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By [Peter Marsh](#)

Columbia Gateway: Yes to Bulk, No to Energy

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Cruise lines coming into the Columbia River on re-positioning cruises between their winter routes in the tropics and summer cruises on the Inland Passage to Alaska are sharing the Port of Astoria, Oregon with log exports. Photo by Peter Marsh.

The last year has been a challenging one for the ports of the Columbia/Snake River system. Ship calls were at a long-term low of 1,488, although some ports reported the year was a good one for exports of grain, lumber, minerals, and imports and exports of automobiles. The loss of container service to Portland has reverberated throughout the region, and plans to export energy in the form of oil, coal and liquefied gas have been debated and ultimately rejected at several locales along the River system.

Over the last five years, businesses depending on water-borne cargoes have invested hundreds of millions of dollars since the completion of the channel deepening project on the 110-mile lower Columbia from 40 feet to 43 feet. There have been significant investments in dock, rail and highway infrastructure to streamline the movement of cargoes, like the expansion of the rail freight system at the Port of Vancouver (\$228 million) and potash exporter Canpotex invested \$140 million in its Portland dock, making Portland the largest potash exporter in the US.

The new-built Export Grain Terminal at Longview (\$230 million) was the first to be constructed in the US in 25 years. The groundbreaking design and cutting-edge technology sets a new standard for grain exports in North America, and was followed most recently by Temco's \$50 million expansion of its rail-to-ship grain handling dock in Kalama. These all underline the river's position as the country's largest exporter of wheat and other grains, with more than 40 percent of the US wheat crop handled on the Columbia/Snake River System.

Well more than \$1 billion has been invested since the channel deepening, the Pacific Northwest Waterways Association points out. "This is not a river system that's simply holding in place," said Kristin Meira, Executive Director of the PNWA. "Folks are making hundreds of millions of dollars of investments in their facilities. They are banking on the future of the Columbia-Snake river system," she said. She also notes the importance of maintaining and improving this navigational corridor that extends over 450 miles inland to Lewiston, Idaho.

Energy Exports

Attempts to bring new energy cargoes to the Columbia have also met with disappointment throughout the region. Plans to bring in coal by barge, mid-west oil by train, and natural gas by pipeline have all been debated and ultimately rejected from Morrow on the upper Columbia to Astoria at the river's mouth. In April, the contentious proposal to build the nation's biggest oil-by-train export center in Vancouver, Washington was debated at length by the port's Board of Commissioners.

They voted to amend the lease to extend by a year the final date for the partners, Tesoro and Savage Energy, to meet all their conditions, and stipulated that oil moved through the facility must be "pipeline grade" and destined for domestic ports. If either party is not satisfied, the lease can be terminated. However, they passed the actual decision on to the Washington state Energy Site Evaluation Council. Its recommendation will then go to Gov. Jay Inslee, who makes the final decision on the project. "I think we've ended up with a compromise that allows us to continue through the EFSEC process, but with some defined ending," said Commissioner Brian Wolfe.

Although two previous proposals to export propane from Longview were rejected, Millennium Coal has persevered with its plan to bring up to 44 million tons of coal a year into the port by rail. This would involve building the country's largest coal export facility. In January, Arch Coal, the nation's second-largest coal producer, and a partner in the project, filed for bankruptcy while the plan was under review by multiple agencies from Cowlitz County to the US Army Corps of Engineers.

On April 29, the Washington Department of Ecology's draft environmental impact statement outlined all the potential impacts of the project to air, water, fish, wildlife, and communities along the route from the Rocky Mountain region west. The report found greenhouse gas emissions from the project would be "significant" and proposed mitigation measures that include reducing coal dust and greenhouse gas emissions, improving rail lines, preparing for a higher risk of oil spills and adding a quiet zone for trains passing through Longview.

The first phase could come online in 2020 with two trains per day, increase to five trains per day in 2021 and reach eight coal trains per day rolling through the Columbia River Gorge and Vancouver in 2024. Empty trains would be routed back east through Stampede Pass south of Seattle, "The climate impacts resulting from this increase to greenhouse gases would persist for a long period of time," the report says, "and would be considered permanent."

Kathryn Stenger with Northwest Alliance for Jobs & Exports, which supports the project, called the report an excessive evaluation: "The unprecedented demand to require Millennium to mitigate greenhouse gas emissions that occur on the other side of the globe will create a harrowing process that should terrify any Washington manufacturer or shipper looking to expand its facility," she said in a statement.

Ten miles upriver in Kalama, a new company named NW Innovation Works, a joint venture of British Petroleum and the Chinese Academy of Science, wants to build a \$1.8 billion plant in Kalama to process natural gas into methanol for export to Asia. Company staff moved into the old port administration building in January, but canceled plans for a second larger plant in Tacoma in April. It also has an application filed for a third plant in St Helens, Oregon. Washington Gov. Jay Inslee had embraced the plan as a boost to the state's clean energy future.

Port of Portland: Back to Basics

The Port of Portland, currently celebrating its 125th year of operation, logged 352 Vessel Calls in 2015. They comprised 60 loading grain, 137 loading minerals, and 127 landing automobiles from Hyundai, Honda and Toyota as well as sending Fords to China and Korea. Upgrades to Columbia Export Terminals' grain handling and storage in Portland cost \$44 million. However, the coast-wide labor dispute between the Pacific Maritime Association (PMA) and International Longshoremen and Warehouse Union (ILWU) that was resolved in May 2015, did not end the continuing issues between ICTSI, the operator of the Port of Portland's container terminal, and the ILWU.

Low productivity and high costs caused Hanjin and Hapag-Lloyd to terminate service at the Port of Portland a year ago. "The recruitment of new trans-Pacific service is critical to the region and is a priority for the Port of Portland," stated a port representative. "While work-arounds in the absence of robust container service at Terminal 6 exist, the Portland region cargo market of 336,000 TEUs per year has the potential to support two weekly non-competing, transpacific container carriers."

EPA and the Superfund Site

The Port of Portland became the first party in 2003 to sign an "early action" cleanup order with the US Environmental Protection Agency for the Superfund site on the lower Willamette River. The cleanup at Terminal 4 dredged approximately 13,000 cubic yards of contaminated sediment, stabilized and improved 850 linear feet of shoreline, and capped approximately 8,000 square feet of contaminated sediments. The port expects the EPA will release its Proposed Plan for the larger Superfund cleanup in May.

Steady Revenue, Continued investment

The Port of Vancouver, Washington is celebrating another record-breaking year in 2015 with 311 ship calls, \$38.2 million in operating revenue and total import and export cargo of 6.95 million metric tons, a nearly 5.5 percent increase from 2014. Because of a broad-based commodity portfolio, the port is able to keep goods moving despite fluctuations in the world market. The port is well-positioned to take advantage of any increase in commodity demand for wind energy, automobiles and grain.

Grain – wheat, corn and soybeans – continues to be the port's largest export by volume. Soybean exports grew by an impressive 58.6 percent. "Our docks are busy, our industrial facilities are full and we're making great strides on critical projects like Centennial Industrial Park and the waterfront redevelopment," said port CEO Todd Coleman. "We've added some great folks to our world-class staff to make sure we're growing thoughtfully and planning for the future."

United Grain Corp. moves the majority of grain at the Port of Vancouver. For years the company has partnered with the port to invest in facilities that take advantage of increased rail capacity from the port's West Vancouver Freight Access project, supporting the region's ability to respond to demand from the competitive and growing global grain market.

Overall imports increased by 12 percent in 2015. Much of the increase was fueled by gains in steel and project cargo, which require the Port of Vancouver's unique equipment capabilities and laydown space. Steel slabs, a new commodity for the port in 2014, took total steel import tonnage to 770,627 metric tons – an increase of 30.5 percent from 2014 to 2015. Project cargo, such as massive transformers handled at the port for a Bonneville Power Administration energy project, doubled.

It was also a great year for the Port of Vancouver's partnership with Subaru of America Inc. The Japanese automaker signed a lease extension extending its partnership with the port until at least 2030. Subaru's imports grew to 90,183 vehicles – a 10 percent increase over another record-breaking number.

The port will also continue redeveloping a 10-acre site it owns on the Columbia River. Known as Terminal 1, the site is the port's birthplace and home to its first warehouse, built in the 1920s. When fully developed, Terminal 1 could feature a public marketplace, new hotel, retail and commercial office space, and visitor amenities.

Longview: "Washington's Working Port"

The Port of Longview was established in 1921 in Southwest Washington, 66 miles from the Pacific Ocean, and now comprises eight marine terminals and waterfront industrial property. The port handles all types of bulk commodities such as steel, lumber, logs, grain, minerals, fertilizers, pulp, paper, plus breakbulk shipments including wind turbines, project and heavy-lift cargoes. It has recently adopted "Washington's Working Port" as its new slogan and logged 252 calls.

The Port's Berth 4 was built in 1927 for the Continental Grain Co. who operated it until the late 1980s. For the next decade, the dock was used as a lay berth to park ships waiting to unload. The Port removed the timber decking and 1,000 creosote-treated pilings in 2015, and is now in the final phase of constructing seven new dolphins that will serve ships waiting to be loaded. The port also owns the undeveloped 280-acre Barlow Point on the waterfront four miles west of the main facility. KPFF Consulting has been chosen to create a master plan for the property.

In 2015, Port commissioners rejected a plan for a propane export terminal near Berth 4. In January 2016 they unanimously voted to appoint the COO Norm Krehbiel as Interim Chief Executive Officer. Norm joined the Port in 1993 as the Director of Facilities and Engineering, and moved up to the post of Deputy Executive Director In 2008. He is a professional engineer and land surveyor with more than 34 years of marine and related engineering experience.

Washington's 2015 Port of the Year

Among numerous awards, the Port of Kalama capped a successful 2015 by being honored with the Washington

Public Ports Association's President's Port of the Year Award. The Port was acknowledged for its ability to combine long-term vision and innovative planning to create jobs and a business-friendly climate, and improve the community's quality of life.

The Port is located on the Columbia River from Mile 72 to mile 77 and is served by the Burlington Northern/Santa Fe and Union Pacific railroads. Between 90,000 and 100,000 rail cars arrive at Port of Kalama each year, carrying between 8 and 11 million tons of grain: mainly soybeans, corn, milo, and many grades of wheat, coming from as far away as Montana and North Dakota. There were 162 ship calls in 2015, including several importing a total of 434,680 tons of steel coils.

The 30 businesses on the port's property have over 850 employees, including RSG Forest Products and Emerald Kalama Chemical docks. The City of Kalama Planning Commission recently approved the Port's Master Plan to develop 70 acres of port property into the Spencer Creek Business Park. More than 300,000 cubic yards of sand from the North Port was laid on the new site to settle the ground in preparation for construction.

Port of Morrow Cold Storage Plant

Port of Morrow, Oregon's second-largest port by area, is located at Mile 271 on the Oregon shore of the upper Columbia. The port's Boardman Industrial Park has more than 2,500 acres of industrially zoned land. Occupants are mainly food processors, including Lamb Weston's French fry plant, Oregon Potato Company's potato flake plant, and Boardman Foods' onion processing plant. Other tenants are Barenbrug USA which cleans and ships grass seed all over the globe, Oregon Hay Company compresses alfalfa and other forage crops for export to Asia and CLD Pacific Grain terminal ships Inland Empire wheat worldwide.

These companies keep tens of thousands of tons of potato and onion in local warehouses, so Port of Morrow Warehousing built a new cold storage that can accommodate more than 40 million pounds of frozen products. It opened last September, operating 24 hours per day with 27 full-time employees. Within a month, it reached full capacity of frozen potatoes, fruits and vegetables at -6 degrees F. On a busy day, they can offload as many as 50 trucks or load rail cars at four rail bays.

The Pioneer Ports

Located at the end of the Columbia-Snake River System, 465 river miles inland, the Port of Lewiston has shipped around 60 percent of Washington and Idaho wheat by barge to ports on the lower Columbia River. The three-year average total of bushels handled at LCT is the largest in history at 22,500,000 bushels, according to LCT Manager Arvid Lyons.

LCT is a cooperative of more than 2,000 grain growers who farm more than 17,000 square miles in the Palouse and Camas Prairie areas and deliver their grain to over 40 county elevators. That grain is then delivered to LCT terminals at the Ports of Lewiston and Clarkston throughout the year, where it is marketed to export companies. Lewis-Clark Terminal has a combined storage capacity of 7.5 million bushels.

The port successfully operated the USA's only long-term container-on-barge service to Portland for many years, enabling pea and lentil farmers to export their products in containers. Over the summer of 2015, the only alternative was to truck their products to Tacoma by road. The higher cost of transport and strong dollar completely changed the economics of this business.

In November, the Port of Portland, Ports of Morrow and Lewiston, Tidewater barge company and Northwest Container Services partnered to create a monthly container service on the upper river. Containers loaded on barges in Lewiston unload at the Port of Morrow in Boardman, Oregon, where they will travel by rail to the Port of Tacoma or Seattle for shipping overseas. The port also offers an alternative route for bulk cargoes destined into Canada, Wyoming, Montana, North Dakota and beyond.

Good News for River Trade

On Feb 9, Judge James Robart of the US District Court's Western District of Washington ruled unequivocally in favor of the federal government and dismissed the merits portion of the Snake River Programmatic Sediment Management Plan (PSMP) lawsuit. This ruling is a clear win for those who value a balanced approach to maintaining this vital trade corridor.

"This ruling is very positive news," stated Kristin Meira of the PNWA. "We are pleased that the Court recognized the Corps' thoughtful approach to maintaining navigation on our river system while addressing the needs of our migrating fish. Through the PSMP, the Corps has created a plan that gives them the flexibility to evaluate sediment in the channel, then determine the most efficient and environmentally friendly way to keep this vital trade corridor open."

Navy Buildings Barged

Lewiston's economy was given a boost by a contract to build five structures the US Navy will use in the decommissioning of Los Angeles-class submarines in Bremerton, Washington. American Alloy, a Spokane manufacturing company of 85 employees, is contracting with the US Navy to complete the project and utilizing subcontractors from the Lewiston area. The units will be shipped by barge to Puget Sound.

"Having access to the river and a high quality commercial dock allowed us to bid on the project," said a spokesman. "By having competitive contractors in the Inland Northwest, it may actually save the government money in the long term by creating competition for this type of work." In the past, the Navy has been limited to companies near Puget Sound.

"This is exciting for many reasons," said Port Commission President Mike Thomason. "A number of local companies are benefiting from this project and that translates to an overall benefit in the local economy. Plus, this project showcases the capabilities of the Port's dock and the importance of the river as a transportation option for local manufacturers."

Astoria

The Port of Astoria has achieved a notable distinction among Columbia River ports, it has a full slate of 24 cruise ship visits scheduled in 2016, continuing a marketing effort begun in 2006. The cruise lines, including Holland America, Norwegian and Royal Caribbean, come into the Columbia River on re-positioning cruises between their winter routes in the tropics and summer cruises on the Inland Passage to Alaska. They arrive early in the day, berth at Pier 1, and depart in the evening. The first call this year was May 4, with the *Crown Princess* at the dock and *Norwegian Jewel* at anchor.



The Port of Kalama, which sees up to 100,000 rail cars each year, carrying soybeans, corn, milo, and many grades of wheat, was named Washington Public Ports' Port of the Year. Photo courtesy of the Port of Kalama.

In addition, the port nearest the Pacific Ocean resumed log processing and exports in 2010 with approximately 12 Asian ships per year. This began despite the misgivings of some community leaders, but the log operation has not affected the cruise lines, and the passengers continue to enjoy the city's historic waterfront and downtown.

The port also welcomes many other customers during the summer including oceanographic research vessels, the US Navy, US Coast Guard, and Army Corps of Engineers.

The port has applied for up to \$10 million in ConnectOregon VI and FEMA grants to repair deterioration and winter storm damage to Pier 2, where fishing boats dock to deliver their catch to the two resident fish processing plants. The port also needs to find at least \$1 million to build a stormwater collection system on Pier 3 to meet Oregon state DEQ's demand to reduce high copper readings in the runoff into the Columbia River.



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