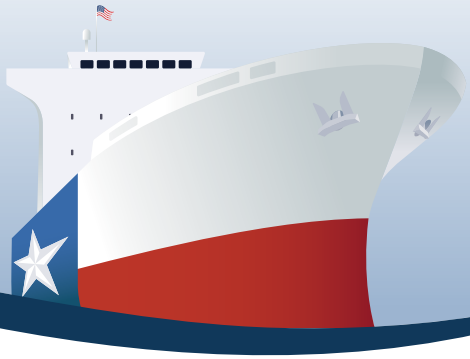
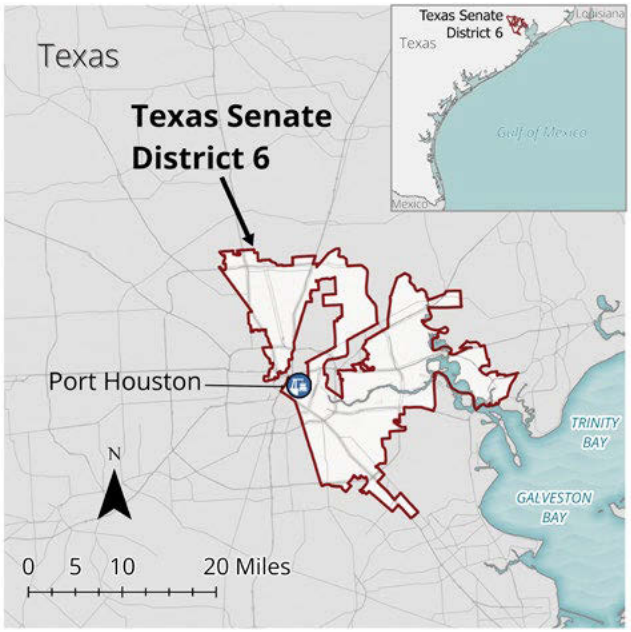
TxDOT Maritime
Legislative Resource Guide

Texas Senate District 6





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 Senate District 6

PORT HOUSTON

Projects in Senate District 6

Port Houston

- Houston Ship Channel Expansion Project ..... $1.00 B
- Barbours Cut Terminal Wharf - Phase 2 ..... $77.00 M
- Bayport Southeast Drainage and Community Benefit..... $39.00 M
- Bayport Southern Access Road ..... $196.00 M
- Bayport Terminal Wharf 1..... $150.00 M
- Bayport Terminal Yard Expansion..... $95.42 M
- Care Terminal Wharf Rehabilitation..... $5.00 M
- Container Terminals Improvement Program..... $125.00 M
- Jacintoport Rehabilitation ..... $10.00 M
- Port Road Grade Separation ..... $33.00 M
- Barbours Cut Terminal West End Exit Improvements ..... $40.00 M
- Turning Basin Optimization Program ..... $277.00 M

Total Project Cost..... **$2.05 Billion**

Aerial view of Houston Ship Channel

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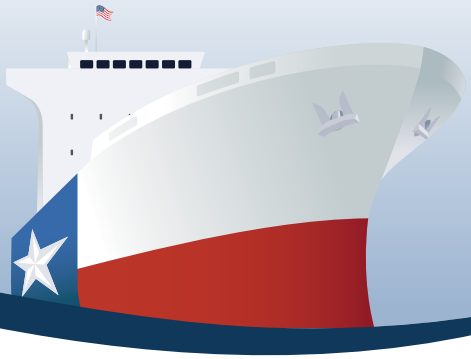


IMPACTS *of* TEXAS PORTS

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

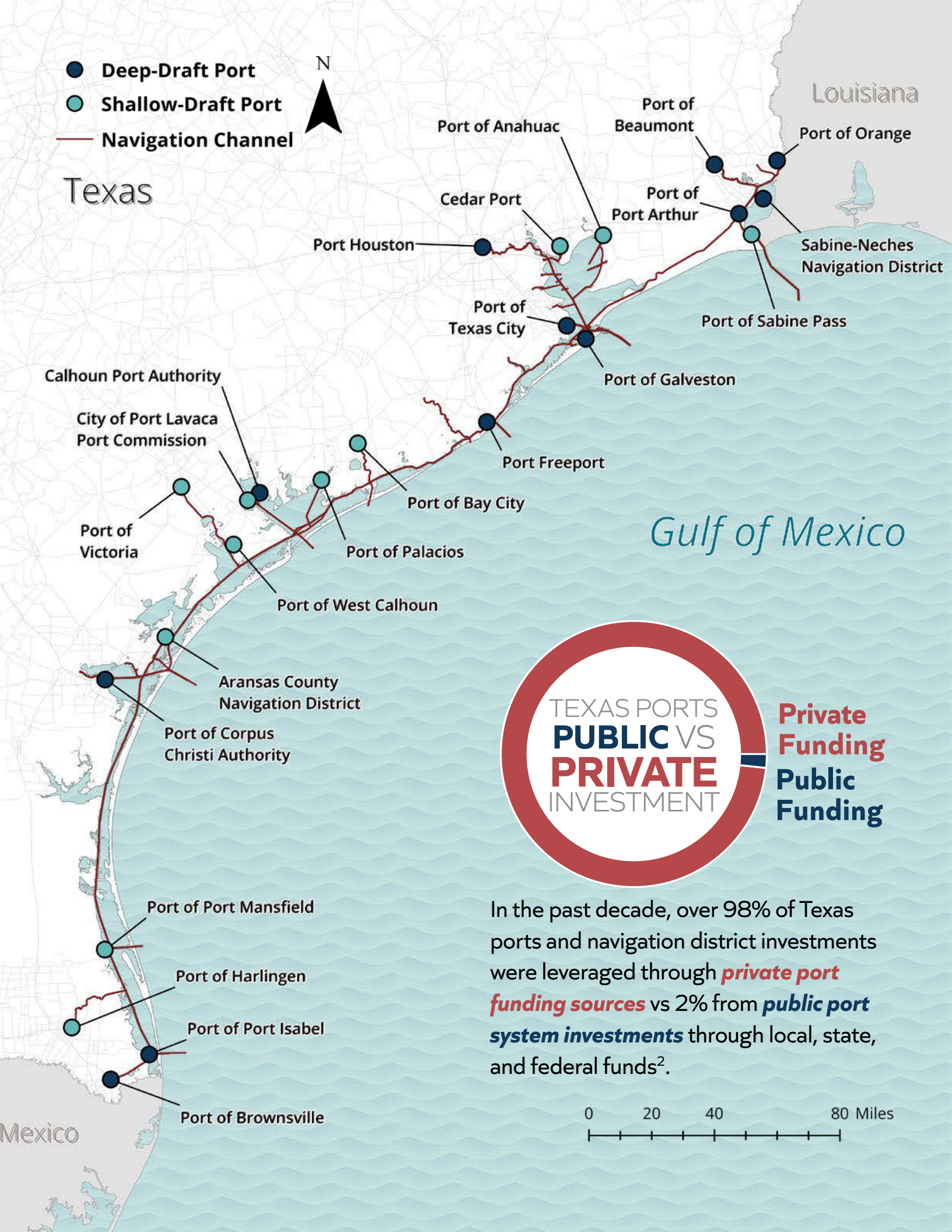
Total: $9,157,244,256

- 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

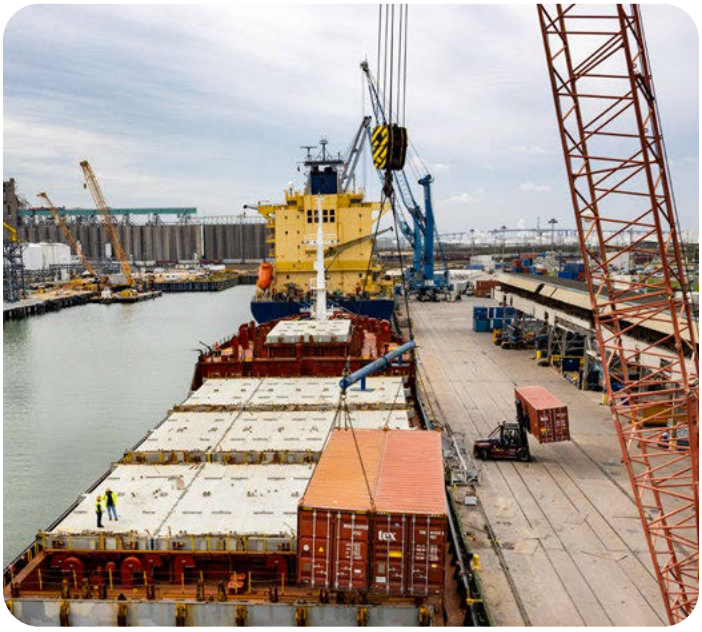
Maritime infrastructure addresses port facility and capital improvement needs. Port facilities, including things like storage yards, docks and wharves, entry gates, and interior roadway systems are the backbone of a port's operations. The port's interior infrastructure and equipment help to move workers 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.

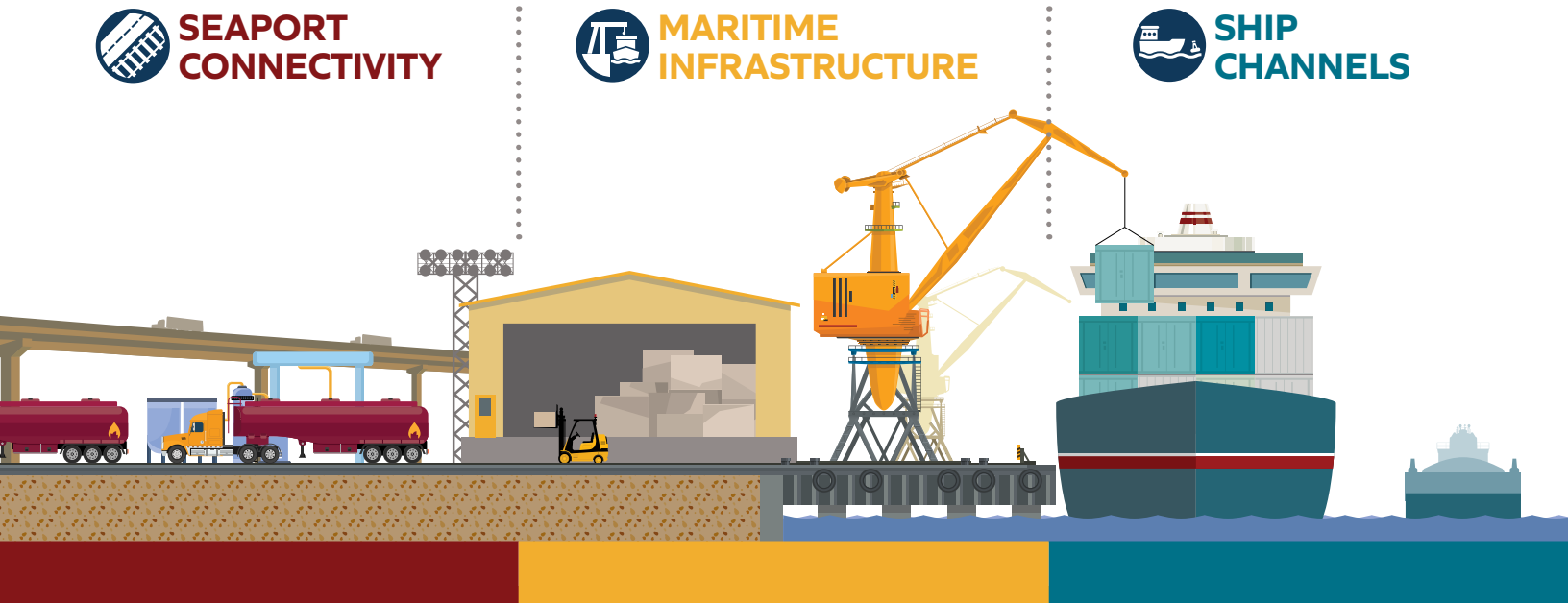
Ship Channels

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.

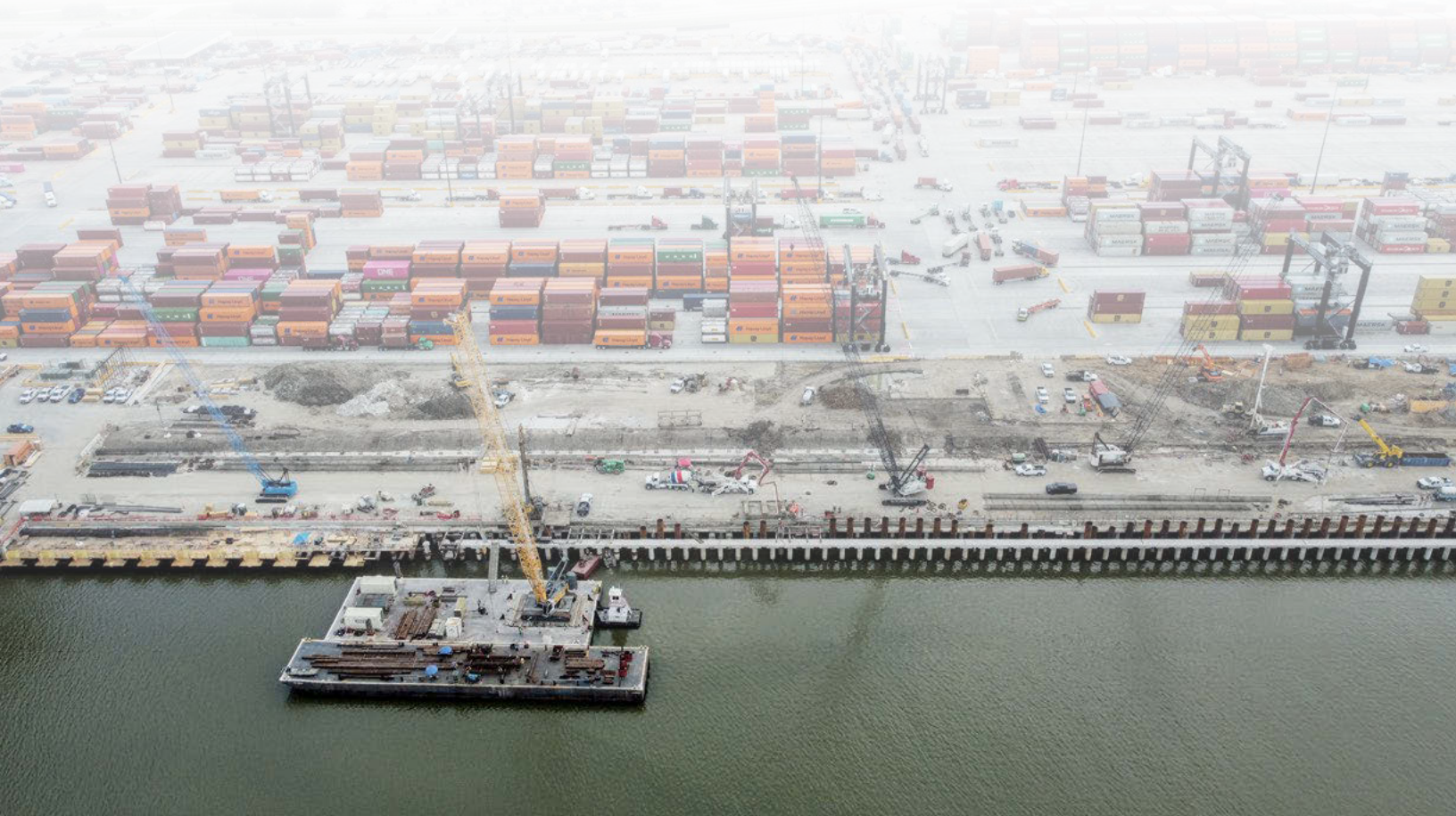
The maritime infrastructure projects presented in this plan include 82 projects, 78 capital projects and four studies, submitted by 17 ports whose total project cost is $3.11 billion.

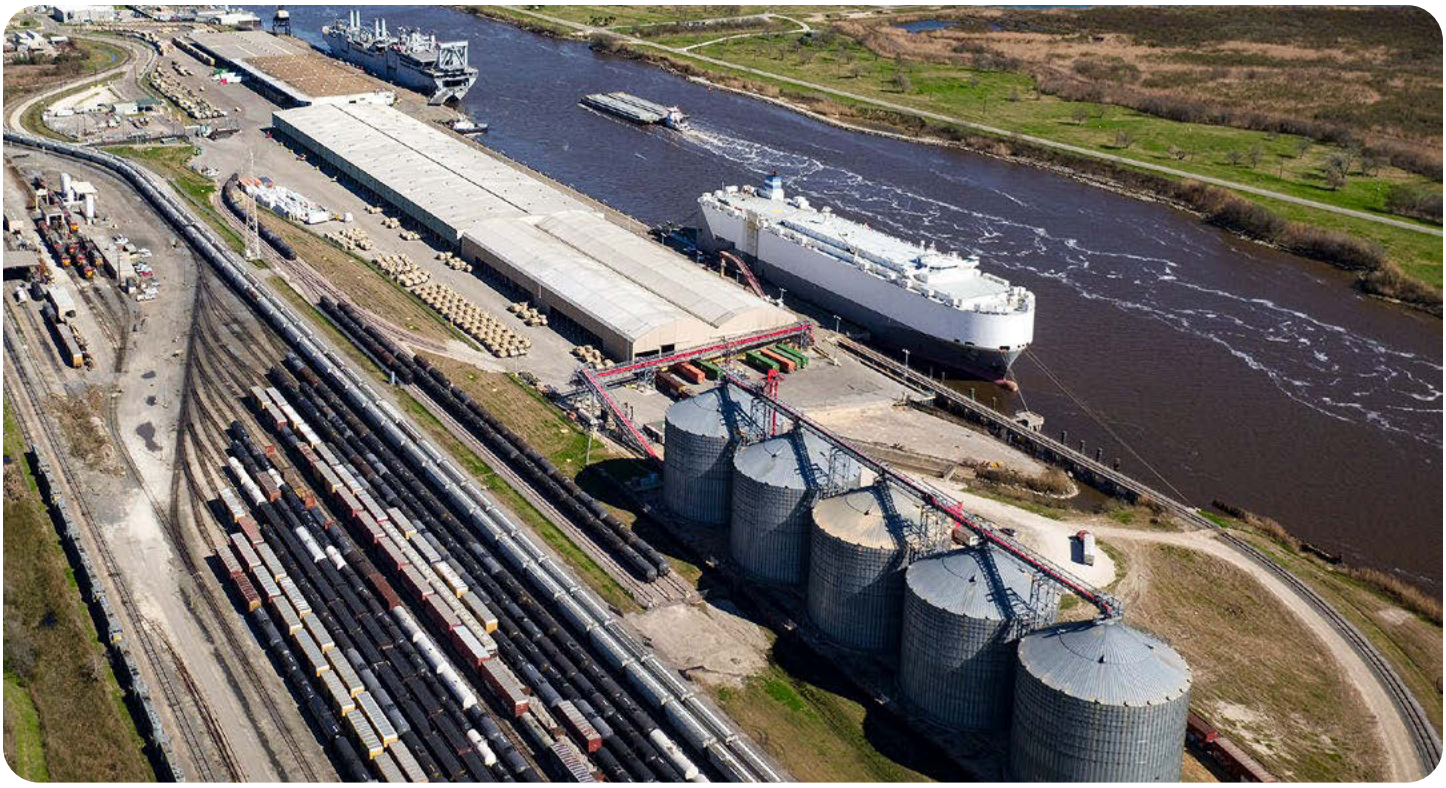
Maritime Infrastructure Projects

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 Houston

Port of Houston Authority

Charlie Jenkins, Chief Executive Officer

www.porthouston.com

Container | Bulk | Ro/Ro | Energy | Break Bulk | Other

Port Houston owns, manages, and operates the public wharves and terminals along the Houston Ship Channel (HSC), including the nation's largest breakbulk facility and 5th largest container operations. Port Houston is the advocate and a strategic leader for the HSC. The HSC complex and its more than 200 public and private terminals is the nation's largest port for waterborne tonnage.

Port Priorities & Opportunities

Port Houston has continued its growth, doubling its volume in recent years to become the 5th largest container terminal in the U.S. Infrastructure upgrades, including the new entry gate at Barbours Cut Blvd and the expansion of Port Road, demonstrate the port's proactive efforts to enhance connectivity. However, developing a crucial direct connector between SH 146 and Barbours Cut Blvd is essential for efficient freight mobility, despite the significant challenge posed by current spatial constraints.

Port Houston's maritime infrastructure is undergoing significant strategic advancements. The Barbours Cut Terminal Wharf upgrade is currently 30% complete in its second phase, with an estimated budget of $90 million. The completion of Section 1A of Project 11 represents a key milestone, but securing the remaining $180 million for full channel improvements remains a top priority. Looking ahead, Project 12 involves extensive dredging to deepen the ship channel, with financial details under review. Meanwhile, the port is advocating for increased funding for maintenance dredging to maintain operational efficiency following these major developments.

ECONOMIC IMPACT OF THE HSC

Ranked **#1** Among U.S. Ports in Total Foreign Waterborne Tonnage Handled

200+ Public & Private Terminals

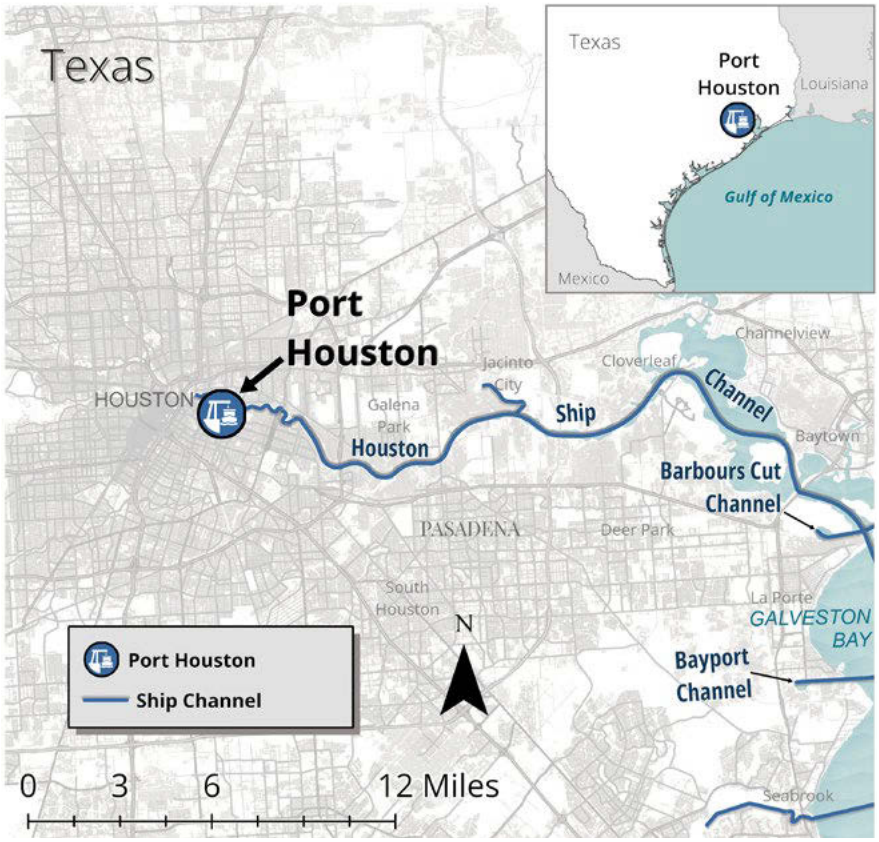
Direct & Indirect Jobs
1.54 Million (TX)
3.37 Million (US)

Economic Value
$439 Billion (TX)
$906 Billion (US)

Port Projects

Project Name	Project Type	Total Project Cost
Barbours Cut Terminal Wharves 5 & 6 Rehabilitation	Maritime Infrastructure	$77.0 Million
Bayport Southeast Drainage and Community Benefit	Maritime Infrastructure	$39.0 Million
Bayport Southern Access Road	Maritime Infrastructure	$196 Million
Bayport Terminal Wharf 1	Maritime Infrastructure	$150 Million
Bayport Terminal Yard Expansion	Maritime Infrastructure	$95.4 Million
Care Terminal Wharf Rehabilitation	Maritime Infrastructure	$5.0 Million
Container Terminals Improvement Program	Maritime Infrastructure	$125 Million
Jacintoport Rehabilitation	Maritime Infrastructure	$10.0 Million
Turning Basin Optimization Program	Maritime Infrastructure	$277 Million
Barbours Cut Terminal West End Exit Improvements	Seaport Connectivity	$40.0 Million
Port Road Grade Separation	Seaport Connectivity	$33.0 Million
Houston Ship Channel Expansion Project	Ship Channel	$1.0 Billion

Costs provided by port/navigation district



PORT FACILITIES

TERMINALS & STORAGE

- 2 container terminals—Barbours Cut and Bayport
- 3,000-acre foreign trade zone (FTZ 84)
- 14,500 acres of port-owned submerged lands
- 6 multi-purpose cargo facilities (Bulk Materials Handling Plant, Care, Houston Public Grain Elevator #2, Jacintoport, Turning Basin, Woodhouse -Richardson Steel)

PERFORMANCE & CAPABILITIES

- 5th ranking U.S. container port by total TEUs
- 73% of U.S. Gulf Coast container traffic handling
- 1st ranked U.S. port in foreign waterborne tonnage - 220.5 million short tons (2022)

SHIP CHANNEL

Ship Channel Name: Houston Ship Channel

Current Depth: Varies from 37 to 46.5 ft

Authorized Depth: Varies from 39 to 46.5 ft

INTERMODALITY

ROAD

- Highway access to I-10, I-45, I-69, I-610, SH 146, SH 99, SH 225, SH 8, SH 35, SH 36, and SH 288

RAIL

- Port Terminal Railroad Association switching railroad with connections to BNSF, Canadian Pacific Kansas City, and Union Pacific

BARGE

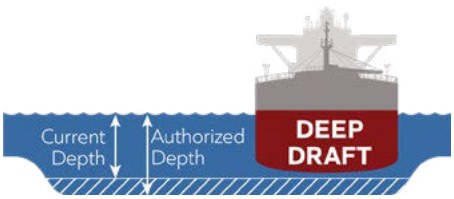
- 24-mile sailing distance to GIWW (M-10, M-69)

AIR

- 7 miles to HOU airport
- 25 miles to IAH airport

PIPELINE

- Connections leading to Beaumont/ Port Arthur, Texas City, Freeport, and Morgan's Point



CARGO CONNECTIONS

Top Trading Partners

EXPORTS

- **Asia*** $24.4 Billion
- **Mexico** $11.7 Billion
- **Netherlands** $8.9 Billion

IMPORTS

- **Asia*** $55.2 Billion
- **Mexico** $8.5 Billion
- **Germany** $7.7 Billion

Data from USA Trade for 2023
**Data provided by Port Houston for 2023*

Top Commodities

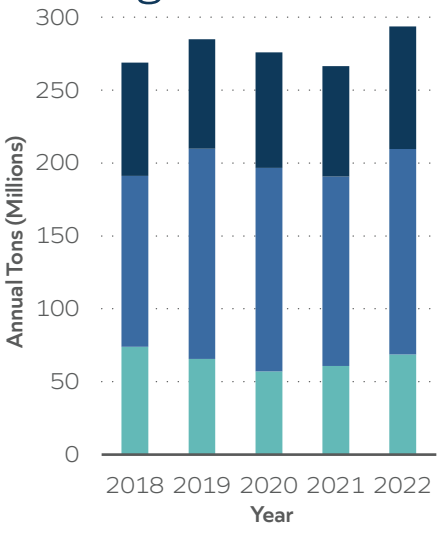
EXPORTS

- Resins & Plastics
- Chemicals & Minerals
- Petroleum & Petroleum Products
- Automotive

IMPORTS

- Hardware and Construction Materials
- Machinery, Appliances, and Electronics
- Steel and Metals
- Furniture

Tonnage



Tonnage data from USACE Waterborne Commerce Statistics Center, 2024

Texas Department of Transportation