



Oregon

COASTAL NOTES

June 9, 1989

PORTS AND TOURISM SUBJECTS IN COASTAL CAUCUS

by Onno Husing, Legislative Fellow

Tuesday morning's Coastal Caucus breakfast featured Dave Lohman of the Economic Development Department (EDD) and Deborah Kennedy, the state's director of tourism. By arrangement, Kennedy arrived late in the breakfast giving the Caucus a chance to talk ports with Dave Lohman. Late last week a new preliminary report emerged from EDD on regional economic strategies for the state. The report had little to say about ports, but what it did say was disturbing. According to the report (which was drawn up by 13 subcommittees and one overall policy committee) Oregon should not expect to undertake any new major port initiatives in the near future. Rather, the report urged that the state concentrate on "niches" or projects the state can afford. Such a policy means Oregon should concentrate on providing port services for pre-existing industries. For instance, Lohman explained, the findings of the EDD report suggests the state should not undertake to build a new container port in Coos Bay in the near future.

The reason for such limited ambitions, Lohman stated before the Caucus, was that, "The costs are just too high; it would take 150 million dollars to get a container port built there, and at this point we are having trouble just getting the dredging for normal port activities". According to Lohman, the state of Oregon made the mistake twenty years ago about not pursuing port development. At that time, he explained, Seattle and Tacoma pursued an extensive ports program. "They are so far out in front of us that we can't realistically catch up considering the cost of such an effort".

Lohman stressed that the report was just "a first cut". The purpose of the document is to organize some proposed economic strategies for the state and then, "to take it out to the people, get feedback, and ask for a mid-course correction." Lohman noted there was a board to oversee the implementation of the report. Then, in two years, another document referred to as a "progress report" would be made to the next Legislative session. In the meantime, Lohman promised he would furnish the Coastal Caucus some of the background documentation that led EDD to conclude that Oregon should limit its port initiatives.

Representative Hanlon asked about some reports that the Ports Division at EDD was going to be abolished. Lohman noted that it would be a great mistake for EDD to try to do everything given the limitations on staff. Lohman clarified his remarks in saying that "a distinction should be made between issues related to shipping and issues related to transportation". He pointed out that EDD does not know too much about "intermodal connections" (a transportation term for connecting points between rail/highways/ports/airports). However, EDD does know something about dredging. Therefore, Lohman believes that the ports division at EDD should concentrate its energies on "water-related" activities and rely on other Department's areas of expertise where appropriate.

When Deborah Kennedy arrived the subject quickly changed to tourism. The Caucus has been concerned in recent months that the Department was

not working as effectively as it could with private organizations that promote tourism. Two examples given by the group was the financially strapped Oregon Coast Association (OCA) (which has been in existence for over 50 years) and the *Oregon Coast Magazine*. With respect to OCA, Kennedy was told that OCA was getting a great number of information requests regarding tourism but that they did not have the funds to respond to them. Kennedy said that this problem was not unusual, stating that there were a number of private groups around the state that wanted state money but that the Department only has a limited budget. She noted that OCA representatives did participate in a tourism conference in March and that she was aware of their concerns.

With respect to the *Oregon Coast Magazine*, she responded that the magazine was largely delivered "in-state". As a result, any future work with that magazine would be most effective during the winter months. Kennedy explained that tourism interests have reported to her that they are doing well in the summer, but that more tourists in the winter would make a great contribution to that industry. According to Kennedy, "winter tourists" are much more likely to come from in-state rather than from California or elsewhere. Kennedy showed some of the latest tourist ads directed at promoting winter tourism including a "storm-watching" ad.

Kennedy spoke about the Tourism Division's use of magazine ads in California. She noted they were getting a lot of positive feedback from these ads and a high rate of information requests.

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Once individuals request information, she said, they are quite likely to come to Oregon. Therefore, she expects this campaign to continue. When asked whether the Department was going to pursue television as a means to sell Oregon, Kennedy stated that TV was a very expensive but potentially lucrative device. She noted there are efforts currently underway to film such an ad. The Department will try the ad in a pilot program first to test its effectiveness.

Kennedy was asked about the arguments made against trying to promote tourism in the state — especially in the context of providing a transition from logging to tourism that tourism only creates low income jobs. A participant in the Caucus asked, "Are we just going to turn people in the state into bus boys"? Kennedy responded that a recent study on this issue has revealed that tourism in Oregon does not produce only low income jobs. She stated that according to the study, it was demonstrated that fully 70% of Oregon's tourist businesses were owner-operated. She elaborated that the average income for these individuals was \$32,000 a year. Further, Kennedy told the Caucus that only 10% of tourism employees were at the minimum wage, and, that most of these employees benefited by tips. Therefore, according to Kennedy, in real terms their wages were often substantially above the minimum wage.

Representative Schroeder asked about whether the Tourism Department would attempt to have more ads that featured coastal scenes from the South Coast. Kennedy stated that when people made decisions to come to the Oregon Coast it really didn't matter precisely where the picture was taken, only that it was a good picture. She joked (I think), "I don't care if the shot was taken on another planet, as long as it works". Kennedy informed Schroeder that fully 60% of the tourists going to Oregon come to see the Coast and that a lot of the state's tourism budget is spent on the Coast. She also mentioned that interest groups from around the state have complained to her that the coast gets too

much publicity. Therefore, she summarized, she believes the coast was getting more than its fair share of the budget. Further, she understands that some areas of the coast may feel left out but that people should recognize that advertisements featuring one part of the coast work for all of the coast and to a certain extent for the entire state.

Late in the meeting I asked Kennedy if there was any difference between selling soap and selling the state of Oregon. While she didn't say yes or no, Kennedy did offer that one of the best things about promoting Oregon was that unlike many other states it was possible to have a double message. One being a statewide promotion theme and another sub-theme directed at particular aspects of the state (such as the coast or destination resorts).

CORRECTION!!

Susan Brody's (newly appointed Director of the Department of Land Conservation and Development) name was incorrectly spelled (Susan Brodie) in the May 26th *Coastal Notes* issue due to an editorial mistake. I apologize for this error.

Georgia York, Executive Assistant, OCZMA

Quote of the Week:

A lobbyist came into Senator Brennenman's office this week and said the following regarding a major gut and stuff action:

"I told the senator that they were trying to tie the Queen Mary up to my rowboat, and that I was supposed to row it across the ocean!"

CORMORANT HAZING BILL STALLED IN SENATE COMMITTEE

The cormorant hazing bill (HB 3185) is one of those pieces of legislation that is very easy to misunderstand. Without an adequate explanation about the bill's limited scope and the scientific study that accompanies it, the bill sounds bad (frightening birds). In fact, the mail that has been arriving at a number of legislative offices has been decidedly against the bill. As a result, given this lopsided reaction based on an incomplete understanding of the bill, the safe thing for a few politicians here is to oppose the bill. After all, just saying no to a measure to harrass wildlife is far easier than explaining the details of the bill.

As a result, Senator Springer, chairman of the Senate Agriculture Committee, has delayed any action on the measure. Several others on the committee have also expressed their reservations. With some probing, however, it seems that those opposing the bill are really not aware of the full scope of the bill. Therefore, those supporting the bill hope that with a little timely education, there may be an opportunity to at least hear the bill in the Senate Agriculture Committee.

In defense of those holding up the bill in the Senate, there is so much going on at this point in the session that it is hard to focus very much attention on new bills (although it's done all the time). In addition, there was so much attention paid to getting the bill through the House that more of the mail in favor of the bill should have been directed at key Senators - like Springer. Instead, there was a flood of mail in support of the bill going to Representative Paul Hanneman (the chief sponsor). Copies of some of that favorable mail has been forwarded to Springer's office. Even so, the Senate is a very different body than the House. As a result, just because the bill sailed through the House, the more liberal Senate might resist the bill even if it gets out of committee. More next week on this issue.

OREGON CONGRESSMAN FAVORS OIL AND GAS DEVELOPMENT IN THE NORTHWEST

The current issue of *Sea Technology Magazine* (a monthly publication devoted to offshore technology development, especially offshore industries such as oil and gas and defense contractors based in Northern Virginia) reported this month that Congressman Denny Smith (a Republican from District 5, which includes a large portion of Benton, Clackamas, Linn, and Polk counties) is in favor of oil and gas development in federal waters off the Northwest. Denny Smith made his remarks in a luncheon speech before the National Ocean Industries Association (NOIA) in Washington D.C. NOIA is the major lobby group for ocean industries in the country representing well over 100 large corporations (and smaller outfits). The American Petroleum Institute is a major player in this organization.

According to *Sea Technology*, Smith told his NOIA audience that there would be a great deal of confusion about the issue due to the Exxon Valdez disaster and Northwest oil and gas development on the federal outer continental shelf (noting that the Alaska calamity was a tanker spill, not a blowout from a production platform). Given the current climate in the state that generally opposes offshore oil and gas development, Smith's position appears unique for a political figure in the state. I am unaware of any other politician that publically favors such development. Since Congressman Smith does not have any coastal constituents, Smith might not be familiar with the heated opposition such development has engendered.

ANOTHER ATTEMPT TO BAN GILLNETTING IN THE LOWER COLUMBIA?

Rumors began to circulate late this week that another attempt to ban gillnetting in the Columbia River might be underway. As discussed last week in *Coastal Notes*, the end of the session is upon us. Therefore, all bets are off except one - expected the unexpected! The Legislature isn't much fun this time of the year. Gutting and stuffing bills becomes the rule rather than the exception. Everyone is on an "hour" notice that a work session could be started up and action could be taken on a bill. As a result, it is all too easy to miss something vital to your interests as a result. In fact, in the House there is even a "half hour" notice.

As a symptom of the increased tension, yesterday on the Senate Floor

one senator tried some fancy parliamentary strategy to free a bill from a committee to the Senate floor for a vote without support from the committee. Based on Oregon's strong committee system, this is a highly unorthodox thing to do and entirely runs counter to standard operating procedures. Reportedly, one senator tipped off President Kitzhaber and the strategy was defeated. During the exchange on the floor things got really hot. This is highly unusual since the Senate is usually sedate. After a tirade by the one senator trying to move the bill a very influential senator requested that the Sergeant of Arms seize and remove the Senator! Unbelievable!

This is not the same institution it was even a week or two ago.

OCEAN SCIENCE NEWS FEATURES NEW OIL SPILL TECHNOLOGIES

Previous issues of *Coastal Notes* have discussed oil spill technologies that could have been used to clean up after the Exxon Valdez oil spill. In addition, we reported earlier that the Coastal Caucus sent a staff briefing document and a letter to our Congressional Delegation requesting an inquiry into why these technologies were not utilized, with copies to *Sea Technology Magazine* and *Ocean Science News*. This week's edition of *Ocean Science News* has devoted a large article to the Coastal Caucus letter and support for its points. For those trying to push for these technologies, this is particularly good news since *Ocean Science News* is one of the most widely read newsletters in the marine community. It is hard to find a University program or state agency interested in marine affairs that does not subscribe to *Ocean Science News*. In addition, a great number of federal agency officials also receive this influential publication - and they actually read it! Such coverage will make it increasingly difficult for federal agencies and the oil industry to ignore these technologies.

Fishery Bills Updated

HB3336, the Fisheries Restoration and Enhancement Program passed the Senate floor by a 20-8 vote on Friday, June 9th

HB2735, the salmon hatchery marking bill, passed the House floor easily with no debate on Friday, June 9th

Ocean Task Force Works on Special Management Areas

Legislative Action on Offshore Oil & Gas Stirs Discussion

by Jay L. Rasmussen, Executive Director

While the concepts of Oregon's ocean stewardship area and special management areas were the main items of discussion at the June 8 meeting of the Ocean Resources Management Task Force in Salem, earlier Task Force action on oil and gas and the subsequent fall-out occupied some Task Force interest.

Oil and Gas Revisited

Task Force chairperson Gail Achterman noted that Paul Vogel and several other Task Force members had brought to her attention the problem of how actions of the group are perceived. The Task Force's preliminary adoption of a policy against offshore oil and gas exploration and development in the state's Territorial Sea, had been seized upon by some legislators to establish an oil and gas moratorium in bill form (SB 1152) that quickly passed the House (see last week's Coastal Notes report on floor debate on SB 1152). Vogel expressed concern that not only was the legislature and others jumping to conclusions but that Task Force members must recognize and distinguish their representative roles from that of the Task Force in general.

The concern of legislative preempting SB 630 and the Task Force was echoed by Neal

Maine of Clatsop County, a Task Force member and public school teacher. Maine expressed his district's concern that they were supporting his participation—to the tune of \$3,000—as a policy maker while decisions were being made by others, i.e., the Legislature.

Achterman acknowledged that, in testimony for her boss—the Governor—on SB 1152 she had erred in not making the distinction clear between her role in expressing the Governor's views and her role as Task Force chairperson. One could easily mistake the two and asked for Task Force understanding. Secondly, she cautioned, all members and staff must be careful in explaining Task Force activities. And finally, that the Task Force would be making its final recommendations after all areas had been considered, the entire package reviewed, discussed and adopted by the Task Force for public hearings, and, after subsequent hearings and further deliberations, adoption of the plan. Then the final recommendations will be forwarded to the Land Conservation and Development Commission for adoption.

With an expressed feeling that the last of the legislative

preemptions on ocean management issues was passed—with the Legislature near adjournment—the Task Force moved on from this “shot across their bow.” But not before instructing staff to clearly identify all generated materials as representing preliminary draft material — subject to change.

In a carry-over from a previous Task Force meeting on oil and gas, the Task Force also agreed to include, for consideration when adopting final policies for public review, the following so-called “minority” report:

Oregon will not permit oil and gas development or exploration that significantly adversely affects the ecological integrity and beneficial uses of marine waters within the state Territorial Sea. Research for the public domain would not be excluded by this policy.

This will be considered against the existing and much publicized policy statement that reads: “Oregon will not permit oil and gas exploration and development within the state Territorial Sea.”

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Defining Special Management Areas

While the concept of special management areas was generally endorsed, there was considerable debate and wonderment over exactly what they were, how they would be drawn and what they would accomplish. Are they exclusion zones? Do they include identified mineral development areas? Since management abhors a vacuum, are they precursors to further management by another agency? Task Force staff had identified five specific management area types:

- ocean research natural areas;
- marine parks;
- rocks, island and reef protective areas;
- Heceta-Stonewall Banks; and, the
- Gorda Ridge National Research Reserve.

After considerable deliberation, staff was asked to rework this section. There was a very strong consensus that, whatever special management areas are designated, the Task Force wants to review the corresponding mapping before making a final decision.

Coming up before the Task Force within the next several months will be the subject of "onshore impacts," a subject near-and-dear to the interests of local coastal governments.

