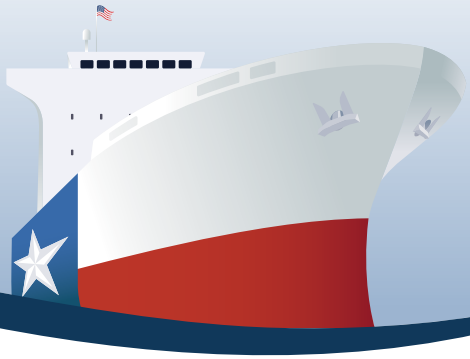
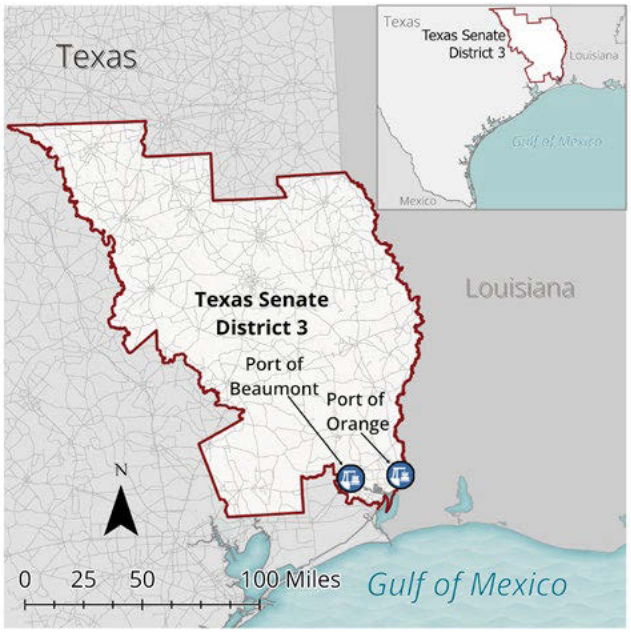
TxDOT Maritime
Legislative Resource Guide

Texas Senate District 3





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 3

Projects in Senate District 3

Port of Beaumont

- Island Park Terminal Shoreline Stabilization ..... $15.00 M
- Lot 14 Multipurpose Laydown Yard ..... $34.41 M
- Main Street Terminal 2 - Dock, Shed, and Rail ..... $190.00 M
- Orange County Access Road ..... $40.00 M
- South End Truck Queuing Area Phase II ..... $20.00 M
- Workforce Development and Training Center ..... $3.00 M
- Truck Queuing Area 3 ..... $4.00 M

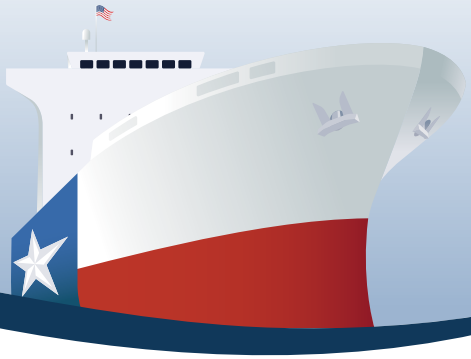
Port of Orange

- DRAVO Bulkhead - East Side ..... $34.20 M
- DRAVO Bulkhead - West Side ..... $44.25 M
- Improve Rail Reverse Curves from S. Childers to Alabama ..... $2.53 M
- Railyard South of Childers Road ..... $3.00 M
- Trans Modal Yard Transition Dock and Fendering ..... $13.59 M
- Hickory Cove Improvements ..... $55.20 M
- Alabama Street Entrance Improvements from FM 1006 to Gate ..... $2.83 M
- Alabama Street Improvements from Gate to Bridge Crossing and Bulkhead ..... $9.46 M
- Alabama Street Improvements from Bridge Crossing to Command Center ..... $3.73 M
- South Childers Roadway Improvements from FM 1006 to Orange City Limits ..... $4.38 M
- South Childers Roadway Improvements from City Limits to Entrance of DRAVO Industrial Terminal ..... $8.34 M
- DRAVO Additional Truck Queuing and Utility Enhancements - East Side ..... $7.30 M
- DRAVO Additional Truck Queuing and Utility Enhancements - West Side ..... $5.47 M

Total Project Cost..... **$500.67 Million**

TxDOT Maritime
Legislative Resource Guide

Texas Senate District 3



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

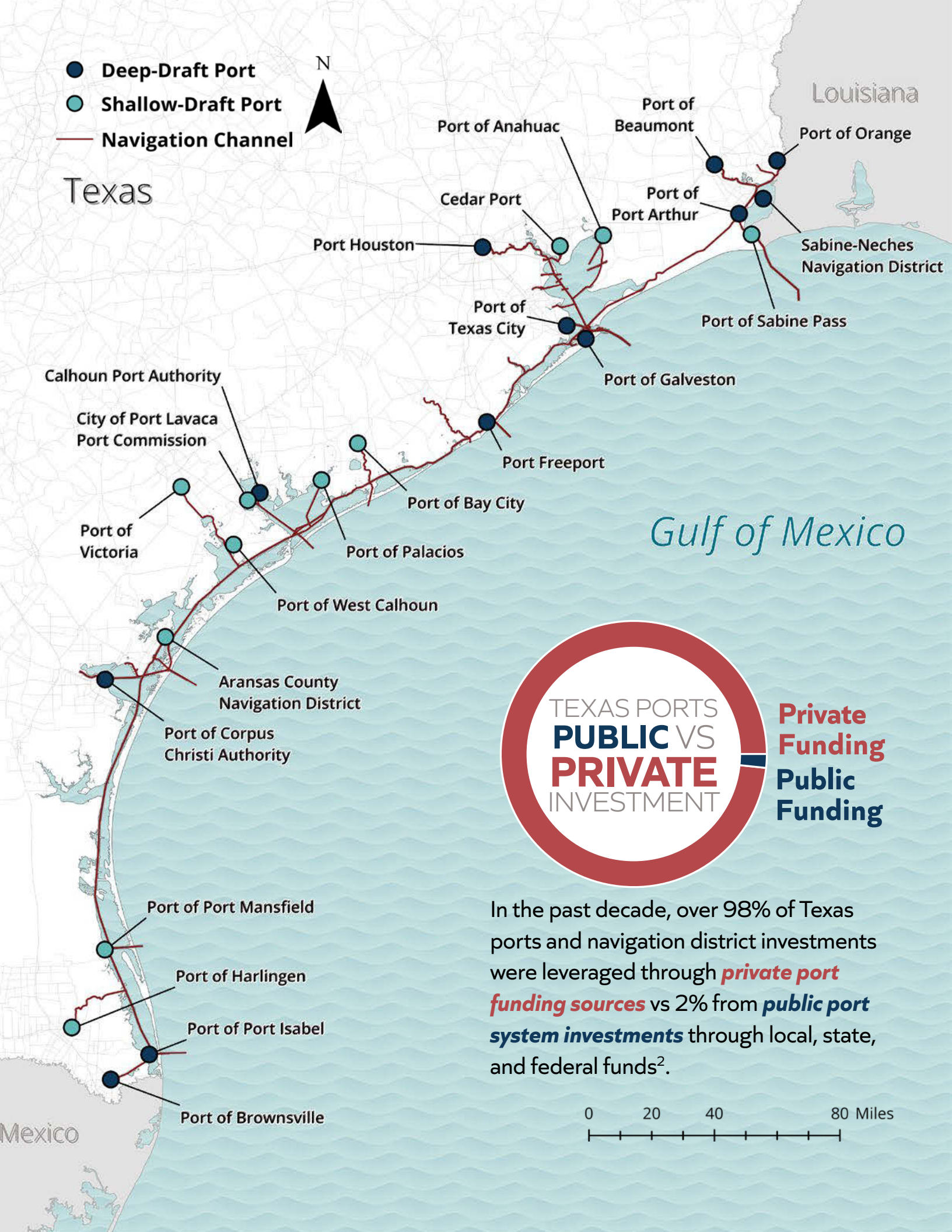
Total: $9,157,244,256

- 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

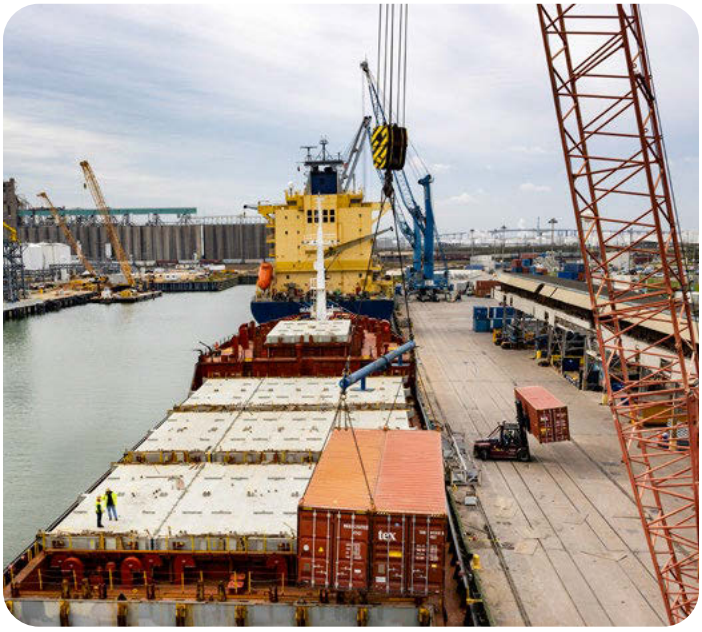
Maritime infrastructure addresses port facility and capital improvement needs. Port facilities, including things like storage yards, docks and wharves, entry gates, and interior roadway systems are the backbone of a port's operations. The port's interior infrastructure and equipment help to move workers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

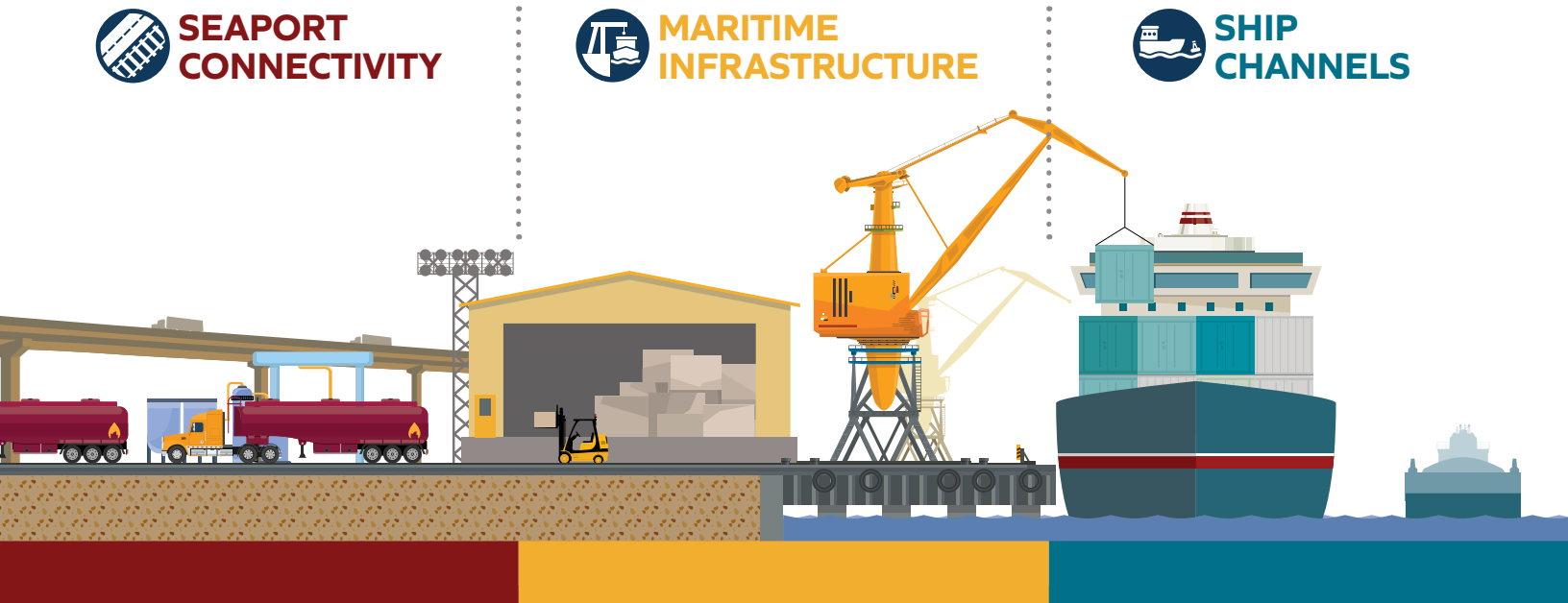
Ship Channels

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.

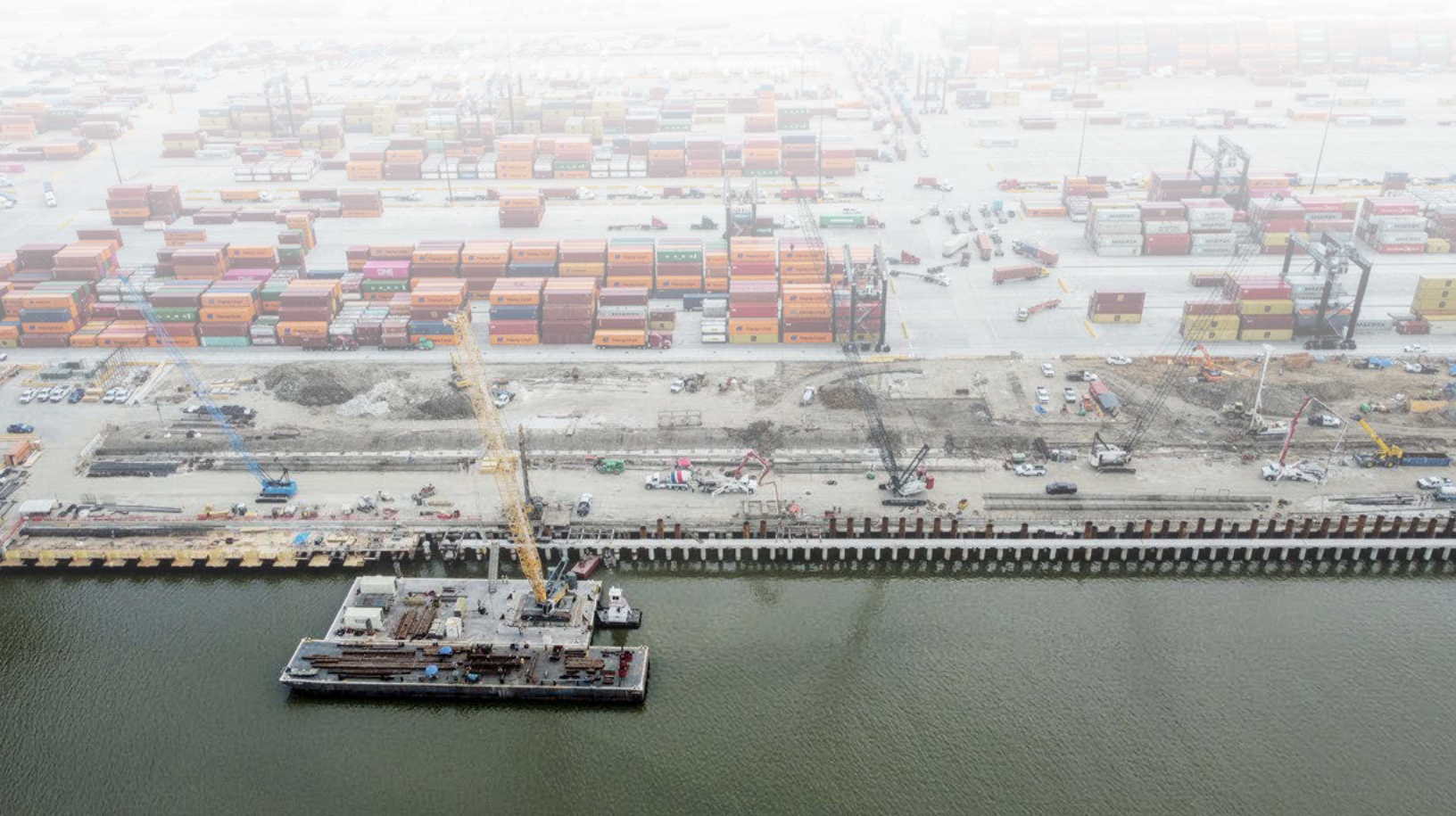
The maritime infrastructure projects presented in this plan include 82 projects, 78 capital projects and four studies, submitted by 17 ports whose total project cost is $3.11 billion.

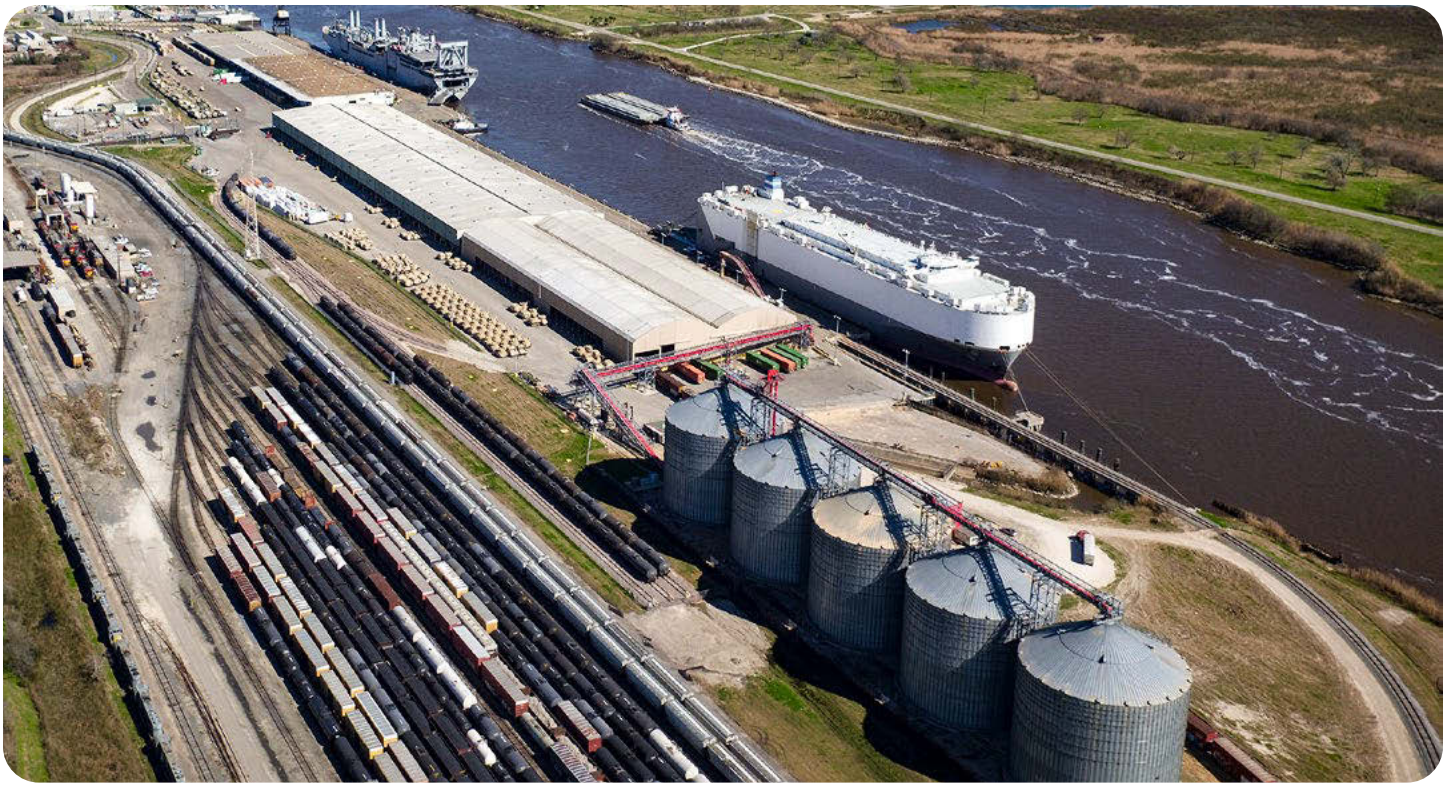
Maritime Infrastructure Projects

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 *of* BEAUMONT

Port of Beaumont Navigation District, Jefferson County

Chris Fisher, Port Director & CEO

www.pobtx.com

Bulk Ro/Ro Energy Break Bulk

Situated on the Neches River 42 miles inland from the Gulf of Mexico, the Port of Beaumont has been providing deep draft channel access to the Southeast Texas region for over 100 years. The port is accessed via the Sabine-Neches Waterway, a 64-mile long navigation channel maintained by the Sabine-Neches Navigation District, and the Port of Beaumont Channel, and stretches from Port Arthur city limits to the Port of Beaumont public wharves and docks. The port serves as the largest strategic military port in the United States.

Port Priorities & Opportunities

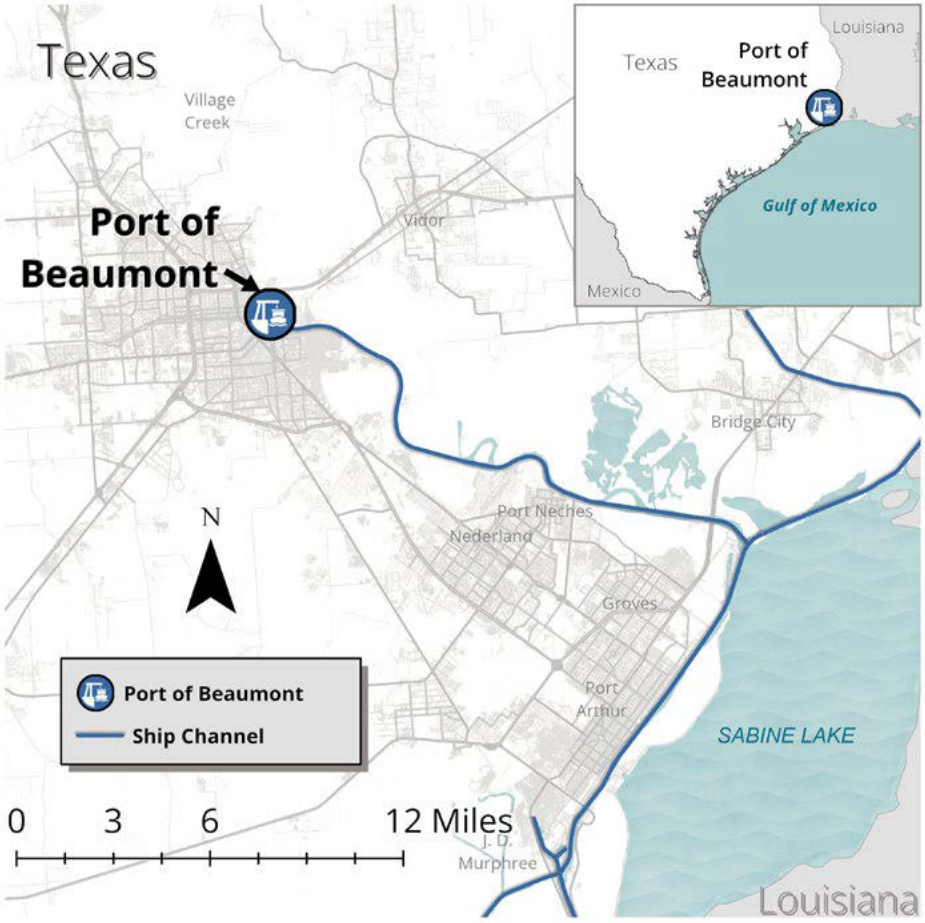
The Port of Beaumont is prioritizing construction and modernization of infrastructure that will increase storage and berthing capacity to meet the current and future needs of customers. Focus areas include reconstruction of the Main Street Terminal 2 shed, dock and rail, which was originally constructed in the 1950s; construction of an access road that will facilitate the expansion of the port's billion dollar liquid bulk handling facility; construction of an additional queuing area to reduce congestion on city streets; stabilization of a shoreline that will open up future growth opportunities; and development of a workforce development and training facility to enhance the skill sets that support the maritime industry.

TOP 10 U.S. PORT FOR OVERALL TONNAGE

Port Projects

Project Name	Project Type	Total Project Cost
South End Truck Queuing Area Phase II	Maritime Infrastructure	$20.0 Million
Island Park Terminal Shoreline Stabilization	Maritime Infrastructure	$15.0 Million
Lot 14 Multipurpose Laydown Yard	Maritime Infrastructure	$34.4 Million
Main Street Terminal 2 - Dock, Shed and Rail	Maritime Infrastructure	$190 Million
Workforce Development and Training Center	Maritime Infrastructure	$3.0 Million
Orange County Access Road	Maritime Infrastructure	$40.0 Million
Truck Queuing Area 3	Seaport Connectivity	$4.0 Million

Costs provided by port/navigation district



PORT FACILITIES

DOCKS, WHARVES, LAND, & STORAGE

- 12 public docks/wharves
- 105+ acres of open storage
- 500,000+ sf of covered storage over 98 acres
- 800+ acres available for buildout

CARGO HANDLING EQUIPMENT

- 1 Liebherr Mobile Harbor Crane
- 1 9460 American Crane
- 2 Grove GHC130 Crawler Cranes
- Limited shore power available

SHIP CHANNELS

Ship Channel Name: Port of Beaumont Channel (PoBC) and Sabine-Neches Waterway (SNWW)

Current Depth:
40 ft (SNWW)

Authorized Depth:
48 ft (SNWW)

INTERMODALITY

ROAD

- Highway access to US 69/96, US 10, US 287, US 90, SH 82, SH 87, SH 73, and SH 105

RAIL

- BNSF, Canadian Pacific Kansas City, and Union Pacific

BARGE

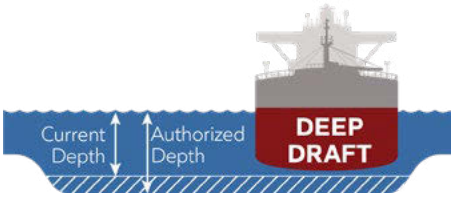
- Direct access to GIWW (M-10, M-69)

AIR

- 11 miles to Jack Brooks Regional Airport

PIPELINE

- Direct connections available



CARGO CONNECTIONS

Top Trading Partners

EXPORTS

- **Asia** $7.9 Billion
- **Mexico** $2.9 Billion
- **Spain** $1.5 Billion

IMPORTS

- **Mexico** $3.0 Billion
- **Asia** $143 Million
- **Brazil** $141 Million

Data from USA Trade for 2023

Top Commodities

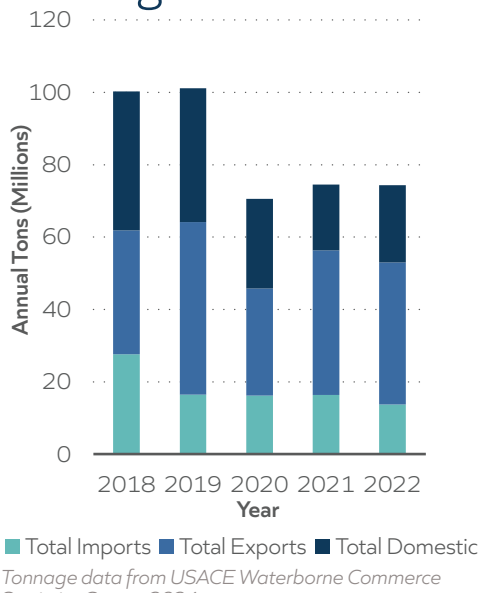
EXPORTS

- Petroleum & Petroleum Products
- Fertilizer & Chemicals
- Food & Agricultural Products
- Crude Materials

IMPORTS

- Petroleum & Petroleum Products
- Crude Materials
- Fertilizers & Chemicals
- All Manufactured Equipment, Machinery and Products

Tonnage



Tonnage data from USACE Waterborne Commerce Statistics Center, 2024

PORT *of* ORANGE

Orange County Navigation and Port District

Lorrie Taylor, Executive Port Director/CEO

www.portoforange.com

Bulk Break Bulk

The Port of Orange is centrally located between Houston and Lake Charles on I-10, on the Gulf Intracoastal Waterway and Sabine River. The port was established in 1953 and was historically opened to service the local sawmills. Today, timber and plastics are large export commodities that are shipped to New Orleans, Galveston, and other Gulf ports.

Port Priorities & Opportunities

The Port of Orange is actively enhancing its connectivity and infrastructure to adapt to the evolving demands of the maritime and transportation sectors. Central to its strategy is the development of multimodal transport facilities, focusing on improving rail and road connectivity. This includes key projects like the Alabama Street Entrance and South Childers Roadway improvements, aimed at boosting operational efficiency and accommodating larger freight volumes.

The port is forging strategic partnerships with local and state authorities to support infrastructure projects. These collaborations are essential for securing funding and resources, crucial for expanding the port's capabilities. By focusing on these areas, the Port of Orange is positioning itself to meet current demands while preparing for future market shifts, laying a foundation for sustained growth and operational effectiveness.

Port Projects

Project Name	Project Type	Total Project Cost
DRAVO Bulkhead - East Side	Maritime Infrastructure	$34.2 Million
DRAVO Bulkhead - West Side	Maritime Infrastructure	$44.3 Million
Improve Rail Reverse Curves from S. Childers to Alabama	Maritime Infrastructure	$2.5 Million
Railyard South of Childers Road	Maritime Infrastructure	$3.0 Million
Trans Modal Yard Transition Dock and Fendering	Maritime Infrastructure	$13.6 Million
Alabama Street Entrance Improvements from FM 1006 to Gate	Seaport Connectivity	$2.8 Million
Alabama Street Improvements from Bridge Crossing to Command Center	Seaport Connectivity	$3.7 Million
Alabama Street Improvements from Gate to Bridge Crossing and Bulkhead	Seaport Connectivity	$9.5 Million
DRAVO Additional Truck Queuing and Utility Enhancements - West Side	Seaport Connectivity	$5.5 Million
DRAVO Additional Truck Queuing and Utility Enhancements - East Side	Seaport Connectivity	$7.3 Million
South Childers Roadway Improvements from FM 1006 to Orange City Limits	Seaport Connectivity	$4.4 Million
South Childers Roadway Improvements from City Limits to Entrance of DRAVO Industrial Terminal	Seaport Connectivity	$8.3 Million
Hickory Cove Improvements	Ship Channel	$55.2 Million

Costs provided by port/navigation district

PORT FACILITIES

DOCKS & WHARVES

- 4 berths
- 136-ft air restriction
- Dry dock services for barges and tugs

CARGO HANDLING

- Container-on-barge shipping capabilities
- Heavy haul route for cargo
- Up to 800 amp shore power connections at each berth and pier

STORAGE & LAND

- 8 warehouses at Alabama St. Terminal
- 350,000+ sf covered storage
- 100+ acres available for build-out
- 28+ warehouses/offices at multiple locations

SHIP CHANNELS

Ship Channel Name: Sabine River and Sabine-Neches Waterway (SNWW)

Current Depth:
22 ft (Sabine River) | 40 ft (SNWW)

Authorized Depth:
30 ft (Sabine River) | 48 ft (SNWW)

INTERMODALITY

ROAD

- Highway connections to I-10, SH 62, and SH 87

RAIL

- Connection to Union Pacific

BARGE

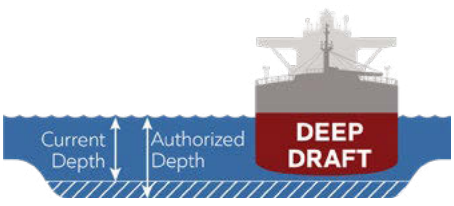
- 3.5-mile sailing distance to GIWW (M-10, M-69)

AIR

- Connections to Orange County Airport and Jack Brooks Regional Airport

PIPELINE

- Natural gas, oil, and volatile substance pipeline connections



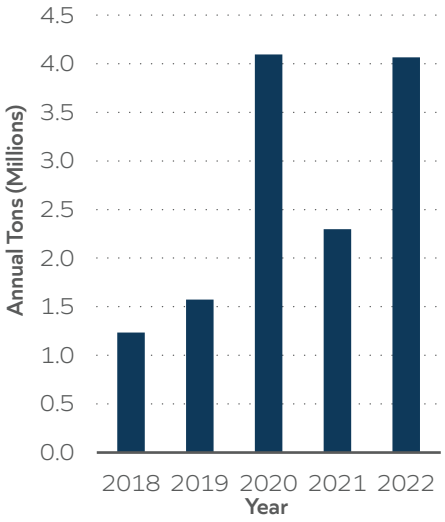
CARGO CONNECTIONS

Top Commodities

DOMESTIC

- Gasoline
- Residual Fuel Oil
- Limestone
- Cement and Concrete
- Nitrogen Compounds
- Timber
- Plastics

Tonnage



Tonnage data from USACE Waterborne Commerce Statistics Center, 2024

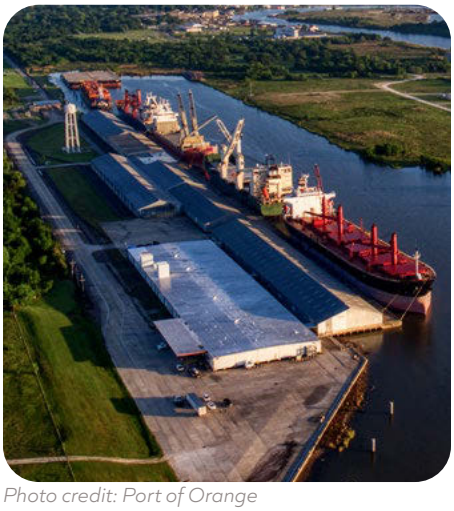


Photo credit: Port of Orange

Texas Department of Transportation