



## A G E N D A I T E M

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**DATE:** *December 31, 2018*

**RE:** *Update on Proposed Shipping Operation*

**TO:** *Port of Newport Board of Commissioners*

**ISSUED BY:** *Teri Dresler, Interim General Manager*

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### **Background:**

Three weeks ago both Aaron Bretz and I received phone calls from Shawn Teevin, President and CEO of Teevin Brothers Land & Lumber. Shawn was inquiring as to the feasibility of starting a log barge operation out of the International Terminal. Shawn described the log operation as a fairly small shipping operation, with one log barge per month. This operation would include approximately 10 trucks per day, per month, delivering logs to a laydown space at the terminal. The logs will be scaled, banded and bunked over the course of the month and then loaded onto a barge, approximately 300' – 350' over a 48 hour period and shipped. The logs will **not** be debarked at the terminal. His initial questions were primarily focused on the feasibility of using space at the Terminal due to the heavy use of the Terminal by the commercial fishing community.

Following this initial set of phone conversations, I sent Shawn rates out of the Port of Newport International Terminal Tariff No. 1, for laydown space, dockage, break-bulk charges, service and facilities charges, and wharfage. In that email I urged Shawn to communicate early on with the commercial fishing community to ensure open communications and positive outcomes. I also sent an email updating Port Commissioners on this inquiry December 6, 2018. As a follow up to that update, Stewart Lamerdin and Sara Skamser requested a meeting of the Commercial Fishing Users Group Committee be scheduled to discuss shared use of space at the International Terminal. That meeting was held on December 20, 2018.

The outcome of the CFUGC meeting was very positive with participants voicing support for the proposed log shipping operation and shared space use within date parameters already outlined in their Commercial Fishing Industry Platform and reiterated at the meeting. Those dates are: November 1 – January 15, and April 15 – May 15. Those dates have been shared with Shawn Teevin and he is willing to try and work around those dates.

On Friday, December 28, Aaron and I had a phone conference with Shawn and his team. In that conversation Aaron and I talked through the information already provided, with the team, regarding Tariff rates and logistics. There were additional questions about power to facilitate a trailer loader, and the potential for bar closures. At the close of the conference it was agreed that Shawn's team would work up a financial pro forma to share with their customers and determine feasibility.

Next steps for Aaron and I include conferring with other Oregon ports and the Port's legal counsel about the proposed log operation. We expect to be in touch with Teevin for an update by the middle of January.