

SPEECH: 2006 Bi-State Metropolitan Forum

Governor Ted Kulongoski

March 16, 2006

Thank you very much, Betsy, for that kind introduction.

It's a pleasure to be with you today, to participate in the 2006 Bi-State Metropolitan Forum.

I want to extend my appreciation to Portland State University and its Institute of Portland Metropolitan Studies, and WSU-Vancouver for sponsoring this meeting on a matter that's near and dear to all of our hearts—a healthy and strong regional economy.

It's an honor to appear on the same program with Mayor Potter and Mayor Pollard, as well as Kip Bergstrom, our keynote speaker, and all the other participants—many of whom I know.

To all of you, I say, Welcome!

I feel especially honored to welcome my longtime friend, Chris Gregoire, Governor of the great state of Washington—a colleague who shares my commitment to a strong, outward-looking and prosperous Pacific Northwest.

Governor—Chris—we're delighted to have you here, and I want to thank you for your leadership in helping strengthen economic development and job-creation throughout our region. Speaking as a proud Oregonian, I can say, Oregon couldn't ask for a better neighbor

and partner than the state of Washington. And Washington couldn't ask for a better Governor than Chris Gregoire.

[PAUSE]

The message I want to bring you today is simply this: The key to strengthening prosperity in the Pacific Northwest lies in collaboration and coordination among the leaders of business and government in Washington and Oregon.

No one can doubt that our region stands on the threshold of great things—great challenges and great opportunities.

On one hand, we confront the realities of global markets and competitors in distant lands—competitors who enjoy huge advantages in labor costs and other factors.

On the other hand, the Pacific Northwest brings tremendous advantages of its own to the playing field—innovative and bold thinking in board rooms, laboratories and classrooms, and in the executive and legislative offices of government at all levels.

We have made vigorous commitments to new technologies and applied science. We have invested in transportation and infrastructure. We have laid the groundwork for bold advances in renewable energy, workforce development, education and training.

Yes, we bring a lot to the playing field, but we must bring more.

While preparing my remarks for today, I happened to remember a Paul McCartney song from the early seventies—one we’ve all heard a million times: “Uncle Albert/Admiral Halsey.”

Whenever I hear that song, I can’t help singing along on the chorus—“Hands across the water, Hands across the sky.” Great song.

Even though the mighty Columbia separates Oregon and Washington, not a day goes by when we don’t extend our hands across the water—in both directions.

A mighty river may separate Oregon from Washington on the map, but it doesn’t divide Oregonians from Washingtonians. We’re in this together.

Every day, more than 60,000 commuters cross the river from Washington to Oregon, and 10,000 Oregonians cross to Washington. This will come as no surprise to anyone who drives through Portland or Vancouver during the rush hour on a weekday.

We all visit beaches in both states. We hike in each other’s mountain and forests, fish each other’s lakes and rivers, and drive on each other’s roads.

But the outreach happens in other ways, too.

Some remarkable collaboration is taking place among universities, community colleges and workforce development boards on both sides of the state line—collaboration that enriches

the future and improves the lives of students and workers. Clark College, for example, has entered into agreements with Portland State University and Marylhurst University that enable students to enroll in these institutions simultaneously. PSU will even offer upper-division classes on the Clark College campus.

The Oregon Simulation Alliance works across the state line to expand the use of simulation to improve and enrich the training of healthcare workers.

The Southwest Washington Workforce Development Council works with Work Systems Inc. and Clackamas County Workforce Board to train people for the jobs employers need to fill on both sides of the river.

Many important industries reach their hands across the water every day, both northward and southward, since they maintain facilities both in Oregon and Washington.

We're talking about companies that manufacture semiconductors and electronics. We're talking about metals and machinery. We're talking about software, sustainable energy, apparel, sporting goods and many other products and services.

Some truly critical collaboration is taking place on transportation issues. More than any other factor, our transportation system unites the metro areas of Vancouver and Portland—not only socially, but also economically.

Our record of collaboration on transportation matters is long and illustrious. Today, the Columbia River Crossing Project continues to address the pressing concerns of automobile traffic across the river, together with the movement of freight, people and pedestrians—all within the context of impacts on the river and nearby neighborhoods.

Hands across the water, hands across the sky; reaching both north and south every day.

Collaboration. Coordination. Cooperation.

[PAUSE]

The chief touch-point in the relationship between the great states of Washington and Oregon is the Portland-Vancouver metropolitan area, as we all know. I certainly don't mean to minimize the other important touch-points in that relationship. The Olympia-to-Salem connection is critical, as is the SeaTac-to-PDX connection, as is the Tri Cities-Pendleton connection. There are many others.

But the Portland-Vancouver area—or stated more generally, the northwest Oregon-southwest Washington area—is a beehive of commercial activity. The cross-border flow in this area defines the economic condition of a huge geographical area that stretches to Idaho in the east and the Pacific Ocean in the west; to the California border in the south; and to the fringes of the Puget Sound metropolitan complex in the north.

The Port of Portland is the nation's biggest exporter of wheat. It's the country's fifteenth-largest port for containers. The Port of Vancouver handles shipment of critical commodities

like lumber, plywood, pulp, steel, copper, wheat and other grains. These two ports serve more than a thousand businesses throughout the region, and bolster tens of thousands of jobs.

We all know that Oregon is well-positioned to participate in the global economy. We have a strong traded-sector economy, a robust manufacturing base, and a serviceable transportation network.

We can send goods by rail, barge, road, and air, which is relatively congestion-free. As I look to the future, I see opportunities to build on our competitive advantages. But in order to do that, we must invest strategically in all modes of transportation.

More than 32 million tons of freight moves through the Interstate 5 corridor to national and international markets every year. More than 12 billion tons of waterborne cargo moves through the Columbia River navigation channel.

More than 13 million passengers and over 265,000 tons of air cargo valued at \$5.9 billion travels through Portland International Airport. To address our transportation needs and build a healthy regional economy in the Pacific Northwest, Oregon and Washington must work together. Governor Gregoire and I know this. We're committed to a solid partnership in meeting this region's need in transportation.

A recent study commissioned by Metro, the Business Alliance and the Port of Portland produced some sobering conclusions about traffic congestion in our region. The study

shows that congestion creates a negative impact on business productivity and expansion. It shows that we are losing ground on what has been one of our region's competitive advantages.

The good news is that we can tackle this problem. The state of Washington recently adopted a 9.5 cents gasoline tax that will generate \$8.5 billion to fix clogged roads, bridges and freeways.

Oregon too has taken steps to upgrade its transportation infrastructure with the three phases of the Oregon Transportation Investment Act and ConnectOregon—important projects that will make the movement of people and goods safer, more efficient and more profitable.

The regional business community has taken the lead to create a shared vision with business leaders across the river.

In December, a steering committee of more than 40 business executives in Washington and Oregon produced the Regional Business Plan, which they showcased at the Oregon Business Summit this past winter. This business plan provides a blueprint for the region's future, focusing on transportation, land use, economic development and education. With the leadership of the business community on both sides of the river, I am optimistic that we can move the plan forward, and we can do it together.

Transportation issues underscore the fact that the integrated Pacific Northwest economy depends hugely on the arrival, departure and redistribution of goods and people.

As I pointed out a moment ago, the Pacific Northwest relies on trade. We are twice as reliant on trade as the rest of the country. While exports represent only 7.5 percent of the GNP of America as a whole, for Oregon and Washington together the figure is more than 15 percent.

In other words, the people of the Pacific Northwest have a bigger stake in becoming globally competitive than any other region in America. It also means that our two states need a common agenda that advances our position as world-class competitors in the hyper-competitive markets of the global economy.

I know that Governor Gregoire shares my commitment to doing exactly that. She and I know the value of a shared vision, a shared dream.

We want a Pacific Northwest economy that's robust and stable. We want jobs for our people—decent, well-paying jobs that enable moms and dads to feed and clothe their children, send them to school, and give them excellent health care. We want our people to enjoy the economic freedom to improve their lives and save for the future. We want an economy that enables everyone to share the benefits and joys of prosperity. That's our shared dream.

Education must be among our highest priorities.

If we are to innovate, if we are to put new technologies into play, if we are to lead the world in finding better ways to produce goods and services, we must generate the brainpower we need to get that job done.

Here in Oregon, we are taking steps to enhance the assets we bring to the table in biotech, nanotechnology, and other top-level pursuits in research and applied science. And we're collaborating with the scientific and research community in Washington.

I had the honor of being the first Oregon Governor to visit the Pacific Northwest National Labs in Richland, Washington. I might add that Washington governors make regular visits to the National Labs.

My visit that off handsomely for Oregon. PNNL has leant us an executive to work in the Governor's office to help us hone our strategy in science and technology to meet the challenges of today and tomorrow. This collaboration will prove a powerful asset in helping position the Pacific Northwest to compete successfully in markets worldwide, including emerging markets in new energy technologies that will help save a world choking on greenhouse gasses.

I know this forum will discuss the many difficulties of enhancing coordination and cooperation in education. I can tell you that you will have my energetic support for new collaboration with the state of Washington on these and other important priorities.

While we're having the conversation about education, let's talk about extending the Regional Higher Education Consortium to include Washington institutions.

And let's talk about aligning graduate programs in the two states.

And let's talk about a priority that I feel a special sense of urgency for—workforce development and skills training.

Let's face it: Not every citizen in the Pacific Northwest needs or wants a four-year college degree. Many people seek good jobs that let them work with their hands, jobs that require skills and training.

In this connection, we must confront the reality of a serious shortage of skilled workers in the years ahead—as Baby Boomers leave the active workforce. While it's true we need scientists, doctors and engineers, we also need electricians and technicians and skilled laborers. We need people to fill the jobs that industry needs to fill. And we need to expand workforce training to prepare people for those good jobs.

Let's reach our hands across the water through the Workforce Investment Boards and Councils and fill those jobs, regardless of whether they occur in Washington or Oregon. If we train the folks to fill those jobs, we all benefit. The Pacific Northwest becomes stronger and more prosperous. Our regional economy becomes more robust.

As many of you know, I have placed Oregon on a course to become a national leader in the use of renewable energy. Just last week, I announced a new goal for our state: We will strive

to use renewable electricity to serve 100 percent of state government's electrical needs by the year 2010—just four years from now.

I set this goal because I believe so firmly that state government must show leadership in demonstrating the effectiveness of renewable energy and the need to use it.

Washington and Oregon have participated in the West Coast Governors' Global Warming Initiative, which has focused some important efforts on renewable electricity and new strategies for tracking the effects of greenhouse gasses. We've collaborated on ways to conserve electricity and improve efficiency.

But there are other aspects of the energy issue that we in the Pacific Northwest must address. The skyrocketing prices of gasoline, diesel and other forms of energy hamper our economic progress. In the absence of a strong federal policy to address this issue and reduce the greenhouse gases that cause climate change and toxic pollution, we in the Pacific Northwest must act on our own. We must implement effective programs to promote energy independence and create new jobs that serve the market for innovative technologies and energy conservation.

As Governor of Oregon, I have acted to help our state achieve real energy independence. I'm prepared to do all I can to collaborate with Governor Gregoire and the state of Washington to achieve the same goal for the entire region.

Let's reduce dependence on energy sources from overseas, and let's protect our people from the inevitable spikes in the prices of fossil fuels. Let's invest in clean energy and create new jobs.

Here in Oregon, I have set a goal of ensuring that renewable resources meet 25 percent of the entire state's energy needs by the year 2025. I have directed the Oregon Department of Energy to develop a renewable portfolio standard that I will propose to the Legislature next year.

This action will send a clear signal to energy developers. It will stimulate them to invest in projects that bring renewable energy to market over the next two decades. Let's redouble our efforts to do the same throughout the entire region.

Let's carry forward our efforts to promote development, manufacture and use of biofuels in the Pacific Northwest. And now that Oregon and Washington have become national leaders in setting the country's strictest standards for tailpipe emission of greenhouse gases, let's ramp up region-wide initiatives like the Clean Diesel program—efforts that can pay off in cleaner air, new jobs, and economic stimulus.

Hands across the water, hands across the sky. Washington and Oregon are individual states with their own peculiar charms. Each has its virtues, and each has its problems.

If anyone thinks Oregonians and Washingtonians are more or less of a common mind on all issues, just bring up the subject of sales tax versus income tax, or Dawgs and Ducks. Even

so, we're still Americans, and we share a common heritage of culture and history of our two states. We also have many common values, including our love of these two places we call Oregon and Washington.

In today's world, when it comes to economic growth and creation of family-wage jobs, we're partners.

When Governor Gregoire goes on a trade mission to China and promotes the export of goods from the Pacific Northwest, we all benefit. The same is true when I travel to Europe and promote Oregon as a great place to invest and do business; we all benefit.

Oregon and Washington have much more in common than our abundance of rain and our fixation with strong coffee drinks. The eyes of both our populations are fixed firmly on the future.

Let's make it a prosperous future with great jobs, strong businesses, clean air and happy, successful people. Working together, we can make that future happen.

Thank you very much.