

# TEXAS DEPARTMENT OF TRANSPORTATION 2025-2026 EDUCATIONAL SERIES

## PORTS AND WATERWAYS

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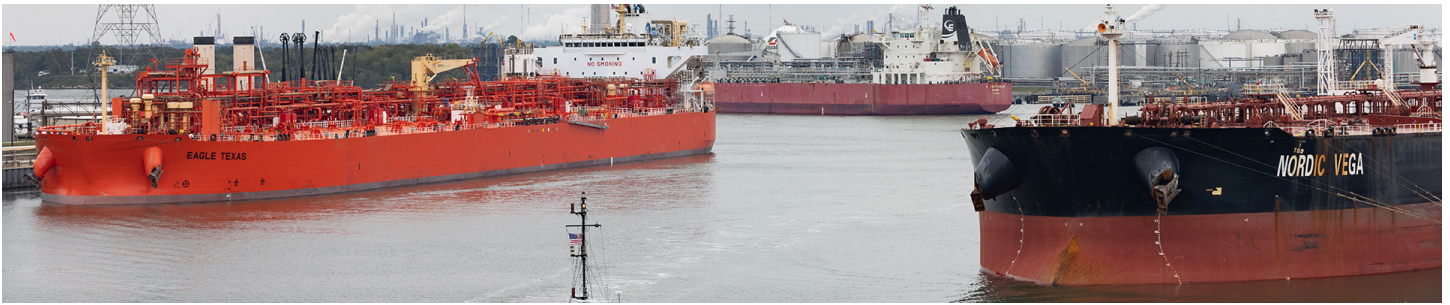


**Texas Department of Transportation (TxDOT):** Public website offering information and resources for drivers, businesses, government officials, and anyone interested in learning about TxDOT.



**TxDOT 2025-2026 Educational Series:** Focuses on key transportation issues affecting TxDOT and Texas.





## THE MARITIME SYSTEM IN TEXAS

Texas seaports act as strategic hubs, housing the complex networks that handle the cargo and commodities that fuel and furnish the nation. Each port relies on three major logistical components to support their day-to-day activities: (1) port infrastructure, (2) inland connectivity, and (3) waterways. Each of these components represents an indispensable piece of the supply chain. The success of the state's maritime system requires thoughtful coordination and investment across all three of these components.

Texas does not own or operate any of the 23 seaports, but these seaports may have partnerships with local municipalities or be privately-owned. The Texas port system relies on collaboration with and funding from ports, private partners, and all levels of government, including the Texas Department of Transportation (TxDOT). The total economic value of ports and maritime cargo activity in Texas was estimated at nearly \$713.9 billion in 2023, representing 28 percent of Texas' gross domestic product. Texas ports support 2.5 million jobs, \$196.7 billion in total personal wage and salary income, and \$17.1 billion in state and local tax revenue.

Despite the maritime industry's strength in Texas, all ports continue to struggle for additional funding for needs like capital improvements. The Texas Port Mission Plan identifies \$9.16 billion in funding needs for Texas ports including \$3.11 billion for infrastructure investments, \$585 million for inland connectivity projects, and \$5.46 billion for ship channel deepening and widening projects.

As global demand for freight increases, maritime trade volumes are predicted to more than double by 2050. To accommodate this growth and better support Texas businesses and consumers, the maritime industry must continually improve port infrastructure, inland connections to ports, ship channels, and the Gulf Intracoastal Waterway (GIWW).

## TEXAS PORTS MAP



## TEXAS PORTS

Texas is home to 12 deep-draft and 11 shallow-draft commercial ports—each critical to the state's economic growth and key components of the state's transportation system. In 2023, Texas ports handled 746.4 million tons of cargo—more than ports in any other state. Six Texas ports rank in the top 20 busiest ports by tonnage. Some highlights include:

- Port Houston ranks first in the nation by tonnage including more than 3.8 million containers (twenty-foot equivalent units, or TEUs) in 2023.
- The Port of Corpus Christi ranks third in the nation by tonnage and is a nationally significant energy hub. The port ranked first in the nation as a crude export gateway and second for liquefied natural gas (LNG) exports.

The port experienced 900 percent liquefied natural gas growth between 2018-2022 and moved 16.3 million tons in 2023.

- The Port of Beaumont ranks seventh in the nation by tonnage and serves as the country’s number one strategic military port.
- Additionally, the Port of Galveston is the fourth busiest cruise embarkation port in the United States, serving about 1.5 million cruise passengers in 2023, supporting \$4.5 billion in state economic output, and generating \$2.1 million of local business revenue per cruise.

An overview of all Texas ports and their port profiles are available on the TxDOT website (keyword search “maritime”).

While petroleum dominates international trade in Texas, Texas ports are critical hubs for other key commodities in Texas such as gasoline, chemicals, and plastics. Many other industries, including timber products, cotton, vehicle parts, and wind energy components are supported by Texas seaports.

## PORT AUTHORITY ADVISORY COMMITTEE

The Port Authority Advisory Committee was created by the Texas Legislature and consists of nine members. The Texas Transportation Commission (Commission) appoints seven members, while the Speaker of the Texas House of Representatives and the Lieutenant Governor of Texas each appoint one member. Of the Commission appointments, one member represents Port Houston, three members represent ports along the upper Texas coast, and three members represent ports along the lower Texas coast. Port Authority Advisory Committee members appointed by the Commission serve staggered, three-year terms at the discretion of the Commission.

The Port Authority Advisory Committee provides a forum for the exchange of information between the Texas Transportation Commission, TxDOT, and representatives of the Texas port industry. The Port Authority Advisory Committee’s recommendations provide the Texas Transportation Commission and TxDOT with a broad perspective on ports and maritime transportation-related matters to be considered in formulating TxDOT policies. The Port Authority Advisory Committee updates plans, strategies, and objectives that address the needs of Texas ports and identifies where to direct port-system investments.



### PORT AUTHORITY ADVISORY COMMITTEE

<https://www.txdot.gov/about/advisory-committees/port-authority-advisory-committee.html>



# THE TEXAS PORT MISSION PLAN

State law requires the Port Authority Advisory Committee to develop a Texas Port Mission Plan for maritime ports, which TxDOT submits to the governor, lieutenant governor, speaker of the Texas House of Representatives, and the Texas Transportation Commission by December 1 of even-numbered years. The Texas Port Mission Plan outlines trends and issues that impact the port system, identifies key challenges and opportunities for seaports, and provides critical strategies that the state and the ports must pursue to maintain and improve their competitive position.

The Texas Port Mission Plan is made up of three subsections, providing a comprehensive assessment of challenges and opportunities facing the port industry regarding port infrastructure, connectivity, and ship channel improvement projects.

- The Maritime Infrastructure section provides a list of critical port infrastructure needs at Texas seaports. Eligible projects must enhance international trade, promote cargo growth, or cruise passenger movement, enhance security, increase maritime port revenues, provide an economic benefit to the state, or connect maritime ports to other transportation modes.
- The Seaport Connectivity section provides a comprehensive understanding of all port inland connectivity needs to deliver goods more efficiently to all Texans. Strong roadway, railway, airport, and pipeline connections are an essential piece to expanding Texas's global trade.
- The Ship Channels section identifies and summarizes projects and feasibility studies that have been authorized by the United States Congress (through the Water Resources Development Act). The report includes additional ship channel projects and feasibility studies funded by ports and not congressionally authorized.



## THE TEXAS PORT MISSION PLAN

<https://www.txdot.gov/projects/planning/maritime-port-plan-ning.html>

# GULF INTRACOASTAL WATERWAY



The Gulf Intracoastal Waterway (GIWW) runs parallel to the Gulf of Mexico's coastline, stretching more than 1,100 miles from St. Marks, Florida to Brownsville, Texas. This shallow-draft, man-made channel is authorized at 12 feet deep and 125 feet wide and is an integral part of the inland waterway transportation system in the United States.

The Gulf Intracoastal Waterway is the third-busiest inland waterway in the United States. The Gulf Intracoastal Waterway is uniquely positioned to link ports along the Gulf Coast to major inland ports, such as Memphis, Chicago, and Pittsburgh, via the Mississippi River and its tributaries. It also provides a means to connect domestic barge traffic with ocean-going vessels, making this waterway central to intra- and inter-state commerce and foreign trade in the United States.

The Gulf Intracoastal Waterway's location on the Gulf of Mexico significantly impacts the types of commodities shipped on the waterway. The Gulf Coast houses over 48 percent of the total United States petroleum refining capacity, as well as 51 percent of the total United States natural gas processing plant capacity. Consequently, by volume 90 percent of the commodities that transit the Gulf Intracoastal Waterway in Texas are classified as petroleum products. Four percent of total commodities were non-petroleum derived chemicals and agricultural, construction material and other products make up the remaining six percent of commodities. Many petrochemical companies depend on the Gulf Intracoastal Waterway to transport commodities to other facilities along the Gulf Coast for further processing and refinement.

In June 2016, after several years of collaboration with TxDOT, the United States Maritime Administration designated the Gulf Intracoastal Waterway in Texas as Marine Highway 69. To receive this designation, TxDOT demonstrated that the Gulf Intracoastal Waterway in Texas provides additional capacity to landside corridors serving freight and passenger movements, thereby decreasing congestion in areas with high traffic, reducing air emissions, and improving roadway safety. This designation allows Texas ports to apply for the United States Marine Highway Program funding, a discretionary grant program administered by the Maritime Administration that aims to increase waterborne transportation.

## TEXAS SUPPORT FOR THE INTRACOASTAL WATERWAY: NON-FEDERAL SPONSORSHIP

In 1975, the Texas Legislature enacted the Texas Coastal Waterways Act, which designates the State of Texas as the non-federal sponsor of the Texas segment of the Gulf Intracoastal Waterway and provides specific guidance on the responsibilities of TxDOT in this role. By statute, TxDOT must acquire land for dredged material placement areas that will accommodate the ongoing needs of the United States Army Corps of Engineers dredging of the Gulf Intracoastal Waterway. TxDOT may also participate financially in projects to beneficially use material dredged from the Gulf Intracoastal Waterway, such as marsh creation for fish and wildlife, habitat development, beach nourishment, and industrial and commercial use.

State law also directs TxDOT to continuously evaluate the impact of the Gulf Intracoastal Waterway on Texas and report the findings to each regular session of the Texas Legislature. The Texas Transportation Commission reports its findings in the Gulf Intracoastal Waterway Legislative Report, which acknowledges the direct and indirect beneficiaries of the Gulf Intracoastal Waterway, identifies challenges and potential solutions, evaluates the need for significant modifications to the waterway, and makes recommendations for legislative action.

As the federal sponsor, the United States Army Corps of Engineers plans and executes all construction, maintenance, and major rehabilitation on the Gulf Intracoastal Waterway to ensure that the waterway remains open for commerce. Despite the rapid escalation of dredging costs over the last several years, the United States Army Corps of Engineers' budget has not increased to offset these costs. Inadequate federal funding to consistently maintain channel depth results in dredging projects being deferred or downsized. As a result, the United States Army Corps of Engineers cannot consistently maintain the authorized dimensions along the entire length of the channel. Case in point: certain segments of the channel are periodically shoaled to depths of less than 10 feet, making the waterway impassable to fully laden barges.

## STATE FUNDING FOR MARITIME PORTS AND WATERWAYS

### Maritime Infrastructure Program

In 2011, the Texas Legislature established the Port Access Account Fund to fund port development and infrastructure improvement needs. During the regular 88th Legislative Session in 2023, the Texas Legislature capitalized this fund for the first time by appropriating \$200 million for the biennium, assisting Texas seaports in making improvements that allow them to remain competitive with ports nationwide.

This grant program improves the infrastructure which serves as the backbone of a port's operational capabilities and efficiency. Ports must constantly maintain their facilities to ensure the infrastructure and equipment are operating as efficiently as possible, promoting the constant, uninterrupted flow of cargo and people. Examples of eligible projects include equipment purchases, dock improvements, warehouse construction, wharf upgrades, railyard flyovers and bulkhead improvements.

The Port Authority Advisory Committee evaluates proposed projects and makes recommendations to the Texas Transportation Commission as to which projects should be funded.

### Seaport Connectivity Program

In 2015, the Texas Legislature required \$20 million in the General Appropriations Act to fund public roadway projects to improve connectivity to Texas maritime ports. In each subsequent state budget, the legislature has



**GULF  
INTRACOASTAL  
WATERWAY**

<https://www.txdot.gov/projects/planning/gulf-intracoastal-waterway.html>

approved \$20 million per year of the biennium totaling \$180 million in port connectivity funding. To date, TxDOT has funded 66 projects along the coast to aid in job and business growth and retention.

These grants may be awarded to ports or other entities for projects to improve port connectivity, enhance safety, and relieve congestion on publicly accessible roadways in communities around the state's seaports. Example projects include widening "last mile" roads leading to ports, improving safety at intersections, adding truck queuing lanes in high-traffic areas, replacing structurally deficient bridges, creating multimodal queuing areas, and improving signage and gates at rail crossings.

The Port Authority Advisory Committee evaluates proposed projects and makes recommendations to the Texas Transportation Commission as to which projects should be funded.



## SHIP CHANNEL IMPROVEMENT REVOLVING FUND

In 2017, the Texas Legislature established the Ship Channel Improvement Revolving Fund (SCIRF), directing the Texas Transportation Commission to establish a revolving loan fund to provide low-interest loans to local sponsors of congressionally-authorized ship channels to complete deepening or widening projects. The 88<sup>th</sup> Texas Legislature capitalized this fund for the first time in the 2023 Regular Session by appropriating \$400 million. This funding allows congressionally authorized ship channel projects to make improvements to accommodate larger, more modern vessels and allow for more efficient vessel movement to keep Texas seaports competitive with others nationwide.

## GULF INTRACOASTAL WATERWAY

The legislature appropriates approximately \$1 million per year of the biennium to support the Gulf Intracoastal Waterway, enabling TxDOT to acquire land for dredged material placement. TxDOT also maintains the authority to participate in projects to direct dredged material for beneficial uses, including habitat creation and restoration, beach nourishment, landfill cover, and land site remediation.

## FEDERAL SUPPORT AND FUNDING FOR TEXAS PORTS AND WATERWAYS

In 2014, the United States Congress passed the Water Resources Reform and Development Act. The Water Resources Reform and Development Act included reforms to the United States Army Corp of Engineers' programs and streamlined provisions to certain agency processes. The most significant change for Texas ports and waterways was a targeted increase in expenditures from the Harbor Maintenance Trust Fund for the coming years. Eventually, full use of the fund should increase maintenance dredging of Texas' channels and waterways. Additional water resources bills since the Water Resources Reform and Development Act have built upon and amended the reforms taken in since 2014, including passage of the Water Resources Development Act of 2020, which ensures that 100 percent of Harbor Maintenance Trust Fund receipts are dedicated to navigation projects, as originally conceived. As of publication, both the United States Senate and the United States House of Representatives have passed their respective versions of the Water Resources Development Act of 2024. Consideration of the bill is expected to move to a congressional conference committee, which is a temporary panel composed of Senate and House conferees. The purpose of this committee is to reconcile differences in the respective versions of the Water Resources Development Act of 2024.

Among its many provisions, the Water Resources Development Act of 2024:

- Directs the United States Army Corps of Engineers to create and carry out a plan to fully implement previously enacted Water Resources Development bills;





- Mandates the Corps to expedite the completion of guidance and corresponding reports required in previously enacted WRDA bills;
- Ensures prompt updates to the United States Army Corps of Engineers' "permit finder," which provides the status of certain permits for projects;
- Increases the federal cost-share for inland waterway projects to 75 percent, up from 65 percent.

In addition to congressional focus in recent years on the Harbor Maintenance Trust Fund, water resources bills since 2000 have authorized the United States Army Corps of Engineers to carry out several projects of interest to Texas, including authorization for the following:

- Cedar Bayou Channel Improvement Project (reauthorized 2000, modified in 2007);
- Corpus Christi Ship Channel Improvement Project (reauthorized 2014);
- Sabine Neches Waterway Channel Improvement Project (2014);
- Freeport Harbor Channel Improvement Project (2014);
- Brazos Island Harbor Channel Improvement Project (2016);
- Galveston Harbor Channel Extension Project (2018);
- Houston Ship Channel Expansion Project (2020);
- Matagorda Ship Channel Improvement Project (2020); and
- GIWW Brazos River Floodgates & Colorado River Locks (2020).

The Infrastructure Investment and Jobs Act (IIJA) which was signed into law in November 2021, includes funds to improve infrastructure at ports and waterways. Major programs and funding over five years include:

1. The Port Infrastructure Development Program: \$2.25 billion
2. America's Marine Highway Program: \$25 million
3. Reduction of Truck Emissions at Ports: \$250 million

Additional funds were provided for these programs in the Fiscal Year 2022 Consolidated Appropriations Act.

Ports may also apply for several federal grant programs that are funded through the bill. Over five years, the Infrastructure Investment and Jobs Act authorizes \$21.9 billion in appropriations from the Highway Trust Fund or General Fund of the Treasury:

1. Rebuilding American Infrastructure with Sustainability and Equity (RAISE) Grants: \$7.5 billion
2. Nationally Significant Multimodal Freight & Highway Projects (INFRA) Grants: \$8 billion
3. National Infrastructure Project Assistance (MEGA) Program: \$5 billion
4. Promoting Resilient Operations for Transformative, Efficient, and Cost-saving Transportation (PROTECT) Grants: \$1.4 billion

The bill also appropriated \$14.7 million to maintain the Gulf Intracoastal Waterway by funding mining placement areas to assist with barrier island reconstruction, creating beneficial use sites, and establishing erosion protection measures.





## MISSION

Connecting you with Texas.

## VISION

A forward thinking leader delivering mobility, enabling economic opportunity, and enhancing quality of life for all Texans.



## VALUES

### People

People are the Department's most important customer, asset, and resource. The well-being, safety, and quality of life for Texans and the traveling public are of the utmost concern to the Department. We focus on relationship building, customer service, and partnerships.

### Accountability

We accept responsibility for our actions and promote open communication and transparency at all times.

### Trust

We strive to earn and maintain confidence through reliable and ethical decision-making.

### Honesty

We conduct ourselves with the highest degree of integrity, respect, and truthfulness.



## PRIORITIES

### Safety

Design, build, operate, and maintain our transportation system with safety as our #1 priority.

### Delivery

Responsible program execution throughout the transportation life cycle (planning, design, construction, maintenance, and operations).

### Innovation

Forward-thinking, technology-focused, fostering a culture of continuous improvement.

### Stewardship

Professional, responsible stewards of resources.

