to reduce high risk properties. In addition, shipboard treatment of ballast water is becoming more common. He listed the reporting requirements that DEQ requires of ships coming into state waters, and said compliance with those reporting requirements had increased, as had the number of boarding and inspections done by DEQ. DEQ has the authority to impose both criminal and civil penalties for violations; however, the primary enforcement tool is warning letters to vessel owners and operators. vanden Hooff said there were changes on the horizon in terms of ballast water and bio-fouling and he expected a “paradigm shift” at the federal level in the next 6-8 years. Regarding the Teevin Brothers proposal for a log handling operation, he said water quality permits have already been issued by DEQ; there might be a need for a removal or fill permit; air quality permits do not apply; there is no need for a solid waste permit if bark chips are removed from the site for other purposes; and enforcement of noise ordinances falls to the local and city municipalities.

Joe Squire, ODOT, said ODOT’s involvement was primarily around SE Moore Drive and the Highway 20 intersection. He said ODOT had received a request from the City of Newport, with a support letter from the Port of Newport, asking that the speed limit signs at the top of the Highway 20 intersection be moved further east, allowing trucks and other vehicles more time to slow down. He explained that was a warrant issue process requiring legal documents. Another issue was extending the refuge spacing about 400 feet to accommodate more trucks or vehicles. He said ODOT was taking that under review because it could involve roadway width issues. Finally, Squire said ODOT’s interest in the alternative by-pass route would relate to sight distance issues and the intersection with Highway 20.

Eric Oien, Teevin Brothers, provided a brief history and an overview of the company’s operations. He was assisted by Paul Langner and Mike Jacobson, also of Teevin Brothers, who displayed poster board photographs of Teevin’s Rainier operation and an engineered drawing of the proposed Newport log handling yard. Oien listed several reasons that the company thought Newport was a good fit, including close proximity to timberlands, a deep water berth, an excellent labor pool for family wage jobs, and the trucking time and fuel that would be saved by shipping through Newport.

Jeff Vermilya, Hancock Forest Management, explained that Hancock Forest Management is the property management affiliate for Hancock Timber Resources Group and is responsible for managing 238,000 acres of timberland in the western Oregon region. He said Hancock’s core value was good stewardship of those lands and all are certified and sustainably managed. He described the company’s relationships with ports, Teevin Brothers, and the export agent TPT. He said exports had increased at a rate of 5% per year in the Pacific Northwest over the past 15 years. China was a key part of the export program. Russia had been the primary supplier of logs to China but China had now shifted significantly to exports from the northwest and Canada. Vermilya said the Pacific Northwest was expected to have a surplus log supply that would more than meet domestic mill and market needs and still allow exports to Asia, with 30 million board feet of logs going through the Port of Newport’s International Terminal on an annual basis for the foreseeable future.

Jim James, OSWA, explained that the Oregon Small Woodlands Association is a non-profit membership association that looks out for small woodland owners around the state. He said there were over 10,000 small woodland owners in Lincoln County. He went on to say that western hemlock, while a common species in the Coast Range, was highly valued in China. Transportation costs are a key driver in the cost of logging and moving logs from Lincoln County. Having a local market in Newport could save timber landowners up to \$100 per load, which would be a key component in staying competitive. In an average sized harvest, that savings could turn into thousands of dollars to invest in the community. James encouraged the Port, Lincoln County, and the City of Newport to support this project.

Doug Wills, Port-City Pedestrian/Vehicle Safety Plan Task Force, explained that the task force had been charged with collecting input from residents, businesses, and other stakeholders to minimize the effect of increased truck traffic on SE Moore Drive and East Bay Boulevard, and to prepare written recommendations to the Port Commission and Newport City Council to include both short-term and long-term solutions. He recapped the process by which the 16 members of the task force were selected and reviewed the short-term recommendations that the task force had presented to the City, County, and ODOT, including moving speed limit signs further east on Highway 20 and lengthening the turn lane for trucks coming from the east. Wills said the long-term solution of identifying an alternative bypass road would be more challenging, as the feasibility study alone would cost approximately \$200,000. He said the task force was dedicated to finding an alternative route as best it could.

V. SHORT RECESS

The facilitator called for a fifteen minute recess while questions that had been filled out by the audience members could be distributed to the panelists.

VI. QUESTIONS FROM AUDIENCE

Questions for Doug Wills:

- Q. Regarding the right turn from SE Moore Drive to East Highway 20, how will you fix this turn radius?
- A. By moving the stop line back and changing the lane configuration, it will be easier to make that turn. The stop line and changing the left turn lane coming down will help too.
- Q. Many people signed up for the task force in June. Why weren't we contacted?
- A. When the City and the Port went through the list of people who applied, they selected people from the City, ODOT, and the Port as non-voting members, to provide information only, along with people who lived along SE Moore Drive and Bay Boulevard and would be the most impacted by log truck traffic on that route. I was not involved in the process per se, but if you look at the list of task force members, the majority are in that vicinity.
- Q. Both of my sons have been in auto accidents on two occasions involving log trucks. Can you guarantee that this is not going to be a much more likely event given the amount of log trucks on the road daily?
- A. I don't know anybody who can guarantee anything, but I am a former truck driver and my daughter and son-in-law are truck drivers, and I do know that truck drivers today are very, very cautious and there are many safety considerations involved. There have been trucks on that road since the 1980s and there has never been an accident so I am not anticipating that's going to be a problem. Can I guarantee it? No. But I guarantee you the truck drivers are professionals. That's how they make their living and that's how they keep their jobs.

Questions for Joe Squire:

- Q. What would be the route for trucks coming from all areas of the Coast Range and valley, and will Highway 20 be used right away?
- A. Highway 20 is a legal freight route, just like Highway 18, Highway 34, Highway 126, and Highway 101, so they can be used. Highway 20 specifically has a length limit that all truck drivers are aware of from our Motor Carrier Division, and that is 65 feet for a certain type of combination with a single trailer and a tractor. As long as they comply with that, they are legal to use Highway 20.
- Q. I would like to know what you feel the impact of so many log trucks on Highway 20 will have on those that use Highway 20, since Highway 20 is the main route to the valley.
- A. What I feel is not really a factor but statistically Highway 20 has about 5,000 vehicles per day on it, after you get about to Toledo going towards the valley. Of those 5,000 vehicles per day, approximately 20 to 30% on any given day are commercial trucks. As I understand the proposal in terms of numbers, 50 – 60 trucks per day is about a 1% increase in total traffic and about a 5% increase in the number of trucks. That's on the low end. On the high end it might be a 4% increase.
- Q. Why in the traffic study are the speed limits wrong, west on bay blvd 25 and east 35?
- A. This is an old study. ODOT provides comment on it but I would have to defer that question to Derrick or Tim because I was not involved in that particular study.
- Q. Why is Teevin allowed to come so far from their home base along I-5 and along the unfinished curvy Highway 20; it's so dangerous, when they could go to a closer port?
- A. Teevin Brothers, just like every other person who works and plays in America, has a legal right to access US 20. If they, in their economic model, want to haul from wherever they want to haul from, they are welcome to do it as long as they travel legally within the laws of the state and the land. I can't deny them, and nor should we, the right to use a public highway.

Questions for Jeff Vermilya:

- Q. You said the increase in Asian export was due to the economic downturn. Do you anticipate a decrease in overseas exports when the economy recovers?
- A. I can't speak for entire industry but only our own activities. During the economic downturn, we as a large landowner backed off considerably on our harvest activity and left trees to grow on the stump. As a result, there is a tremendous amount of timber standing on the stump that is ready for harvest. As Jim was saying, there is going to be a healthy supply of logs for this market and for our domestic customers, which are vitally important to us all. We will always try to strike the best balance for our communities and our markets.
- Q. Would Hancock Forest Management be willing to pay an additional \$2 per thousand board feet of logs under a Port of Newport wharfage rate of 0.57, the same as the Port of Tacoma, that would be placed in a special fund to assist in financing a Port by-pass road?
- A. I can't say offhand that we would or wouldn't. We and anybody else has a right to use the public roads. As far as an alternate route to be developed, that is a community project. We are part of the community and to the extent we would be obligated consider it.
- Q. Hancock, ODOT, and a few woodland owners east of Moore Road all own property, and if this is such a lucrative operation why don't you build the alternate route on these lands?
- A. To my knowledge, we don't own any land that would be suitable for an alternate route. If, in the course of community studies, there is land that is suitable, we would consider it.

- Q. Would the metric retooling of the mills be a good idea, so that lumber could also be a primary shipped goods?

A. That's a question that would have to be pointed at the milling industry, but it is my understanding that they are in fact doing that. There are a number of local mills in the area that are manufacturing lumber and shipping it overseas to meet the needs of those markets.

Q. Does Hancock Forest Management project increased harvest levels, and if so how much per year? If not, will Newport serve to redirect volume from Columbia River ports?

A. We own lands that are basically managed on a 40 - 50 year old basis, and our log supply off those lands over the long run is going to be fairly stable. It does change with time, based on the age of the trees that are coming to rotation age. As far as whether the Port of Newport would redirect volume from the Columbia River ports, that's a freight and logistics question. It's a matter of haul distance and economics. I doubt that any wood would come from the Columbia River down this way but that's just my opinion.

Questions for Tim Gross:

Q. What is the upcoming storm water project?

A. Before Teevin came along, the City was investigating a storm water problem at the Embarcadero and underneath SE Bay Road. We are in the process of doing an engineering analysis and figuring out the scope of that project and how far it would reach. As part of that project, we anticipate rebuilding the intersection of SE Moore Drive and Bay Boulevard and Bay Road. A number of years ago there was a preliminary plan put together to realign that intersection. There are two parallel sidewalks on the northwest corner. The sidewalk that is closest to the bank is pretty indicative of what the future alignment of that roadway will look like. When the intersection is realigned we will also provide some super-elevation, which will allow vehicles to traverse that corner and hopefully alleviate any spilled loads and problems with people navigating that corner. It will also entail realigning the intersection so that Bay Boulevard will "T" into that intersection with adequate sight distances up SE Moore Drive and to the east on Bay Road. The project is being funded through infrastructure dollars and is anticipated to be funded also through storm water System Development Charges (SDC) fees, probably a large portion of which will be coming from the Teevin Brothers operation because the project is primarily driven by a storm water need.

Q. Who will pay for the major wear and tear that will occur on Moore Road as a result of the extra truck traffic braking all the way down the hill and gear shifting all the way up the hill?

A. The routine maintenance of roadways for any commercial enterprise in the City of Newport is handled by the City of Newport. We don't necessarily tax commercial industries any more or less than anybody else because they have heavier or lighter vehicles, so that will fall under our normal routine maintenance program.

Q. How soon will the work at the intersection occur?

A. We are doing preliminary engineering right now. We will then roll into actual design on that. I expect that we probably won't get to construction on that improvement until late fall or into the winter. That's a project we can do in the off season, which is a benefit because a lot of tourist traffic goes up and down that road. It's going to have a pretty big impact on the Embarcadero and the other resorts, and also some of our producers on the bayfront and the fishing industry. We're going to time it as best we can but it's storm water work and there is a lot of rain in that region so we have balance all those things. It's not an easy project to do for all of those reasons.

Q. Why in the traffic study are the speed limits wrong: west on Bay Boulevard 25 and east 35?

A. The speed limit on Bay Road within the city's jurisdiction, which goes up to Vista Drive on Bay Road, is 25 mph and it is signed as such. As soon as you hit Vista Drive, the speed limit increases to 35 mph going eastbound; likewise as you go westbound, the speed limit decreases from 35 to 25 mph at Vista Drive. I had a conversation with Jim Buisman from the County about improving the signage in there. The speeds going westbound are higher because you're travelling down a hill and people don't think about it—their cars just speed up. Changing human nature is a little bit difficult, and signage is not proven to actually reduce speeds in any way shape or form. You're really just trying to notify people to the best of your ability that they're speeding.

Q. Do the vibrations from heavy log trucks contribute to triggering landslides and can they contribute to triggering earthquakes?

A. Certainly not earthquakes. That's a tectonic plate issue, but landslides? I am not an expert in geotechnical evaluation of that nature but in my observation in this town, and I've dealt with lots of landslides, they're more related to poor land management practices and inundation of water versus vibration. I'm not saying that you couldn't see some land settlement associated with truck or vehicle traffic. You see that in road deformation normally on highways that are built to substandard conditions. The Traffic Impact Analysis is part of that. This road has been handling truck traffic for a very long time. We did a structural analysis of this road and I was actually out when we did the core samples, and I am more than satisfied that this particular route has the capacity to handle these vehicles.

Q. SE Moore Road is a minor arterial. Which other roads are minor arterials?

If I understand this question, they're asking if there any other roads that have similar classifications on which truck traffic can travel. SE Moore Drive was designed to handle vehicles travelling to and from the bayfront, and the only other roads that would have similar capacities are further to the west within the bayfront region itself. The one that comes to mind is Hatfield but without looking at our transportation system plan I don't know off the top of my head what the classification of those roadways are. Anything further west of SE Moore Drive presents all kinds of other issues associated with trucking traffic so I don't think anybody ever really considered that.

Questions for Derrick Tokos:

Q. Did the City waive Systems Development Charges (SDC) and why is Teevin exempt from SDC?

A. Anybody who is developing in this City is generally subject to SDCs. The City has a program for that and it has to be based on a very sound and thorough methodology. It also includes credits in certain circumstances. The city has not waived any SDCs. Teevin is required to pay SDCs upwards of \$200,000 related to storm water impacts due to the fact that they're paving about 15 acres of the property. The other types of SDCs the City would charge for are transportation impacts and water and sewer impacts. In this case, they have a credit for both and that's built in to the city's methodology. The City provides a credit for equivalent uses that were on the property in the last thirty years. Caffall Brothers log yard was on that property within the last thirty years. We have aerial images showing the extent of that operation in the late 80s early 90s. Therefore, they are not subject to a transportation SDC. With respect to water and sewer, the site already has a one-inch meter on the property. Because it already has a meter and they're not increasing the demand beyond what that meter presents, they are not required to pay an SDC because it's not an increased impact on the system.

Q Why has there been no vote, economic impact studies, or environmental impact studies?

A. With land use regulations, you're dealing more with a deliberate process and the state law spells out how that's done. That does not involve a public vote. Land use regulations are put in place through public processes by elected bodies and they apply to a wide range of different individuals. We are applying the rules that are on the books to a specific applicant, and in that case we are bound by those rules. We can't ask Teevin Brothers or any other applicant to submit to new rules that are not already required in the city's code. In this case we have a situation where the property has been zoned heavy industrial for decades. The Teevin Brothers project fits within that zoning designation. The only thing we did have on the books that they were required to submit an application on was the Traffic Impact Analysis (TIA). That decision has been rendered and a copy of that decision is available on the City's web site.

Q. Home Depot was not permitted. What's the difference between Home Depot and Teevin Brothers?

A. Home Depot was asking to rezone residential zoned property to commercial zoned property. In that case the rules the city has on its books for rezoning subject an applicant to a different level of evaluation.

Q. What about geologic hazards?

A. The City has a geological hazards ordinance that applies to new development. It does not apply to truck traffic or any other kind of traffic on existing roads. The Teevin Brothers site is outside of the geologic hazard area, so where they are going to be doing a lot of earth work and other activities to prepare for their operation is not in the geologic hazard area. There is going to be some vegetation clearing to improve the line of sight at the road approaches. That is within the geologic hazard area but that type of vegetation clearing under the terms of the City ordinance is not subject to a geological permit.

Q. Why SE Moore Drive? Why route truck traffic to residential areas? Why allow it without reviewing Teevin Brothers lease?

A. We can't look at Teevin Brothers lease. There is no connection under the City's rules between Teevin Brothers truck traffic and the lease the Port has or will be having with Teevin Brothers. With respect to the use of SE Moore Drive, SE Moore Drive has for decades been planned and utilized as effectively a truck route. It has been designed for that type of truck traffic and provides the access to and from the Port facility.

Question for David Allen:

City Councilor David Allen reiterated what the Mayor had said earlier—that the City Council had been advised by the its own City Attorney to refrain from getting into specifics at the public forum because there was a TIA that has been rendered as a decision administratively within the City staff level that could potentially be appealed and come before the City Council, in which the Council would have to look at all the evidence and the entire record and render a decision. So at this point, the Council wanted to be as impartial as possible and just listen, so that if there was an appeal the public could be assured that the Council would render a decision as objectively as possible.

Q. As elected officials of the people of Newport, will you allow the democratic right of the people of Newport to be exercised in allowing the people the right to vote on this critical issue in the next election?

A. At this point the City Council's role is to make sure whatever proposal is coming before the Port Commission complies with City and local ordinances or other statutes that need to be met for this project to move forward. One of the issues is zoning. In this case the property that is to be utilized is zoned heavy industrial and that is an outright permitted use for the facility that is being proposed. There is no zoning issue that can come before the Council because the zoning is already in place and the facility complies with that zoning. That is not an issue that the council can determine. That was determined when the zoning was put in place, and whatever zoning is in place when a permit is applied for is the zoning that applies. We do have the authority to require a TIA through our local City ordinance and Derrick spoke to that. I'm not going to speak to that because ultimately many of you are going to be in the City Council chamber and that will be the appropriate time for us to let you know as a community what we think about that TIA and make a decision that is related directly to this project. If there is no issue that we really can't determine other than a TIA, there is no issue that we can say the voters have the ability to vote on. It seems to me and to many in the community that when this issue came up, although indirectly, as far as the use of the Port facility, it came up before the voters back in 2006 with the bond issue to renovate the terminal project. General issues were discussed but it was clear that when voters were voting for or against the terminal project that was the time at which the community said they wanted to support the port in moving forward with terminal renovation. The people supported it and now the Port is trying to utilize that facility and that land the best way possible based on what the voters told them in 2006. I as a council member cannot interfere with the decision that the Port Commission is making. The only thing we can do as a City is to make sure the City code and the City ordinances are complied with, and we're doing that the best we can. Legally we're doing what is required and what is being asked of us based on the ordinances and the code in front of us.

Question for Mark Miranda:

- Q. Who accepts liability in the event of an accident on SE Moore Drive or Bay Boulevard?
A. The person who caused the accident is liable.

Questions for Don Mann:

- Q. What additional businesses are you evaluating which will result in additional truck traffic adding to the current safety issues?
A. None at this time.
- Q. Jobs and more jobs; promises and more promises. If this is true why won't you release the terms and conditions of the contract with Teevin for the public to examine?
A. At this point the full board has not approved any kind of an agreement. Once a final draft is completed and presented to the board, the commission can direct that the draft be released to the public.
- Q. Do the funds to operate and rebuild the Port facilities come from local taxes and how much has been budgeted?
A. The budget to finish the terminal project is \$26 million. The Port passed a GO bond for the terminal project in 2006. Other funds to make up that difference are a combination of grants and loans.
- Q. Has NOAA been fully informed of the proximity of these log ships?
A. Yes. The berths for the NOAA vessels are outside the navigation channel and it was planned that way from the start of the MOC-P project. We have consulted with the Commanding Officer at NOAA MOC-P about the log ships, and also with the Army Corps of Engineers, the Coast Guard, and the river and bar pilots of Yaquina Bay and Coos Bay.
- Q. What does the Port pay per year in property taxes for its share of public infrastructure costs?
A. The Port does not pay property taxes. The revenue we receive from property taxes, approximately \$70,000 - \$80,000 per year, is less than 3% of our operating budget. We have an outstanding GO bond for the terminal, which is in addition to the property taxes.
- Q. What amount of ship docking income will be guaranteed to repay terminal reconstruction bond debt?
A. There is no plan to pay down the bond with terminal revenue until the Port realizes excess revenue beyond its infrastructure needs, which are considerable, on both the north and south sides.
- Q. When will you get permits to dredge more of the bay?
A. We really don't need to dredge more of the bay. The Army Corps of Engineers is the keeper of the federal channel and turning basin. We already have permits for our project to dredge in front of the pier. We recently asked for an amendment to that permit to allow us to go a little deeper at the base of the pier, which is in process of going through the Corps, National Marine Fisheries Service, and Division of State Lands.
- Q. Who will pay for the dredging where the ships will dock at Teevin Brothers—Teevin Brothers or the Port?
A. The Port, with assistance from a grant from the State of Oregon called the Marine Navigation Improvement Fund. We are eligible for that because our project connects to a federal navigation channel. We have already used a portion of that grant program for our initial dredging and will continue to do that for the rest of the project.
- Q. When will the dock be made available to the commercial fishing fleet?
A. The facility is available to the fleet. We had an agreement with our contractor from the very beginning to make sure our fishing fleet, and especially the distant water fleet, could use the terminal and the facility for offloading gear. At this point they also have access to the face of the new pier. The facility has always been available and will continue to be, except possibly when there is a ship call. We will continue to support our commercial fishing fleet in that manner.
- Q. Is there a better export than logs?
A. At this point, that is the market. Teevin already handles other commodities and it is our goal to also look at other commodities for Newport, especially finished lumber for the domestic market. If there is a time when an international market opens up for wood products we would certainly stay on top of that.
- Q. How can you legally build on wetlands?
A. There is process for that. The permit process in the State of Oregon is very time consuming, and in areas that you actually build on a wetland you have to mitigate for that. There is a cost to the project for that but the process does exist.
- Q. What about gear storage?
A. I assume that refers to commercial fishing gear. We will continue to provide gear storage areas near and at the terminal.
- Q. Does dredging destroy fish and crab habitat?
A. Part of the permit process is that we have to mitigate for any habitat that is destroyed. At this point we have had no issues other than the amendment we're asking for, and we will have to mitigate for clam habitat as part of that process.
- Q. Would the Port be willing to dedicate \$2 of the \$10.57 wharfage fee per 1,000 board feet of logs that would be placed in a special fund to assist with financing a by-pass road?
A. No, because the Port has other large infrastructure obligations.

Question for Jim James:

- Q. How sustainable is the shipping activity if only logs are being shipped here?
A. I have been involved in the industry for over 40 years and the industry cycles up and down all the time. It is never constant. Export logs are traditionally \$50 – \$100 more valuable than domestic logs but

that ebbs and flows. There are a zillion variables that impact whether or not things will be constant at the time but I am not aware of anything that suggests that the supply of logs to Newport would not be constant.

Questions for Rian vanden Hooff:

Q. How do you monitor and control threats from invasive species? What actual preventative action will the Port and the agency provide to see that Yaquina Bay is safe from invasive species? How often and how do inspectors work with ballast water discharge issues?

A. The State of Oregon implemented regulations in 2002 and we have updated those regulations numerous times through statutes and our administrative rules as recently as 2011. Prevention is paramount. To do that we have regulations on the books for ballast water exchange for trans-oceanic voyages like the ones that have been proposed here. It is very clear to vessel operators what they are expected to do and we monitor as to whether or not they are conducting those operations as we expect them to. Obviously we do not have an observer program that puts state inspectors on board trans-oceanic vessels as they transit from foreign lands to here, so we rely on being able to go on board and cross check records. We will also pop ballast tanks and take a water sample to verify that the water has a salinity value we would expect to see over 200 nautical miles from shore. We have a clear compliance verification tool. It is not as robust as we would like but it certainly works for protecting the transfer of fresh water or estuarine waters from a source environment and discharging them in a fresh water or estuarine environment. In terms of inspections and inspection activities, we currently have a half-time position fully dedicated to inspections, and I am also able to get out with some of my time. We have increased our inspection rate to 16% of vessels coming into state waters. Obviously the question in the room is how often will you be coming down to Newport to inspect vessels coming in here? You're better off than in Coos Bay. By pure logistics, the proximity of sending an inspector down on a day trip to board a ship when you only have one ship per month is a lot easier than when ships are coming into Coos Bay. That said, 12 -18 vessel arrivals per year will be 1% of the vessel arrivals in Oregon. We have to look at this from a state program perspective on where the ballast discharge is happening. In terms of volume of what we expect from these activities, it is still going to be in the neighborhood of 2% of the ballast discharge into state waters. That is going to play into our risk analysis in terms of how we deploy our limited inspection resources. In response to an unsolicited comment from the audience, vanden Hooff said, "The answer is not zero".

Q. Assuming hazardous bio-products go into the bay and are not detected at the time, what hazards are possible and what eco-system damage could and would occur?

A. There is a lot of literature available in terms of the scientific community documenting case studies of both the ecological and economic impacts that can result from aquatic invasive species. It can be quite substantial. The Great Lakes is a poster child of the economic effects and cascading ecological effects. San Francisco Bay also has problems. We are well aware of it and that's why we have put those regulations on the books. Oregon is in a good position in that we established the regulations and have the preventive measures before we have any poster child examples of horrible instances of invasions. Since states and other entities have implemented regulations to prevent high risk ballast discharge, there haven't been any known introductions that resulted in catastrophic effects.

Q. Will the sea lions be affected?

A. Certainly if there were a worst case scenario catastrophic cascading effect of the entire eco-system being impacted by an aquatic invasion, I'm not going to say that it's impossible that they could be.

Q. What authorities have you contacted to deal with the dynamics of marine and environmental factors?

A. When the state established the regulations in 2002, and every time we have revisited the regulations to revise them, we have a statewide task force that includes representatives of the maritime industry as well as environmental advocacy groups. They review the literature and information about how to improve regulations that are feasible and practical for the maritime industry.

Q. Everyone was very concerned about the Japanese dock. How will you monitor these ships to make sure invasive species aren't on that level?

A. The difference is that submerged dock was a floating flotilla of biological richness. You would never see that on an operational vessel. Studies and research have taken place in Oregon waters looking at a variety of vessel types, including bulk carriers, and we dove on those vessels to assess their condition. They tend to be very well maintained hulls, clean of bio-fouling organisms. It is to the vessel operators' benefit for fuel efficiency to do this. In addition to our ballast water prevention regulations, Oregon Department of Fish & Wildlife (ODFW) has prohibited species that are not allowed to be transported into state waters or into state lands. ODFW is a resource if there were any vessel that was actually transporting organisms that we know to be bad. We have a mechanism and regulations to prohibit that from happening.

Q. What would be the cleanup procedure for oil and fuel spilled in the bay?

A. I spoke with our oil spill emergency response team out of headquarters. We have geographic specific response plans for every body of water in the state. If there were new activities in Yaquina Bay, I am told they will revisit those plans to make sure they are properly updated. In the event of even a moderate spill, the Incident Command structure is launched, which includes the Coast Guard, DEQ, and ODFW authorities. There will be a response of considerable resources of people, including the contractors who are contracted by the State to respond on very quick notice. The Port of Newport also has a spill response plan.

Q. Is there a penalty for toxic run off to the bay and who is going to be responsible for paying for the clean up?

A. The EPA and DEQ administer the national pollution discharge elimination system, which is basically a permitting system to reduce and control the amount of pollution that can come off of storm water or any

other discharge stream. The permit holder is the responsible party and there are penalties for failing to comply with the permit.

Q. How will you monitor carbon monoxide levels generated from the trucks?

A. With the exception of ballast water discharge from vessels, mobile sources of pollution and discharges are regulated by the EPA

Q. How and how often will you monitor the noise levels from the trucks and debarking operations?

A. Noise ordinance and enforcement are a local City and County administered program. Debarking did not require a solid waste permit because it will be controlled, collected, and trucked to an off site facility for fuel bark chips and other resources.

Q. How are toxins such as herbicides that drift off the property dealt with and monitored?

A. NPDS permit is what we have for dealing with onsite pollutants and whether they are properly contained. That permit has specific criteria for monitoring and enforcement and there are penalties for non-compliance.

Questions for Eric Oien:

Referring to Joe Squire's comment about trucks on Highway 20, Oien pointed out that there would not be a big net increase in trucks traveling on Highway 20 or Highway 101 because the trucks are already there. The timber is being harvested in Lincoln County and trucked elsewhere, so the trucks will be on the same roads they are already on, just heading to a different destination. For clarification, he said Teevin Brothers would not be doing any trucking into Newport. The trucks that will be hauling are already operating down here.

Q. What will the hours of operation be?

A. 7:00 a.m – 4:00 p.m. Monday – Friday.

Q. Can trucks be ticketed for showing up early?

A. No. If a truck arrives early, it will park alongside the facility and not on the city street.

Q. What will be the operation hours for the debarker and support machinery?

A. 7:00 a.m. – 8:00 p.m. and the debarker and support machinery do not violate the noise ordinance.

Q. How many trucks per day will haul the bark away?

A. 1 – 2 trucks per day.

Q. How are Oregon logs utilized in China and will any be coming back here in manufactured form?

A. No. All logs from this part of the country are manufactured and consumed in China.

Q. What is your 24-month safety record regarding brake failure on log trucks?

A. We do not currently have any accidents attributed directly to brake failure. We are required to maintain a safety record with the Federal Motor Transportation Association that covers securing of cargo, equipment maintenance, and driver competence called CSA scores. Teevin just went through its first audit and has a very good CSA rating.

Q. Teevin has no current operating authority with the Federal Department of Transportation. Why are your trucks still on the road?

A. Unprocessed locally produced commodities do not require federal operating authority.

Q. Where will the trucks ditch if they have problems?

A. There won't be a runaway truck route. I can't tell you where they would ditch.

Q. What is the stopping distance required for a fully loaded log truck going down SE Moore Drive?

A. Given that the trucks will be starting from a dead stop at the top, they won't likely achieve the 25 mph speed limit. The log yard manager is a former truck driver and his guess is 150-feet.

Q. When a trucker puts his foot on the brake, how much time elapses before the air brake begins to operate?

A. It is almost instantaneous. If air pressures drop below a certain level, a truck brakes automatically and shuts itself down.

City Engineer Tim Gross asked to address the questions about runaway vehicles at the bottom of SE Moore Drive. He explained that super-elevation is a factor in the design process of intersections and curves and in the geometric design of highways and roadways. Super-elevation is an embankment similar to a NASCAR track that would allow a vehicle to literally take a curve of its own accord, even if the driver's hand were off the wheel. Super-elevation also helps to keep loads on vehicles and prevents trucks from rolling into intersections or parking lots. He said the SE Moore & Bay Boulevard/Road intersection would be built with super-elevation to meet the design speeds associated with that particular roadway, alleviating issues associated with taking that route from SE Moore Drive to the east, because that is the through route.

Questions for Paul Langner:

Q. Is it not possible to reroute the trucks so they don't have to come down SE Moore Drive?

A. We wish there could be but there just isn't right now.

Q. What is the issue with your Crabtree operation?

A. This is a land use issue that because of the operation of a railroad. We are in litigation so we cannot go into details but we are operating on a site that has been a mill site for many years.

Q. What is Lincoln County going to get out of this?

A. Being a community means a lot of things. We are bringing an opportunity for jobs, opportunities that exist for Newport because of market conditions; an opportunity to bring logs back here as they were here many years ago. In Rainier, kids graduate and move away due to lack of opportunities. By doing this

project we are giving kids in Newport an alternative to look at. I'm sorry it has to go down this road, but if we don't do this project, we're missing opportunities.

The facilitator called for a brief break.

VII. PUBLIC COMMENT

Comments were limited to three minutes per individual.

Darlene Noregaarden: She is a home owner and has business interests on Bay Boulevard. This may have been a truck route a long time ago but is now a home owner, business, and tourism route. She is afraid the log trucks will hurt home values and business interests.

Pat Ruddiman: He has lived in Newport for 50+ years and many in his family left the area because they couldn't find jobs. He stayed and became a longshoreman, and this project would allow his job to continue in Newport.

Mike & Christy Peterson: Mike and Christy Peterson's presentation would have included a DVD but the machine would not function. Mike Peterson displayed an advertisement that was placed in the Newport News Times by Teevin Brothers that showed a photograph of a Teevin log truck and truck driver. They cited an accident in 2011 in Kalama when the truck driver shown in the ad was involved in an accident, resulting in damage to other vehicles and a shop. Christy Peterson listed Teevin Brothers' safety record and other log truck accidents that had occurred in the Oregon over the last year. They concluded by stating that heavy industry and residential areas don't mix.

Yale Fogarty: Fogarty is the president of ILWU Local 53. He suggested that the residents who live in the area could form a Local Improvement District and pay for a by-pass road themselves. He also objected to the Peterson's reference to an individual Teevin truck driver.

Lloyd "Oly" Olson: Olson displayed a chart showing Newport export trends for the past 30 years. He said no public hearings had been held when John Moore Road was identified as a truck route in 1989, and said a by-pass road with a target date of 2000 had been included in the City's Comprehensive Plan but was dropped. He said he supported the re-establishment of export and the forest land owners' right to harvest and sell their product, but could not support the use of SE Moore Drive as a safe transportation corridor. He suggested that the Port, City, and State should develop a by-pass road.

George Mpitsos: Mpitsos spoke about nonlinear dynamics as it relates to the increase of trucks on the highway, invasive species, and ecology.

Dave Shelshear: Shelshear said he was with "Friends of Newport". He said the project was wrong for Newport, Yaquina Bay, and the State of Oregon. He went on to address the lawsuit involving Teevin Brothers in Crabtree, OR.

Dee Shannon: Shannon is the General Manager of the Landing condominiums at the bottom of SE Moore Drive. She said she listens to "near misses" every day and is afraid that if log trucks are added to the traffic dynamic there will be accidents. She cited the economic contributions the lodging industry makes to the region and voiced concern that visitors won't return if the tourist attractions are disrupted by log trucks.

Rio Davidson: Davidson expressed concern about uncontrolled industrial activity, clear cuts, noise, dust, toxins, traffic accidents, hazards to commercial and recreational boats, and discharge of toxic effluence. He said taxpayers were being asked to subsidize a commercial activity that would have an adverse economic and ecological impact on the community and urged the citizens of Newport to decide what they want for the community and take action.

Chuck Gerttula: Gerttula is a Port of Toledo board member. He said one of the mandates for ports is economic development, and successful economic development is not an easy process but leads to more economic development throughout the region. He pointed out that the log ships will increase Newport's qualification for congressional funds for dredging, which will make the channel safer for the fishing fleet and recreational boats. Gerttula said he would recommend that the Port of Toledo Board of Commissioners issue a letter of support for the Port of Newport's log handling project.

Stan Shell: Shell read a series of questions pertaining to the frequency of boat inspections, safety modifications to Highway 20, trucks arriving early to the log handling yard, the timing of improvements to the Highway 20 intersection, the noise level of the debarker, and retirees' economic contribution to the community.

Rob Halverson: Halverson said he was a longshoreman and former Port Commissioner who had been raised in Newport. He said the movement of commerce had been clearly stated in the bond measure and the cargo could have been anything; it just turned out to be logs. He cited 466 school district students who have been listed as homeless and attributed that statistic to the lack of family wage jobs in the area. He said Teevin could provide some of those jobs and help the Port fulfill its state mandated task of bringing economic development to the region.

Giovanni Catalano: Catalano is a family physician who moved to Newport with his family, including six children. He is concerned about the safety of families living along SE Moore Drive and children who attend the school on that road. He also spoke about irreversible hearing loss due to the decibel levels of heavy industry within 25 feet of a residence and said studies on that subject need to be done before the project moves forward. He encouraged Teevin Brothers to implement cameras instead of backup beepers on their apparatus, because the backup beepers also create noise.

Rex Capri: Capri had lived in Newport for 59 years. He said he watched many families leave the area for economic opportunities but now some former school mates were returning, after raising their children elsewhere. He said that spoke to their love of the community and an economic upturn in the area, which he attributed to the efforts of the Port and the City and the voters who supported the bond measure to

renovate the International Terminal. He expressed hope that the log handling operation would stimulate more economic growth.

Russ Glasscock: Glasscock is a third generation tree farmer from Eddyville. He said exporting logs through the Caffall Brothers' operation in the 1980-1990s made it possible for his family to pay their taxes and stay in business. He said fuel prices have increased from \$50 to \$85 - \$90 per hour for a log truck, so he looks forward to Teevin Brothers opening up a local market allowing him to send logs to Lincoln County where he lives. He said he understood many people were concerned about tourism but assured the audience that Eddyville welcomes the tourists who drive through their town on their way to Newport.

John Williams: Williams expressed his support for the project and agreed there is a need for better jobs and economic opportunities for the community. However, he said he did not feel that the truck route that had been designated was safe and there needed to be a comprehensive plan for an alternative route. He said that accidents happen and cited his father's death in a crash involving a semi. He said the jobs were desperately needed but urged doing everything possible for the safety of the community.

Sally Card: Card lives in Harbor Village and said she agreed with everyone who expressed concern about the truck route, and she is also concerned about clean air and water. She said the comprehensive plan that Williams had mentioned should be completed before the project moves forward.

Commission President JoAnn Barton thanked the audience for its participation and encouraged those with addition questions to visit the Port's website where contact information for the panelists would be provided. She invited audience members to attend the Port's regular monthly meetings for more information and an opportunity to comment on the project.

VIII. ADJOURN

The Joint Public Forum was adjourned at 9:45 p.m.

ATTEST:

JoAnn Barton, President

Walter Chuck, Secretary