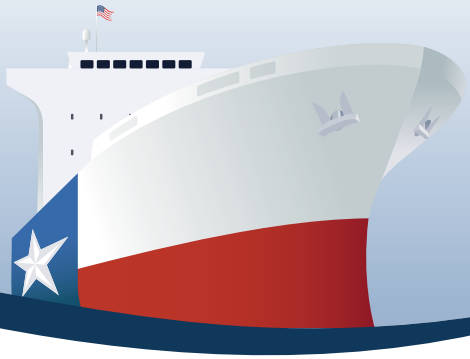
TxDOT Maritime
Legislative Resource Guide

Texas House District 25



TxDOT Government Affairs

The TxDOT Government Affairs Division is responsible for TxDOT's interactions with state and federal elected officials.

- Educational Series
- Texas Transportation Funding Brochure

https://www.txdot.gov/about/divisions/government-affairs-division.html

TxDOT Maritime Division Dashboard

The TxDOT Maritime Division Dashboard highlights the Texas maritime transportation system and TxDOT Maritime Division funding programs.

https://www.txdot.gov/data-maps/maritime-divisions-project-dashboards.html

Texas Department of Transportation

www.txdot.gov/about/divisions/maritime-division.html

Ports in House District 25

PORT FREEPORT℠

Projects in House District 25

Port Freeport

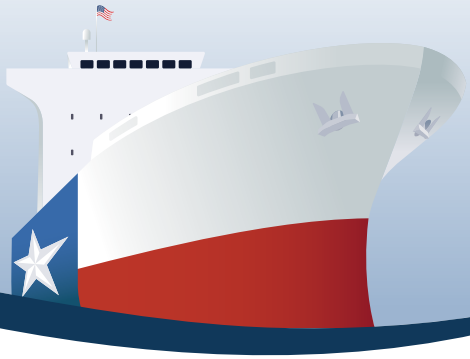
- Parcel 25 Improvement Project ..... $20.00 M
- Velasco Terminal - Area 4 Improvement Project ..... $26.76 M
- Velasco Terminal - Area 6 Improvement Project ..... $10.00 M
- Velasco Terminal - Berth 9 Expansion ..... $56.00 M
- Freeport Harbor Channel Improvement Project ..... $295.00 M
- Truck Staging Area Across from Gate 8 ..... $7.61 M
- Public Parking Expansion Area ..... $1.50 M

Total Project Cost..... **$416.86 Million**

Container ship docked at Port Freeport

TxDOT Maritime
Legislative Resource Guide

Texas House District 25



IMPACTS *of* TEXAS PORTS

3 OF THE TOP 10 *Ports in the US*
#1 Port Houston
#3 Port of Corpus Christi
#7 Port of Beaumont (2022)

Port of Galveston
1.49 Million
Cruise Passengers in 2023

Port of Palacios
Largest
Shrimp Fleet in Texas

Texas Transportation Jobs (2023)
2,518,000

$713.9 BILLION *Total Economic Value(2023)*

Port of Beaumont
#1 **Strategic Military Port in the US**

28% *of Texas GDP (2023)*

$403.61 BILLION
IN TRADE VALUE OVERALL ANNUALLY (2023)

$17.1 BILLION
TOTAL TAXES (2023)

746.4 Million
TONS OF CARGO MOVED BY TEXAS PORTS (2023)

Port Authority Advisory Committee

TEXAS PORT MISSION PLAN
EXECUTIVE SUMMARY

89TH Legislative Session

INTRODUCTION

In a state where the maritime industry accounts for more than 28% of the GDP[1], the Texas economy is largely driven by commodity supply chains that move goods to and from the state. Inland markets across the state rely on a strong multimodal freight network to get their goods to the ports for export. Improving the port systems help Texas compete in the global market by ensuring that its inland export commodities continue to reach their destinations worldwide.

Texas seaports require continual maritime infrastructure, seaport connectivity, and ship channel improvements to meet the needs of our Texas's booming economy, as they are a crucial link in the supply chain. The projects identified in this plan represent the needs of Texas ports and their implementation will secure the State's continued economic growth.

TOTAL PORT PROJECT NEEDS

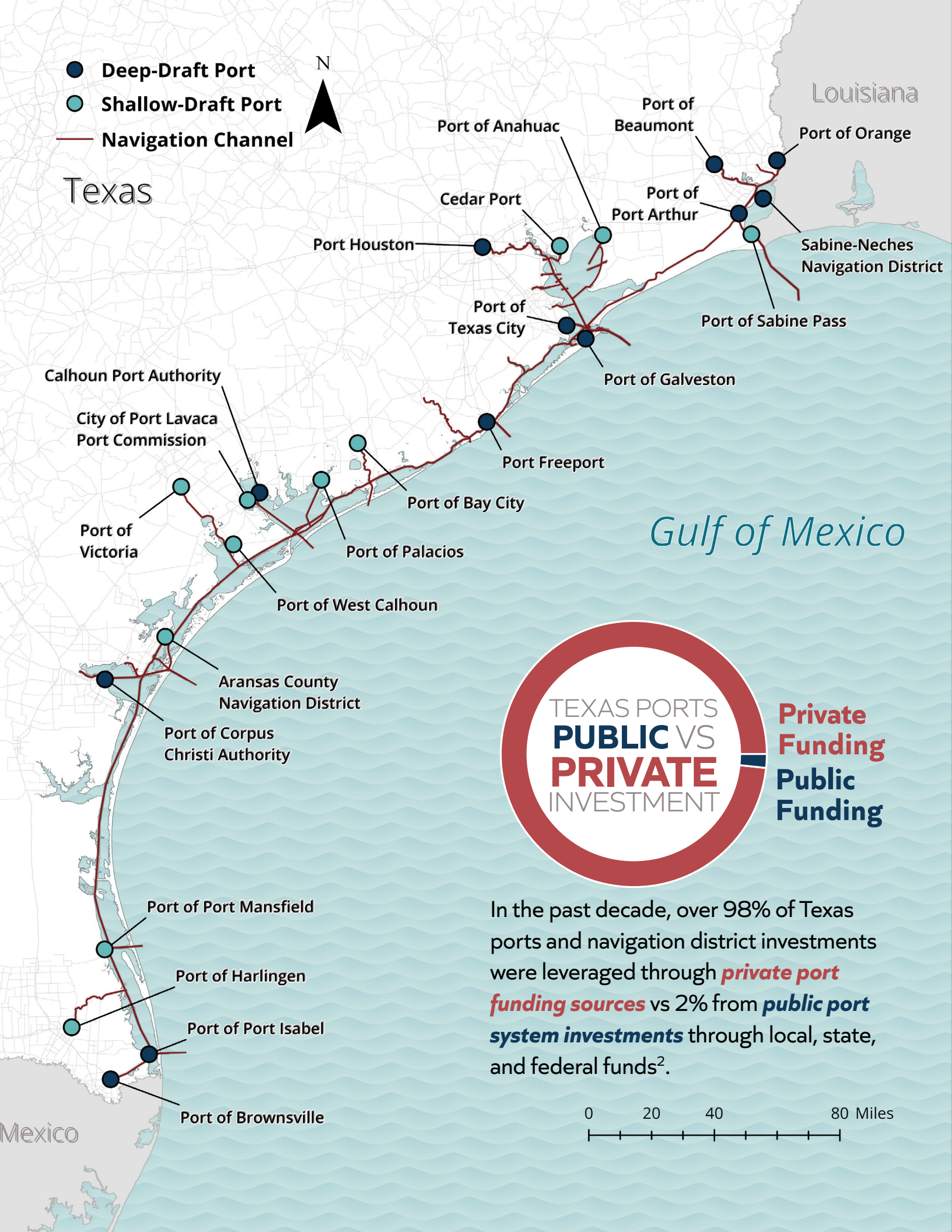
Total: $9,157,244,256

- Maritime Infrastructure Projects — **$3.11 BILLION**
- Seaport Connectivity Projects — **$585 MILLION**
- Ship Channel Projects — **$5.46 BILLION**

Successes Since 88th Legislative Session

Following the 88th Legislature's historic **$640 million** appropriation to Texas seaports, the Texas Transportation Commission awarded the funding to Texas seaport projects to help increase trade, improve safety, and provide a more robust supply chain for our state and the nation.

- Signed into law as the first funding of its kind in Texas, the Commission approved eligible port development and infrastructure projects for **$200 million** in funding awards through the Maritime Infrastructure Program (MIP). TxDOT and recipient ports were successful in initiating the letting process for all projects selected for funding within the first year of the biennium.
- Additionally, the Texas Transportation Commission approved eligible state highway and other publicly accessible roadway projects for **$40 million** in funding awards through the Seaport Connectivity Program (SCP).
- The 88th Legislature appropriated **$400 million** in general revenue to fund the Ship Channel Improvement Revolving Fund (SCIRF). The entire $400 million was approved for award to two ports.



In the past decade, over 98% of Texas ports and navigation district investments were leveraged through ***private port funding sources*** vs 2% from ***public port system investments*** through local, state, and federal funds[2].

Maritime Infrastructure

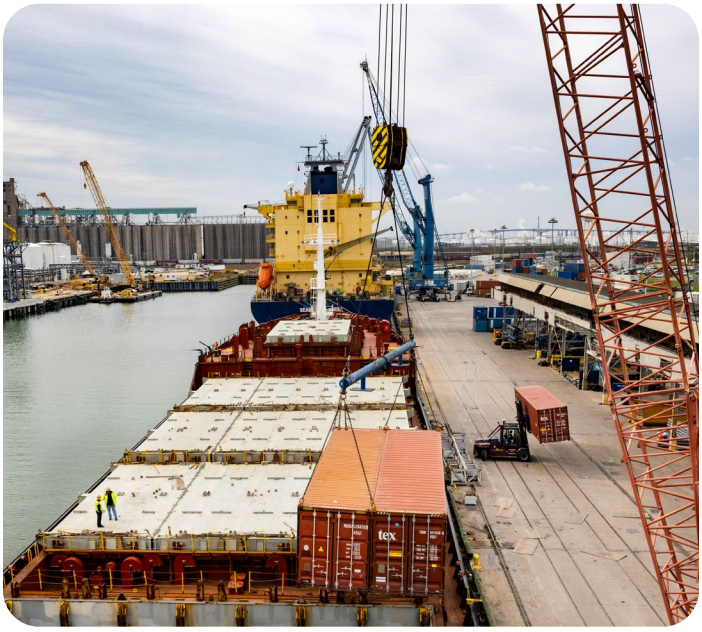
Maritime infrastructure addresses port facility and capital improvement needs. Port facilities, including things like storage yards, docks and wharves, entry gates, and interior roadway systems are the backbone of a port's operations. The port's interior infrastructure and equipment help to move workers and goods between vessels and other modes of transportation outside of the port. Investment in port infrastructure allows for ports to maintain efficient business operations, support continued growth of existing businesses, attract new clients, and adapt to ever-changing domestic and global economic conditions all while remaining economically viable and competitive. A port without functional, modern infrastructure will lose out on significant growth, job creation, and revenue generation, while a port that is able to continually invest in infrastructure improvements will actively contribute to the economic health of the region and the state, helping to improve the quality of life in the local area.

Seaport Connectivity

Texas seaports have a robust intermodal transportation system connecting the state and the nation to domestic and foreign markets. A strong, viable network of road, rail, and pipeline connections to facilitate the movement of materials, goods, and personnel is key to the success of the state's port system. Transportation investments not only make individual ports more competitive, but also contribute to economic vibrancy generally, growing job opportunities, bringing resources to the state's coastal cities, and developing connections across regions.

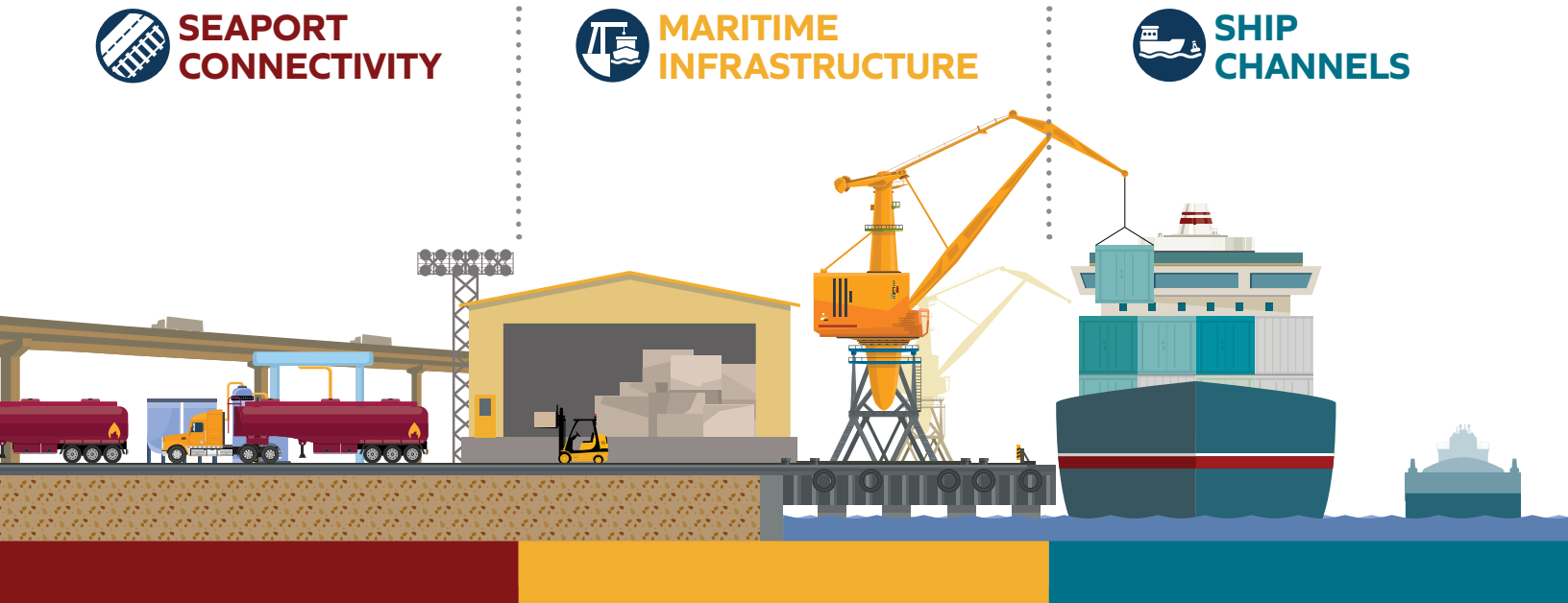
Ship Channels

Texas ship channels have a powerful impact on the Texas and U.S. economies and help transfer Texas's respected exports all over the world. As key features of the supply chain, these assets must be looked after to ensure that they meet future demands to continue economic success. An investment in ship channel improvements typically brings an immediate return-on-investment. As vessels have grown larger to enhance trade efficiency, there has been a need for deeper and wider channels to accommodate them to have access to the ports.



Containers being off-loaded from a container ship at Port Houston

Texas Port Systems



Maritime Infrastructure

The maritime infrastructure needs presented encompass a wide variety of projects or studies including waterway projects such as turning basins, connectivity projects such as internal roadway or railroad improvements, and port facilities projects such as bulkheads and storage facilities.

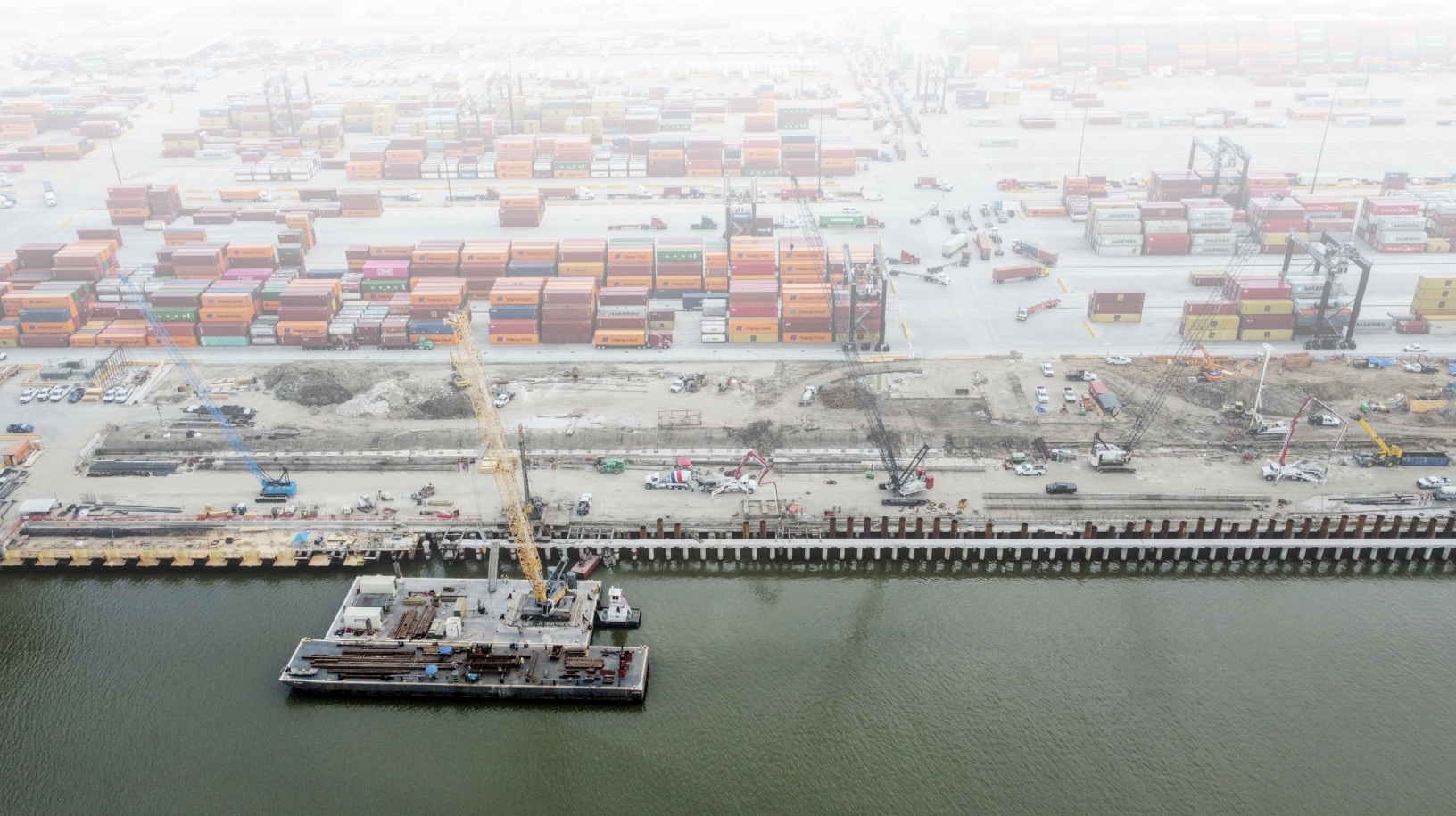
The maritime infrastructure projects presented in this plan include 82 projects, 78 capital projects and four studies, submitted by 17 ports whose total project cost is $3.11 billion.

Maritime Infrastructure Projects

Project Types	# of Projects	Total Cost
Docks, Berths, and Wharfs*	31	$1.12 Billion
Terminals	10	$816.85 Million
Roadway/Railroad/Runway Improvements	10	$325.07 Million
Building/Facilities	6	$305.39 Million
Yards	8	$221.07 Million
Bulkheads	11	$216.20 Million
Other	6	$103.70 Million
TOTAL	**82**	**$3.11 Billion**

*Costs provided by ports/navigation districts, *Includes four studies*

Construction progress on the Port Houston Barbours Cut Wharves; this project was funded in part by money allocated by the 88th Texas Legislature



Railyard near channel at Port of Port Arthur

Seaport Connectivity

The seaport connectivity needs include potential solutions to address safety issues, congestion, mobility deficiencies, or improvements between the interaction of vehicles, rail, and adjacent land use. Solutions targeting freight movement can provide regional benefits and benefits to general travel. Projects identified in this report were submitted by the ports and are developed at least to a conceptual level.

The seaport connectivity projects presented in this plan include 24 port-requested connectivity projects submitted by 10 ports and two projects submitted by one of the five coastal TxDOT Districts to address freight mobility at a regional scale. The total cost to implement these projects is estimated to be $584.85 million.

East Ostos Road at the Port of Brownsville

Seaport Connectivity Projects

Project Types	# of Projects	Total Cost
Roadway Improvements	16	$448.11 Million
Bridge Replacements	2	$68.15 Million
Entrance/Exit Gate	1	$40.00 Million
Truck Staging and Queuing Areas	4	$24.37 Million
Wayfinding and Accessibility	1	$1.60 Million
Public Parking	1	$1.50 Million
Pedestrian Improvements	1	$1.12 Million
TOTAL	**26**	**$584.85 Million**

Costs provided by ports/navigation districts

Shrimping boats at the Port of Palacios

Ship Channels

Receiving federal authorization for ship channel deepening and widening requires that a feasibility study first be completed to demonstrate that there are no negative environmental impacts resulting from the project and that the project is of national economic interest. Beyond just channel deepening and widening projects, other ship channel needs can include non-federal projects like dock deepening to match the deeper channel, areas for ship queuing while waiting for berthing space at the port or major alongside channel infrastructure improvements, like jetty structure improvements at the entrance channel.

Ship channel improvement projects are investments that are costly and time sensitive. Delays in funding and implementing projects can lead to missed opportunities for attracting tenants, increases in overall construction costs, operational and safety issues with vessels, and loss of returns on the overall investment.

Ship Channel Projects

Project Types	# of Projects	Total Cost
Channel Deepening and Widening	8	$4.96 Billion
Dock or Harbor Improvements	2	$340.00 Million
Entrance Channel Jetties	1	$90.00 Million
Other Dredging Needs	2	$61.20 Million
Feasibility Study	4	$11.56 Million
TOTAL	**17**	**$5.46 Billion**

Costs provided by ports/navigation districts

PROJECT DEVELOPMENT PROCESS

FEASIBILITY STUDY INITIATION

- Section 203 of Water Resources Development Act (WRDA) 1986 and amendments from recent WRDA issuances allow the non-federal sponsor to initiate the study through a Memorandum of Agreement (MOA)
- U.S. Army Corps of Engineers (USACE) funding and participation require allocations in their annual Work Plan budget for the specific study

FEASIBILITY STUDY

3 YEARS — **UP TO 10 YEARS**

- Evaluates proposed solutions and alternatives
- Identifies plan that maximizes National Economic Development (NED) benefits
- Culminates with a USACE-approved signed Chief's Report by the Assistant Secretary of the Army (Civil Works)

Ship Channel Improvement Revolving Fund

In 2017, the 85th Texas Legislature passed Senate Bill 28, establishing the Ship Channel Improvement Revolving Fund (SCIRF). This creates a revolving loan program to help finance the modernization of ship channels. In 2023, the 88th Legislative Session appropriated $400 million to fund the SCIRF.

SCIRF-eligible projects must:

- Deepen or widen a ship channel
- Be authorized by Congress
- Meet any other standards set by the Texas Transportation Commission
- Maintenance dredging is not qualified per current statute

Federal Ship Channel Appropriations

Ship channels that have been authorized by the federal government for improvement or where the federal government has assumed maintenance responsibilities are dredged under the U.S. Army Corps of Engineers Civil Works program. However, ports act as non-federal sponsors of the projects and are responsible for funding a portion of the construction and maintenance costs.

The ship channel improvement projects presented in this plan include seven federally authorized deepening projects, representing a $2.54 billion federal share and $1.92 billion local share, for a total estimated first cost of $4.46 billion. These federally authorized projects are eligible to use SCIRF funds. Loan funds will be utilized to cover construction costs and will be paid back into the fund over time. Additionally, this plan reflects four projects in the feasibility study phase for future Congressional authorization, and five non-federal projects, which are ineligible for SCIRF funding according to the current statute. The total cost of all ship channel needs is estimated to be $5.46 billion.

Some federal funding has already been appropriated to date for federally authorized channel improvement projects and feasibility studies. Through 2024, federal appropriations for ship channel improvement projects in this plan total approximately $1.23 billion.

Federal Appropriations for Texas Ship Channel Projects Through 2024

Project Name	Amount Appropriated
Brazos Island Harbor Channel Improvement	$68.00 Million
Corpus Christi Ship Channel Improvement	$405.68 Million
Freeport Harbor Channel Improvement	$207.72 Million
Galveston Harbor Channel Extension	$10.78 Million
Houston Ship Channel Expansion	$172.72 Million
Matagorda Ship Channel Improvement	$1.81 Million
Sabine-Neches Waterway Channel Improvement	$367.00 Million
TOTAL	**$1.23 Billion**

CONGRESSIONAL PROJECT AUTHORIZATION

2 YEARS | 10+ YEARS

- An individual project requires Congressional authorization for construction through a signed bill or WRDA
- WRDAs have been issued as frequently as biennially or as infrequently as once a decade

PROJECT FUNDING, DESIGN AND CONSTRUCTION

PROJECT DEPENDENT

- A Project Partnership Agreement (PPA) provides a legally binding agreement between the federal government and non-federal sponsor for construction
- Be authorized and have funding allocated by Congress

TEXAS PORTS

IMPACT THE GLOBAL ECONOMY

Annual Trade by Region[3]:

Canada & Mexico	South & Central America	Europe	Africa	Asia	Australia & Oceania
$50.77 B	**$67.44 B**	**$123.27 B**	**$9.77 B**	**$150.01 B**	**$2.34 B**
Exports: $36.16 B	Exports: $49.76 B	Exports: $87.85 B	Exports: $7.94 B	Exports: $87.89 B	Exports: $1.72 B
Imports: $14.62 B	Imports: $17.67 B	Imports: $35.42 B	Imports: $1.83 B	Imports: $62.12 B	Imports: $0.62 B

$403.61 billion in trade value overall annually*

$271.32 billion in exports and $132.28 billion in imports

**Values in dollars for annual combined waterborne import and export trade value for Texas in 2023.*

Refer to the 89th Legislative Session Texas Port Mission Plan at https://www.txdot.gov/projects/planning/maritime-port-planning.html for references.

Port Freeport

Port Freeport Navigation District

Phyllis Saathoff, Executive Director/CEO

www.portfreeport.com

Bulk Ro/Ro Energy Break Bulk Container

Port Freeport is a deep water port that was voted into existence in 1925 by Brazoria County residents. Its services include project cargo and breakbulk, container, heavy lift, and roll on/off operations. Port Freeport ranks #6 in chemicals and #26 in containers in the U.S. and transports over 37 million tons of cargo annually.

Port Priorities & Opportunities

Port Freeport is actively pursuing infrastructure enhancements and market diversification to strengthen its connectivity and broaden its service offerings. The port is rapidly growing its operations by expanding its automotive, container and steel volumes, including significant contracts with Volkswagen Group of America and Fresh Del Monte Produce. Looking forward, the port is exploring new cargo opportunities and supporting chemical and production facilities for exports. Key infrastructure projects are in motion to support this expansion and promote efficient cargo movement, including the widening of SH 36 for improved port access and the development of truck queuing areas.

In preparation for increasing traffic, Port Freeport is focusing on critical connectivity enhancements. Initiatives like the Terminal Expansion Area and concrete stabilization behind Berth 8 demonstrate the port's strategy to upgrade its maritime infrastructure. These enhancements are critical in supporting the port's anticipated growth in shipments and vehicle traffic.

ECONOMIC IMPACT

Annual Rail Cars **14,000**

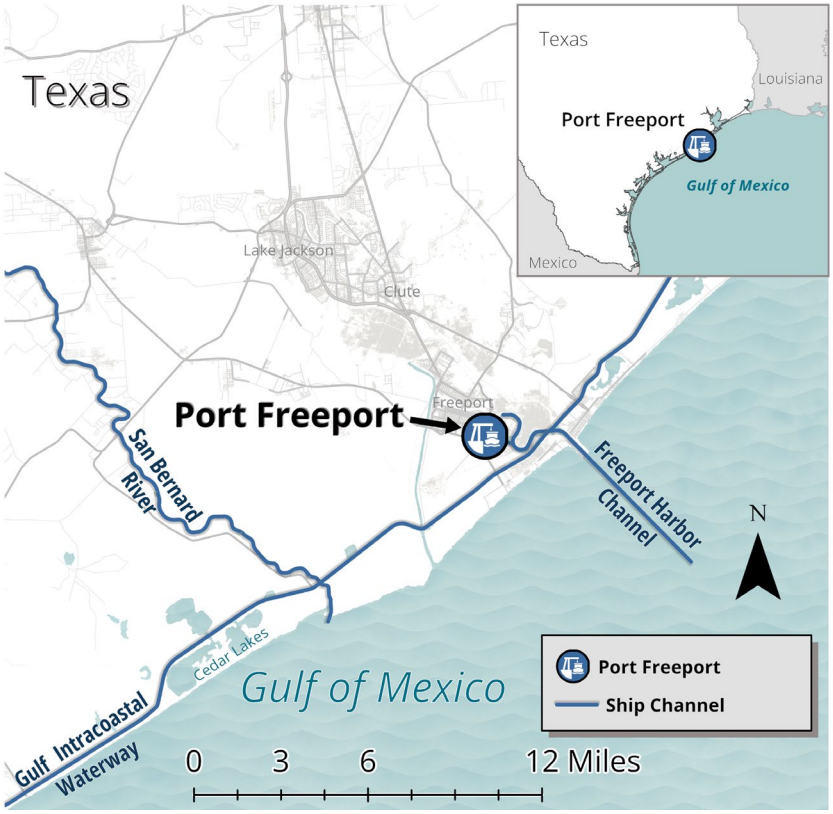
Direct Jobs **16,400**

Ranked **15th** Among U.S. Ports in Total Foreign Waterborne Tonnage Handled

Port Projects

Project Name	Project Type	Total Project Cost
Velasco Terminal - Area 6 Improvement	Maritime Infrastructure	$10.0 Million
Velasco Terminal - Berth 9 Expansion	Maritime Infrastructure	$56.0 Million
Velasco Terminal - Area 4 Improvement	Maritime Infrastructure	$26.8 Million
Parcel 25 Improvement	Maritime Infrastructure	$20.0 Million
Public Parking Expansion Area	Seaport Connectivity	$1.5 Million
Truck Staging Area Across from Gate 8	Seaport Connectivity	$7.6 Million
Freeport Harbor Channel Improvement Project	Ship Channel	$295 Million

Costs provided by port/navigation district



PORT FACILITIES

DOCKS & WHARVES

- 18 operating berths, including private docks
- Over 7 mi of port-owned rail track
- 90 acres for container operations
- Over 1,800 ft of multi-purpose berth for Panamax and Post-Panamax vessels
- 1 hour vessel transit time to most private and public berths

CARGO HANDLING

- 2 Post-Panamax ship-to-shore gantry cranes
- 2 additional Super Post-Panamax gantry cranes planned for Berths 7 and 8
- Project cargo and oversize overweight corridor
- Roll on/Roll off services

LAND & STORAGE

- 7,000 acres undeveloped land
- 1,800 acres for buildout
- 300 acres of environmentally mitigated property

INTERMODALITY

ROAD

- Highway connections to SH 36, SH 288, SH 6, and SH 35
- Ongoing SH 36 expansion from Port Freeport to Fort Bend County Line

RAIL

- Connections to Union Pacific

BARGE

- 30-minute sailing time to GIWW (M-10, M-69)

AIR

- Commercial service to HOU and IAH

PIPELINE

- Connections available

SHIP CHANNEL

Ship Channel Name: Freeport Harbor Channel

Current Depth: 46 ft

Authorized Depth: 51 to 56 ft (varies)

CARGO CONNECTIONS

Top Trading Partners

EXPORTS

- **Asia** $5.9 Billion
- **France** $652 Million
- **Netherlands** $632 Million

IMPORTS

- **Mexico** $1.5 Billion
- **Asia** $1.2 Billion
- **Colombia** $380 Million

Data from USA Trade for 2023

Top Commodities

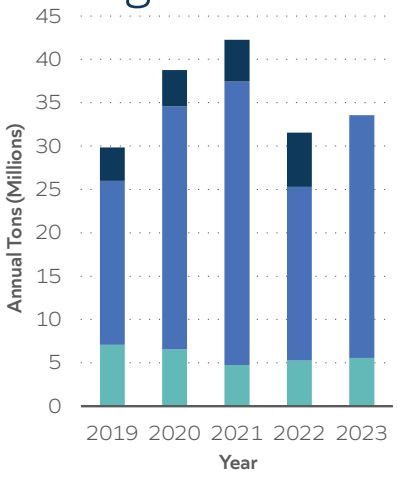
EXPORTS

- LNG & LPG
- Privately Owned Vehicles
- Crude Oil & Refined Crude Oil Products
- Petrochemicals
- Plastics
- Containers

IMPORTS

- Crude Oil
- Petrochemicals
- Green Fruit
- Finished & Privately Owned Vehicles
- Machinery & Agricultural Equipment
- Containers

Tonnage



Tonnage data for 2019-2022 from USACE Waterborne Commerce Statistics Center, 2024; data for 2023 provided by the Port of Freeport

** The total domestic tonnage for 2023 is unknown.*

Texas Department of Transportation