

Former legislator seeks to bring traffic back to port

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Mannix proposes creation of a public corporation



A tone of resignation could be discerned among reports last month that Westwood Shipping Lines, the only shipping company still serving the Port of Portland's Terminal 6, would discontinue service there.

But Kevin Mannix, a Salem attorney and former state legislator who authored five successful citizen initiatives, had already been seeking to address the port's woes in his role as [project director of the Oregon Shipping Group](#). Mannix spoke at the Rotary Club of Wilsonville June 16, explaining the group's purpose and his vision to create a new corporation that would manage the port and, he says, return some of its business.

In the 1970s, Oregon taxpayers spent a lot of money to establish a container shipping terminal Terminal 6 at the Port of Portland. And it was a success story, Mannix said. By 2003, it was moving some 330,000 containers per year, according to Mannix.

The port began to entertain proposals from businesses that could manage it after the 2008 recession, and the Philippines-based International Container Terminal Services, Inc. (ICTSI) assumed control of the port in 2010 on a 25-year lease.

They had never handled a terminal in the United States, and they had never dealt with U.S. labor law and labor unions, Mannix said. Within a couple years, things were going south.

Relations between the International Longshore and Warehouse Union (ILWU) and ICTSI worsened, coming to a head with a 2014 labor slowdown that affected the 29 ports comprising the Pacific Maritime Association. The union said the slow labor was the result of unsafe working conditions; the Pacific Maritime Association alleged it was a strike.

In February 2015, Hanjin Shipping, which was responsible for some 80 percent of the containers coming through Terminal 6, announced that it would discontinue service to Portland. Hapag-Lloyd left in April, and Westwood also departed that month.

The contract dispute lasted until May 2015, when a new contract was signed. Business picked up at ports all along the coast, and although Westwood returned last July, its monthly calls brought a fraction of the traffic that had once used Terminal 6.

The ILWU, in my opinion, has decided to make an example out of ICTSI, Mannix said. And ICTSI, in my opinion, has decided to make an example of how tough they can be about labor relations. So what we have is a domestic quarrel.

Mannix said that at least 1,500 trucks now travel each week from Portland to Seattle to transport freight, and argued that rail connections are being underutilized. He added that the Port of Portland is unique among west coast ports because it is owned by the State of Oregon, rather than by a local authority.

To address the issue, Mannix proposes creation of an Oregon Shipping Authority, a public corporation that would manage the movement of freight that would be established by the Legislature with the Oregon Trade and Shipping Act of 2017.

Mannix points to the success of the State Accident Insurance Fund Corporation which provides workers compensation insurance to Oregon employers and Oregon Health & Science University as examples of how public corporations have succeeded in the state.

The difficulty, he says, would be to ensure that ships be reliably loaded and unloaded at port. Trying to negotiate with the ILWU would be a first step, but if negotiations fail, other means may have to be taken, with public employees working in the place of longshoremen.

Ultimately, this is a state facility, Mannix said. Imagine if the State of Oregon leased out I-5 to a highway management company. And imagine if they hired union maintenance workers, and the union went on strike, and blocked I-5. Would we accept that? We have the equivalent of that going on right now at our port that we built with taxpayer money.

Mannix says pushback from the port is to be expected. In fact, the Port of Portland's executive director Bill Wyatt responded to the proposal in a May article in the publication Port Strategy.

While we are open to new ideas, his proposal doesn't fix what's broken here or globally, Wyatt stated. Among issues with creating a new authority is the concept that would create a redundant government entity that offers the same function as the Port of Portland at a higher cost.

Mannix emphasized the need to seek a new solution to an unacceptable situation, however.

The Port of Portland will say, Hey, we leased it out! And Gee, were doing what we can! Maybe someday the ships will come back, he said. It is not an acceptable situation, and they are a state entity, and they have basically leased out the responsibility.

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