

CAP luncheon focuses on solutions amid difficult economic times

By Erik Olson / The Daily News | Posted: Tuesday, October 25, 2011 9:00 pm



Roger Werth / The Daily News - Frank Foti, CEO and Chairman of Todd Shipyards Corp., speaks during a CAP luncheon Tuesday at the Cowlitz County Expo Center.

The federal government needs to spend less on social services and billions more to build roads, bridges and energy projects to get people back to work, the owner of a giant Portland-based shipbuilding company said in Longview on Tuesday.

"I don't really like entitlements. But if you really think that you can have a government that doesn't spend, you're just as crazy," Frank Foti, president of Vigor Industrial, said at a Lower Columbia CAP luncheon at the Cowlitz County Expo Center.

Foti was joined by former Southwest Washington Congressman Brian Baird, now a Vigor executive, as keynote speakers at CAP's first community conversation. About 180 people attended the event, which focused on helping businesses forge through hard economic times.

Foti and Baird shied away from endorsing specific federal projects in the area, but they argued for the value of public spending during hard times.

Foti said he's had to make tough decisions to help his business survive. Over the past three decades, he watched his company's oil tanker repair business dwindle to almost nothing as jobs were outsourced to Singapore. Foti finally had to sell a dry dock in Portland.

The public was outraged when he cut his payroll in half, but Foti said he also managed to pay off the company's debts. Since its inception in 1942, Vigor's business always has centered around ship repair and building, but it has added other industrial services, such as heavy loading, machine repair and water treatment to stay afloat through tough times.

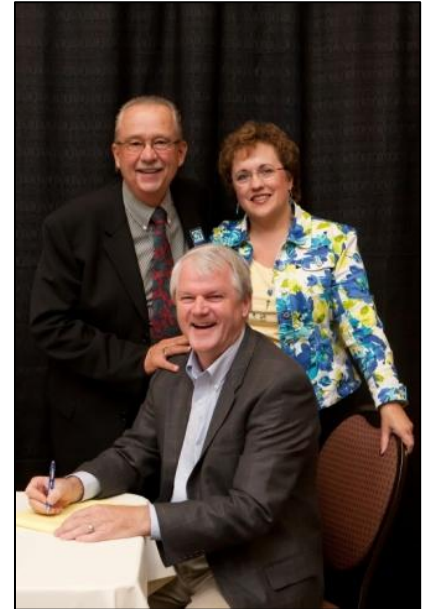
"There is a way. There is also a lot of hard decisions, but there is a way," Foti said.

Today, Vigor employs 1,700 workers in Washington and Oregon. Last year, the company purchased Todd Shipyards, the largest shipbuilder in the Puget Sound region, and Vigor owns a dozen companies in different areas of the shipping industry.

Foti said his business could not have grown without federal infrastructure investments, including \$20 million in federal funds to build new buildings at the Port of Portland docks. That investment helped keep 500 workers employed and kept their \$25 million in wages flowing through the Portland area's economy, Foti said.

"You're supporting jobs where people who never went to college can make ... \$70,000 a year — and earn it," Foti said.

Baird, a Vancouver Democrat who served six terms in the U.S. House before retiring in 2010, said public investments in job creation are better than handouts because they ensure people have "skin in the game."



Tim Welch, CAP Foundation President, former SW Washington congressman Brian Baird and Ilona Kerby, Executive Director of Lower Columbia CAP.

However, he cautioned that the well is running dry as Congress looks for ways to take a bite out of the \$15 trillion national debt.

"You're going to have to have a lot of cuts. The need is urgent and immediate," Baird said.

Both Foti and Baird said political leaders need to take a long view at infrastructure investments, and not focus on the short term.

"You have to invest billions, and you have to be patient in a country this significant," Foti said.



Judy Sloan, Dave Grumbois and Pat Rodman receive CAP Emeritus Awards.