

MANIFEST

A COMMUNITY NEWSLETTER FROM THE PORT OF LONGVIEW

Hawaii Bound Exports Increase

Sause Bros. barges carrying a variety of cargo have run from Longview to Hawaii since November 2002. What began as a once a month event, has grown to a twice a month service.

The Port used to be known as a log exporter and nearly 60 percent of its cargo business in 1990 was logs. However, fifteen years later it's only 4 percent. The Port has replaced its log export business with a variety of cargoes, like those bound for Hawaii. "Many ports are dedicated to a single cargo type. We've changed from a wood fiber port to a varied bulk and break-bulk cargo port," said Gary Lindstrom, the Port's marketing director. "We're not dependant on logs any more."

Aloha Hawaii!

Sause Bros. has been calling on the Hawaiian Islands since 1966. Their Hawaiian fleet provides inter-island and south pacific towage, and distributes west coast cargoes to

island customers. Barge shipments typically take approximately three weeks to make the trip from Longview and regular visits mean that island customers can expect a steady supply of products in demand.

In 2006, Hawaii's unemployment rate is projected to be 2.5% – the lowest in the nation. Construction continues to be a major economic driver of the Hawaiian economy because of low long-term interest rates and an easy building permitting process. In 2005 nearly \$5 billion of new construction was completed and 2006 looks just as promising.

What's in the Barges?

With Hawaiian construction in full force, Sause Bros. barges leaving the Port's dock have contained lumber, plywood, siding, plastic pipe, cast iron pipe, rebar and other building products. These products aren't easily shipped in containers, making barges the best transport choice.

Sause Bros. barges have also carried containers from Longview to Hawaii for Matson Navigation. These containers have held construction materials that can be containerized, such as insulation, as well as other bulk cargo, such as wheat. Recently, Sause Bros. and Matson Navigation put container service to Hawaii on hold because Sause Bros.'

existing fleet is best suited for non-containerized shipments. Container service to Hawaii can resume when new barges are built to better handle containers. This decision does not affect the current amount of non-containerized goods being shipped to Hawaii from Longview.

Win-Win for All

Sause Bros., the Port, and the community benefit from the Hawaiian cargo business. John Sweet, Sause Bros. operations manager, said they are pleased with the efficiency of the local longshore workforce in handling cargo and loading barges. "You have a good workforce and a fine port," Sweet said.

The Hawaiian cargo business has increased Local 21 activity. Handling non-containerized cargo is labor intensive, filling up Port warehouses and creating more union work. In 2005, longshore man-hours increased 10 percent and another 20 percent increase is expected in the first quarter of 2006.

More trucks are also traveling to and from the Port to drop off or pick-up loads because of this business. Additional traffic creates more demand for fuel, food and other services in the community, which in turn creates more jobs and supports local business. [E](#)

From the Port Commission



Walt Barham,
Port Commission President

Greetings!

I am happy to present our latest Manifest community newsletter. A lot has happened at the Port in the past few months and we're excited to share our news with you. Our community is in its first stages of economic recovery and the Port is working diligently to contribute to its progress. The articles on Hawaii bound and wind energy cargoes show two ways how we've differentiated our business; securing new sources of revenue and generating more work for the ILWU Local 21 and the community.

We are also pleased to report on our industrial park redevelopment activities through the sale of property to Simpson Timber Company and R & R Trading. Sell or lease? That was a question we debated long and hard. The opportunities on the table would only happen with a sale and a business decision was made which we think provides long-lasting economic benefit to the community. When these new facilities are built and put into production, they will provide new family wage jobs and support increased port activity. The money from the property sales will be used for new capital projects at the Port, like the industrial rail corridor just completed last year.

Please read on to find out what's been happening at the Port. We have a lot to share. I hope you find our news interesting as well as enjoyable to read.

Best regards,
Walt



Coils of steel rebar, used in building construction, are stored dockside while waiting for the next Sause Bros. barge shipment to Hawaii.



Trucks carrying cargo headed for Hawaii unload regularly. Lumber is in high demand because of Hawaii's construction boom.

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Innovation Powers Wind Energy Cargo Sales

The Port began its venture into the wind energy market with a business trip to Denmark in 2002. By 2003 the first ship had arrived; carrying 60 wind tower sections from a manufacturing plant in Korea and headed for a large wind farm project in Wyoming. In March 2006, 180 wind tower sections, unloaded from three ships, made their way to wind farms in north central Oregon and central Washington. Wind tower cargoes are expected to increase in the future according to Valerie Harris, the Port's business development manager. "We expect two ships to unload wind tower sections in April and monthly visits from ships carrying this cargo will continue in 2006 and beyond."

What's a Wind Tower Section?

You may have seen these massive cylindrical tubes as they travel by rail or truck from the Port headed to their final destination. Wind tower sections, made of over-dimensional steel, weigh between 40 and 60 tons each. Three wind tower sections make up the base for one wind turbine. The wind tower connects to rotor blades that sweep into the air to generate electricity.



Careful handling and specially designed transporters ensure wind tower sections remain damage-free from ship to storage area.

Local Ingenuity Key

Operating all of its own facilities and terminals allows the Port daily access to an experienced crew and regular longshore workers who know the facilities, equipment, and specific handling needs of heavy, oversized cargo.

Local ingenuity took a hand in 2003 when the first massive tower sections were loaded directly from ship to special rail cars for their journey to Wyoming. The project used shore cranes to load the tower sections directly from the ship onto 60 extra-long rail cars. This was the first time in the world that unloading tower sections had ever been done this way.

Wind tower sections are also lifted from the ship and moved to port storage for later transport by truck. The solution created by Port operations and longshore crew moves tower sections from ship to port storage without using trucks, saving time and money. "A great deal of the Port's success in this area is a result of team work between port management, the stevedore companies, and the labor group from Local 21. We are very proud of the results," said Doug Averett, the Port's director of terminal operations.

Handled with Care

Wind tower sections have delicate internal electrical parts, and because they are oversized, the unloading of each tower section from ship to dockside is a sensitive operation. Each tower section must be carefully fastened to two shore cranes by stevedores on the ship. The shore cranes, operated in unison, carefully lift and place the tower section on specially made transport foundations, or transporters, which are fastened by dockside crew.

Once secure dockside, special forklifts are attached to the transporters on either side of the tower section so they can be moved to storage. While in storage, equipment such as the Kalmar Reach Stacker is modified to handle the tower sections needing to be moved in storage or placed on a specially fitted truck for final transport.



A welder works on a wind tower section that's ready for transport (upper top) while ILWU Local 21 longshoremen (l-r) Kelly Muller, Mike Wilcox, and John Philbrook, President, pose for a picture.

Market Makes Sense

According to the American Wind Energy Association (AWEA), wind energy continues to be the fastest growing global energy market segment. Handling this special cargo makes sense to Port

administration. Not only does the Port have a geographic advantage in handling wind energy cargo for projects in the Northwest, it also has a very experienced cargo handling crew. [E](#)

A WORLD OF GOODS

Have you ever wondered where the Port's import cargoes come from and where its export cargoes ultimately go? Examples described below show that the Port handles a variety of cargoes coming from and going to many different locations.

• IMPORTS •

Cargo	Coming From	Used For
Calcined petroleum coke	China/Brazil	Aluminum
Talc	China	Industrial detergents
Wind towers	China/Korea	Wind turbines
Steel	China/Korea	Construction
Chlorite	China	Industrial paints
Pencil pitch	China	Aluminum
Machinery & parts	China/Korea/Japan	Heavy industrial
Oats	Sweden	Cereals

• EXPORTS •

Cargo	Going To	Used For
Potash	Japan	Fertilizer
Soda ash	Spain	Glass
Bentonite clay	Saudi Arabia	Oil drilling
Calcined petroleum coke	Brazil/Australia	Aluminum
Construction materials	Hawaii	Construction
Wood pulp	Europe	Paper



An aerial view of the Port's extensive storage area, conveniently located next to the Marine Terminal Complex. Wind tower sections are efficiently stored prior to transport by rail or truck.

*"The Port's success in this area is a result of team work... We are very proud of the results."
- Doug Averett, director of terminal operations, Port of Longview.*

New Port Neighbors Will Provide Long-Lasting Community Benefit

Recently, the Port announced two property sales that provide significant economic benefit. Two reputable companies, R & R Trading (parent company of NAP Steel) and Simpson Timber Company have decided to invest a substantial amount of capital into local projects, which when complete may provide more than 270 new jobs.

Redevelopment Planning

The sold properties, located in the Port's West Industrial Park, were part of a series of land purchases the Port made from International Paper who owned the land since purchasing the remaining assets of Long-Bell Lumber Company in 1956. "When these properties were purchased,

International Paper operations had clearly wound down and it was the Port's intent to turn them back into productive industrial use", said Ken O'Hollaren, the Port's executive director. "The process of what to do with the newly acquired property was started 15 years ago when a series of public meetings were held to discuss its use."

Since then, the Port has been readying the property for industrial companies such as Simpson Timber and NAP Steel. Property improvements have included the removal of old lumber shed foundations originally constructed by Long-Bell Lumber Company, in addition to improvements made to water and sewer lines as well as surrounding roads.

Final Investment

The most significant property investment made was completed in early 2005: the construction of a new industrial rail corridor consisting of a traffic overpass and 3.2 miles of industrial rail line. In the past, trains going to and from the Port made three road traffic crossings. With an anticipated increase in train traffic, what had been acceptable became unacceptable for safety and traffic congestion reasons. Now trains use the rail corridor's overpass with no interference to road traffic. The final property improvement will be the completion of rail spurs to connect the new property owners to the rail corridor.

Community Benefits

Having these new neighbors at the Port is exciting news. When their new facilities are built, they will bring new jobs to the community and increase the volume of cargo moving across the Port's docks and rail corridor, which in turn will increase longshoremen demand.

What's more, our community has gained two industrial property owners whose property will be assessed and taxed. Property tax revenues generated benefit the community by providing monies to community infrastructure like schools and law enforcement. In addition, the presence of more large property owners will reduce the individual property owners' tax burden by increasing the tax base.

What comes from these industrial investments can only strengthen our community. And, it's not over. The Port still owns more than 100 acres in the West Industrial Park in addition to 120 acres in the East Industrial Park. The Port will continue its marketing efforts so that the Port's industrial properties can be fully developed and leased, providing long-lasting economic benefit to the community. [↗](#)



The first train on the new rail corridor can be seen winding towards the Port's Marine Terminal Complex in this January 2005 aerial. Trains can now carry more rail cars to the Port without encountering road crossings.

"Property improvements have included the removal of old



lumber shed foundations originally constructed by

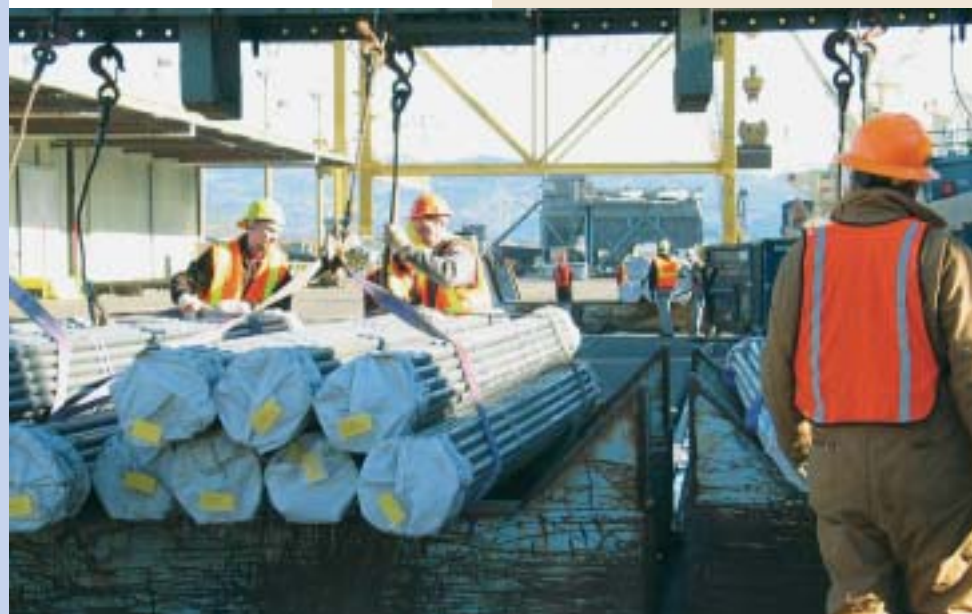
Long-Bell Lumber Company."

T I M E L I N E

The Port of Longview has made significant investments in property development to attract industry and improve marine terminal access. Below is a timeline outlining major developments over the past ten years.

- **1996** - Purchase of 120 acres from International Paper Company (West Industrial Park property west of International Way)
- **1998** - Purchase of 74 acres from International Paper Company (West Industrial Park property east of International Way)
- **1999** - Purchase of 158 acres from International Paper Company (East Industrial Park property and Berth 8 acreage)
- **2000** - Completion of Berth 8 construction
- **2001** - Completion of Brown-Strauss warehouse building and rail spur/rail track
- **2002** - Completion of Fibre Way Overpass
- **2003** - Completion of International Way road improvement
- **2003** - Completion of water and sewer improvements serving West Park
- **2004** - Completion of Industrial Rail Corridor
- **2004** - Remodel of U.S. Cellular building
- **2004** - Renovation of White House
- **2004** - Construction of siding along Industrial Rail corridor
- **2006** - Start construction of Industrial Loop Track serving the West Industrial Park

Note: Project completion dates are listed. Many projects take several years to reach completion.



ILWU Local 21 workers handle a NAP Steel shipment of small bore pipe from China. NAP Steel's new investment will significantly increase the volume of cargo moving across the Port's docks

Our Port's Security: Many Changes Since 9/11

Before 9/11, the Port was open to the public. Unconnected fencing opened to more than five unsecured roads that lead in and out of Port property. Now, the Port's marine terminal complex is fully fenced and securely gated and the Port restricts public access by order of the U.S. Coast Guard (USCG).

New Regulations

The Port's security program is managed by Port operations and security protocols established by the USCG are maintained on a 24-hour, seven-day-a-week basis. "Our security infrastructure and protocols have really changed since 9/11", said Doug Averett, director of terminal operations. "All U.S. ports must comply with the Maritime Transportation Security Act of 2002. This includes having a facility security plan in place that has been reviewed and approved by the Coast Guard."

Port Docks Restricted

The USCG also required that the Port define a restricted area in its facility security plan and close this area to the public. In September 2004, a \$96,000 grant from the Department of Homeland Security helped the Port comply. Now, only the main gate to the marine terminal complex allows access to individuals on official Port or tenant business after identification is shown.

Security Comes at a Price

Owning its marine terminals, the Port, along with visiting vessels, will always be subject to USCG marine security regulations. Since 9/11, the Port spends \$400,000 annually to maintain its security program. Maintaining security is a top priority according to Ken O'Hollaren, executive director.

"Protecting our nation's transportation infrastructure is critical to our country's economy and public safety", said Ken. "We don't see our attention to security changing any time in the near future." [e](#)

Milestones/Longevity:



Ken O'Hollaren,
Executive Director, 25 years



Pauline Reid,
Marketing Assistant 20 years

ANNIVERSARIES IN 2005:

Ken O'Hollaren, Executive Director - 25 years
Pauline Reid, Marketing Assistant - 20 years
George Cress, Director of Real Estate and Planning - 10 years
Jennifer Brown, Analyst/Programmer - 5 years
Duane Dietz, Operator - 5 years

ANNIVERSARIES IN 2006:

Kevyn Davidson, Purchasing Manager - 15 years
Lori Fuller, HR Manager - 15 years
Gary Lindstrom, Director of Marketing - 15 years
Dan Polacek, Reception/Clerk - 5 years
Marie Wise, Communications/Public Affairs Manager - 5 years
Paul Stenlund, Analyst/Programmer II - 5 years

RETIREMENTS IN 2005:

Larry Glaser, Labor Foreman - 27 years

RETIREMENTS IN 2006

John McCord, Pilebuck Foreman - 29 years



It may look like an ocean. But it's really a highway.

It's a highway for international trade that helps businesses, ports and shipping lines move American-made products to global markets—safely, cost-effectively and in an environmentally friendly way.

And that same ocean highway helps us get everything from coffee beans to kiwi fruits to America, at a price we can afford.

As this trade expands, we have to work to expand this global highway. Just as we expand and repave our roads to handle more trucks and cars, we need to deepen our waterways and expand our ports to handle more trade. Trade that is moving on larger ships and in higher volumes, creating more job and business opportunities than ever before.

**America's ports—
We help bring
the world to your door.**

**Commemorating
National Maritime Day
May 22, 2006**

*Brought to you by The American
Association of Port Authorities
www.aapa-ports.org*

MEET YOUR COMMISSIONERS

*You are cordially
invited to attend the
public meeting of your
Port commissioners,
held on the second Tuesday
of each month at 2:00 p.m.
in the Commission Room
at the Port of Longview's
Administration Building
located at 10 Port Way
in Longview, Washington.*

*Please call 425-3305 to
confirm the meeting time
prior to attending, as
meetings are occasion-
ally rescheduled.*

*Three port commissioners,
elected for six-year terms,
act as a board of directors
for the Port.*

*The current
commissioners are:*

*J. Walter Barham,
President*

*Larry M. Larson,
Vice President*

*Daniel J. Buell,
Secretary*



Port of Longview

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