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Diminishing Cargo, Port Problems, Columbia River Crossing, and TriMet aka Health/Benefits Agency

Transportation costs are a huge driver in today's economy, much like it has been since the wheel was invented, and probably before. Over the past few decades, many Willamette Valley canneries have abandoned their operations as the majority of the U.S. populace resides east of the Mississippi, and it costs dearly to get the product from one side of the country to the other side.

Meanwhile, farmers in the Midwest face the same problem of shipping their cargo west – the transportation costs can render them uncompetitive.

In a recent issue (December 2012), I mentioned that Prince Rupert is doubling its container capacity, and it may actually quadruple its footprint. The Canadian National Railway is investing in its own network, thus boosting Canadian transportation.

Midwest farmers now see Prince Rupert as a viable alternative. The containers can almost drive themselves directly on to the ships since no truck drayage is required. And Prince Rupert is a few days closer to Asia than other west coast ports, including Portland.

So what is Portland doing to hold on to its part of the pie? The dysfunction at the Port continues. On the container front, the unions continue to fight with each other, but blame others for their discord. The ocean carriers are worried about PDX operations, so the Port continues to offer subsidies, paid for from rent, to which the unions cry foul, and then everyone circles back to the point of beginning. As for the grain side, the

employees are not happy with their current employers, so they should find new employers elsewhere.

Portland is already at a geographic disadvantage, given its location several hours away from the shoreline. As more cargo finds its way to friendlier and better situated ports, Portland's share of the market will diminish. Some things cannot be controlled, such as geographic locations, but other matters, such as labor, are human being driven.

It appears that we here in Portland are intent on becoming irrelevant to the marine transportation world, an injustice to hard working Oregonians.

Once the business leaves town, good luck getting it back. The union employees can just go elsewhere up or down the coast, a luxury local businesses don't enjoy.

And what about the barricade that is planned to span the river? That's really going to help a lot.

Columbia River Crossing: It's all in the %.

As of now, the scorecard is about 165 million spent on design, engineering and do-overs. Next comes the buy-in by Oregon and Washington. Then the feds need to pony up the balance. The total cost is estimated to be in the 3.5 billion range. For that we get a bridge that at 116 feet is not tall enough for all cargo to pass below.

It is a percentage play. Get much, but not all, of what is required, and live with the consequences. The decision to go with the limited height, with no lift, translates to a world where larger cargo or larger vessels will no longer, ever, go up or down river past I-5. Not once.

Bridges are overbuilt based upon what may occur later on. Not this bridge. It will be underbuilt based upon what is now known, let alone what is not now known.

The current situation is of course a problem and should be rectified. But at least it now allows 100 % of the vessels and cargo to move. 250 million, a big chunk of change but proportionate to the overall cost, gets you a lift, but also more delay and a sad reminder of how flawed and expensive the process has been.

In the dark, it is easy to pretend that the truth is what it ought to be. (from Phantom of the Opera)

As it is, it seems that we are all pretending that this barricade across the entire width of our mighty Columbia won't be a problem.

Thus far the discussion has been on cost and mitigation for the impacted businesses. It has not been on whether a permanent structure should forever preclude passage of instruments of commerce.

The Coast Guard will focus on whether the bridge will impede safe navigation. We will learn whether that includes no navigation for some vessels courtesy of this new barrier.

TriMet: No driver regs, lots of benefits, and some bus service.

It is now widely known that TriMet is not bound by the hours of service regulations that govern truck and over the road bus drivers.

It is also now widely known that TriMet, with its huge overhead, has become primarily a health care and benefits agency, which provides bus service as a corollary operation.

That's it for now. Until next time, keep the cargo rollin'!

The Obligatory Disclaimer

This newsletter is for informational purposes, does not provide legal advice and does not create an attorney-client relationship.

Larry R. Davidson

Attorney at Law
121 S.W. Morrison Street, Suite 1020
Portland, Oregon 97204
503-229-0199 (telephone) · 503-229-0644 (fax)
larry@rollin-on.com www.rollin-on.com

Short Bio

Admitted to the state bars of Oregon, Alaska and Florida. Practicing law for over 30 years and emphasizing transportation law, business law and related litigation.