

PORT HOUSTON

SUMMER 2020

# NAVIGATOR



*Houston Ship Channel  
Expansion – Project 11  
A new chapter in our history*

Port Houston Plans Continued  
Growth in Latin America

Environmental Leadership  
Strategy



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# value.

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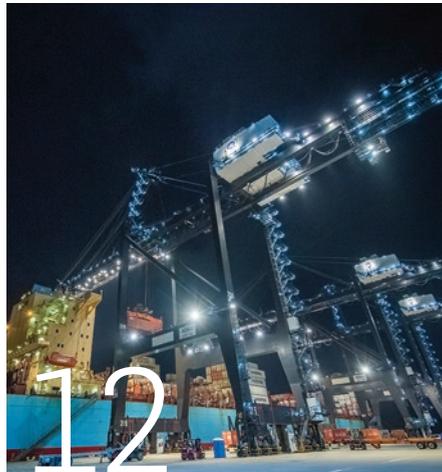
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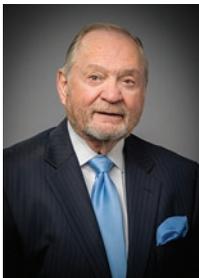
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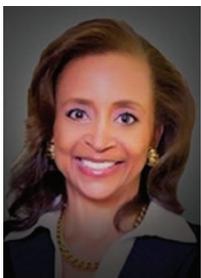
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From  
**Roger's Desk**

*A message from Executive Director Roger Guenther*



The COVID-19 pandemic continues to affect all our lives.

We are communicating and working extremely effectively in ways we never imagined just a few short months ago. While our team members still work tirelessly every day, Port Houston has not been spared from the effects of COVID-19. Cargo continues to move through our terminals, but business through Port Houston facilities declined in April and May and is below our original projections as a result of the pandemic.

General cargo through our public facilities is about 40 percent below last year's pace, mainly due to the fact that import steel is moving at about half of what the volumes were in 2019. Meanwhile, containerized cargo volume in May was down about 16 percent versus the prior year. Despite this, our container volume was up by 1 percent year-to-date through May because of the great start we had during the first two months of this year.

It's impossible to speculate how long these trends will continue. What we are doing is continuing to plan for the future, because I am confident that our resilient economy, and the cargo exported and imported, will rebound

more quickly in our region than in most parts of the country. We are thrilled that our Houston Ship Channel Expansion – Project 11 continues to move forward because that is crucial to safe and efficient movement of larger vessels now and in the future. Also, recently we were awarded a nearly \$80 million INFRA grant that will help us restore and improve wharf and yard space at our Barbours Cut Container Terminal. This is possibly the largest grant of its kind ever awarded to a port, and we know that the enhancements will benefit our customers and users.

**CONTAINER VOLUME**

**1%** ↑

**THROUGH MAY 2020**

**CARGO VOLUME IN MAY**

**16%** ↓

**BELOW LAST YEAR**





UAL HOUSTO



## Our Workforce

I continue to be proud of the Port Houston team and everyone who is working to keep goods moving in our region. Although access to the Executive Office Building has been very limited since mid-March due to the pandemic, and many of our staff began telecommuting, two-thirds of our employees continue to report on-site to their essential jobs that keep commerce moving through our port. I am truly grateful for everyone's dedication and effort.

Our staff is our top priority. Over the past several months, we have established procedures to minimize the risk of spread of the virus through our workforce, which appear to have been successful. Practices like temperature screenings upon entry, social distancing, and good hand washing help keep our team members healthy, and we will continue to exercise these measures moving forward for the health and safety of one another.

## Social Justice and the Bigger Picture

And above and beyond the challenges of a global coronavirus pandemic, we have faced the disturbing video and murder of George Floyd, which have elevated awareness and call for social justice around the world. It remains a lot to absorb and has heightened the fears and anxiety caused by numerous events, both recently and in the past, and has had a profound effect on many members of our port family.

At Port Houston, diversity and inclusion are a key part of our strategic plan and will be necessary elements of our success moving forward. We have to stand together and act through meaningful conversations that are essential for a strong family. We must listen to one another and encourage open and honest dialogue.

A recent internal employee roundtable discussion on diversity was a good start. At Port Houston, we intend to be proactive to further this healthy and important discussion. The conversation must continue to make progress, and I am committed to making progress.



# Environmental Leadership Strategy



A newly created Port Houston Environmental Leadership Strategy focuses on short-term and long-term environmental targets and goals. It commits to making Port Houston a recognized maritime industry leader in environmental stewardship.

The Environmental Leadership Strategy will assist in building stronger community and stakeholder relationships, as well as maintaining increased competitiveness with other ports as Port Houston continues to move to cleaner, more streamlined, and more sustainable business practices.

The Port Houston Environmental Affairs department expects the plan to lead to an improved environmental management system, cleaner air and water, increased recycling, reduced waste, and better tracking of current activities and their impacts.

The plan states: *As the steward of the Houston Ship Channel, Port Houston holds the key to being a good neighbor, growing lean and green, and ensuring its assets are usable by the next generation.*

The mission adopted by the Environmental Affairs department is to: *Lead the maritime industry with world-class environmental performance.* Its vision is to: *Sustain the environment and natural resources for the prosperity of this generation and the next.*

Other short-term goals include tracking port-generated emissions per metric ton of cargo (already done), as well as striving to purchase only hybrid-electric rubber-tired gantry cranes. Tracking the diversion rate of waste is another short-term goal, along with an improved recycling and waste minimization program.



If we are able to reach our goals, Port Houston will be a more efficient and effective organization, and an even better environmental steward.

— **Trae Camble**  
Director of Environmental Affairs

## SHORT-TERM GOALS

- Tracking port-generated emissions per metric ton of cargo
- Acquiring only new hybrid and electric rubber-tired gantry cranes
- Mandating no idling of vehicles at terminals with enforcement measures being put in place
- Tracking the diversion rate of waste
- Improved recycling and waste minimization program
- Improved tracking of tenant activities

## LONG-TERM GOALS

vision also includes a

90% ↓

reduction of greenhouse gas pollution along with

**ZERO EMISSION**

ship docking

## LONGER-TERM GOALS

as far out as

**2040**

Incentivizing the use of electric trucks using electric or hybrid cargo-handling equipment, zero waste, and ensuring all port properties are decontaminated and usable. The long-term goals focus as far out as 2040, matching Port Houston's proposed Comprehensive Long-Range Plan.

# New Electric Vehicles Arrive at Port Houston



Port Houston has acquired five electric vehicles, a move that should help reduce air emissions. The Chevy Bolt vehicles, along with three charging stations, were delivered in late May. They will be used by several Port departments, and three cars will be used as pool vehicles for employees.

Port Houston is among a small number of ports in the United States to use these kinds of energy-efficient vehicles, and the initiative was funded in part by \$72,438 in emissions reduction incentives provided by the Houston-Galveston Area Council.

The vehicles are powered by electricity and have large batteries instead of combustion engines, meaning there are no tailpipes that emit exhaust. They plug into the charging stations, which Port Houston's maintenance department installed. The electrical lines that power the charging stations run underground.

It is estimated that carbon dioxide emissions can be reduced by 36 metric tons per year through use of the environmentally friendly vehicles.

The 2020 Chevy Bolt is an all-electric hatchback with a long driving range, capable of traveling up to 259 miles on a single charge, according to caranddriver.com.

Port Houston is expected to save more than \$400 per year using the vehicles, since electricity is cheaper than liquid fuel. Lifecycle savings are estimated at seven cents per mile.

“This effort is one of many measures Port Houston is taking to proactively build on its stewardship and environmental leadership strategy. Port Houston continues to make greener, environmentally friendly approaches to our operations as we are committed to being an environmental leader.”

— **Trae Camble**  
 Director of Environmental Affairs  
 for Port Houston

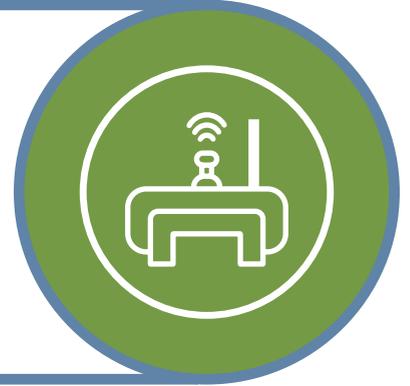
“Port Houston's 100 percent asset-based renewable electricity contract makes these electric vehicles truly zero-emission.”

— **Kelli Gallagher**  
 Environmental Compliance Coordinator  
 for Port Houston



“Port Houston staffers are excited and proud to be using electric vehicles. These vehicles are clean, meaning they pollute less, but they are also more efficient than gasoline-fueled vehicles,” said Mike Gignac, Manager of Central Maintenance for Port Houston.

# Shark About to Attack Waste in Houston Ship Channel!



Port Houston is betting a new WasteShark drone can take a serious bite out of the huge problem of litter in the Houston Ship Channel.

Port Houston is acquiring the drone from RanMarine Technology, which designed and built the machine. The WasteShark is a large drone with an underwater opening or "mouth" that is capable of capturing hundreds of pounds of waste at a time. The machine can easily be deployed by just one or two operators and can be launched from shorelines or vessels.

Port Houston will be the first port with a WasteShark in the entire United States. The drone will be deployed primarily around the site of the Sam Houston pavilion, where thousands of people board Port Houston's tour boat each year. A considerable amount of litter collects there due to runoff after rains. This litter comes from across Houston as people toss garbage into streets, bayous, and drains. "Floatables" is the actual pollution term for the trash that floats off street systems and winds up in the waterways.

While the WasteShark doesn't necessarily resemble an animal that can attack, the drone measures just about 5 feet by 3.5 feet, and can carry more than 350 pounds of trash. It has an operational battery life of 16 hours. Additionally, the WasteShark gathers air and water quality data, and filters chemicals out of the water like oil and heavy metals.

Port Houston's WasteShark will have its work cut out for it. Flood control experts note that a major problem is that almost anything that falls on the ground in Harris County ends up in a stream. Most of the stream systems flow into Buffalo Bayou, so ultimately, trash ends up in the Houston Ship Channel.

Fighting pollution in the channel is not a new problem. In 2003, the Port of Houston Authority, along with the Buffalo Bayou Partnership and other organizations, launched a trash skimmer called the Mighty Tidy, a vessel specially designed to skim litter and debris from

## WasteShark

MEASURES

5' x 3.5'

CARRIES MORE THAN

350 lbs  
OF TRASH

16 hrs

OPERATIONAL  
BATTERY LIFE

Buffalo Bayou. It was also used in the upper reaches of the ship channel. The Mighty Tidy was funded in part by a joint grant, although the Port Authority also provided funding. Today, Buffalo Bayou Partnership now owns a fleet of boats, one of which is a specially designed vacuum boat, the successor to the Mighty Tidy. Port Houston provides funding through the long-running Clean & Green program to the Partnership to continue the work of the Mighty Tidy.



In recent years, Port Houston's Environmental Affairs Department wanted to renew efforts to get more litter out of the channel and researched numerous technologies. Those included passive systems that rely on the water's current to collect trash, which would work best by spanning the width of the channel like two open arms so no trash would pass. Because the channel is a working federal channel with boats passing through it all the time, however, it cannot be blocked by such a system.

After researching the WasteShark, it was decided that it would be the best answer for Port Houston. "Our research showed that the WasteShark fit our needs better than anything on the market," said Port Houston Director of Environmental Affairs Trae Camble.

While litter anywhere is a nagging problem, it can become more serious



We think this tool shows a lot of promise, and we are proud to be the first port in the country to use it.

— **Trae Camble**  
Port Houston Director of Environmental Affairs

when it makes its way into waterways because it can affect wildlife, particularly if it winds up in the oceans.

In Texas, one in four people in 2017 admitted to littering, according to the Don't mess with Texas® litter campaign. That results in about 435 million pieces of visible litter accumulating on Texas roadways each year, joining runoff when it rains. The most common forms of litter are food and organic material, cigarette butts,

and small pieces of paper like receipts and gum wrappers.

The accumulation of the trash and litter near the Sam Houston boat dock concerns the proud Port Houston employees. Port Houston aims to be a responsible steward of the environment, and the team knows that when visitors pass through, they think port employees are the ones responsible for the mess.

**So, bring on the shark!**



# Trade Slows Some at Port Houston and Other Ports as Virus Outbreak Continues

International trade has slowed at Port Houston and at other ports in the United States as the coronavirus outbreak continues to negatively impact commerce globally. But cargo continues to move. In 2019 nearly two million tons of food, beverages, diapers, and medical, pharmaceutical and personal care products were imported across Port Houston's public docks. Moving those types of products across our docks is particularly important now.

With no region immune from the COVID-19 pandemic, it's no surprise that monthly container volumes at Port Houston have declined about 16 percent, though they only lag 2 percent for the year through June compared to 2019. Port Houston is the sixth-largest container port in the United States. Overall, Port Houston handles more than 40 million tons of cargo annually.

Steel, primarily used in the energy industry, is down by about 45 percent. The steel downturn reflects today's turmoil in the oil and gas sector. That downturn was underway prior to the pandemic as oil production was already beginning to taper off.

Executive Director Roger Guenther said that, while cargo movements have been disrupted by the pandemic, Port Houston remains busy and operations continue. "Port Houston's public terminals are vital to the economy at the local, state and national levels," Guenther said, noting the downturn. "Hopefully, we'll see some improvement during the summer."

## Volumes Sluggish Elsewhere

Other ports have also seen decreases in cargo. At the Port of Los Angeles, for example, container volumes were down more than 6 percent. For the entire second quarter, that port was projecting significantly lower volumes in imports, with at least 28 canceled sailings. At nearby Port of Long Beach, the number of containers slid 17 percent compared to a year earlier. These big West Coast ports depend heavily on cargo from Asia, where factories were hit hard by the coronavirus pandemic earlier this year.

Still, ports that handle cargo have weathered downtimes previously because they are somewhat insulated compared to other businesses, according to Fitch Ratings. "North American ports have diversified revenue streams, amortizing debt profiles, and sound liquidity positions that provide stability during periods of stress," Fitch Senior Director Emma Griffith said in a report. "North American ports have also demonstrated revenue resilience through economic downturns as severe as the Global Financial Crisis, reflecting both the essentiality of global trade and the presence of strong contractual agreements at many ports."

**The majority of cargo ports, including Port Houston, have been deemed essential services, making them exempt from stay-at-home orders. This has ensured continued operations, but at lower volumes. "Terminal staff, longshoremen, truckers and warehouse handlers continue to service cargo ports, many with normal hours of operation," Griffith added.**

Port Houston in recent years has secured a larger and larger share of cargo from Asia that moves through the Barbour's Cut and Bayport container terminals. Cargo moving across those docks serves Houston, the state of Texas, and the surrounding region. Houston is home to the country's No. 1 export metroplex, while the state of Texas is the nation's top state in exports.

Port Houston has been expanding its infrastructure in recent years and continues to expand.

"During this trying period, Port Houston has remained open for business to help international commerce continue to flow and provide for our communities," Guenther said. "Looking forward, both landside and waterside expansion projects continue uninterrupted. We must ensure that the necessary infrastructure and capacity are in place to help the economy bounce back once this pandemic has been controlled."



Port Houston thanks the men and women working on all the private and public docks, driving trucks in and out of the port, and our other maritime transportation workers, who all support the port's daily functions.

— **Roger Guenther**  
Executive Director

Overall, Port Houston handles more than

40

MILLION TONS OF CARGO ANNUALLY





# PROJECT 11 GETS BIG BOOST; DESIGN PROCESS MOVING

Port Houston is more than one-third of the way through the design process for the Houston Ship Channel Expansion – Project 11.

Project 11, the eleventh major expansion in the Houston Ship Channel's history, is moving forward following the signing of the Chief of Engineers Report. Signed in late April by Lt. Gen. Todd T. Semonite, Chief of Engineers and Commanding General for the U.S. Army Corps of Engineers, the Chief's Report capped a four-year, \$10 million study conducted by the Corps and Port Houston to identify needed channel improvements, determine the economic value to the nation, and complete environmental requirements. Dubbed Project 11, the current effort represents the eleventh major expansion in the Houston Ship Channel's history.

Port Houston Chairman Ric Campo hailed the progress on the project: "What is happening today highlights why the Houston Ship Channel project is needed now more than ever. Providing infrastructure to keep the flow of diverse and essential products moving,

as well as building the foundation for economic opportunities in the future, is a fundamental role of Port Houston. We have gone beyond the minimum requirements of a non-federal sponsor, using our own resources to design, build and fund urgently needed components of the project."

Col. Timothy Vail, the Galveston District Commander for the Corps, echoed Campo's pride and called the signing "a major milestone for Project 11, the Corps and the Port of Houston Authority."

## What Now?

After a decade in the making, the focus for Port Houston has now shifted to making sure Project 11 is included in a Water Resources Development Act bill this fall.

The Chief's Report will be submitted to the Assistant Secretary of the Army for Civil Works for review. It will then be

submitted to Congress for authorization and funding in the next Water Resources Development Act. The Senate already included the project in its Americas Water Infrastructure Act in May. Upon approval by Congress and signing by the President, the Houston Ship Channel expansion becomes a federal project.

Port Houston has already appropriated \$28 million for the design phase. In addition, Port Houston has committed to widening the channel with 100 percent non-federal funding for the upper two segments in Galveston Bay that were not included in the Corps' National Economic Development Plan. Port Houston took these actions to ensure a safer and more efficient channel and to meet deadlines to be included in the Water Resources Development Act legislation.

Stay up-to-date on Project 11 at [expandthehoustonsipchannel.com](https://www.expandthehoustonsipchannel.com)



### Important Infrastructure and Environmental Benefits

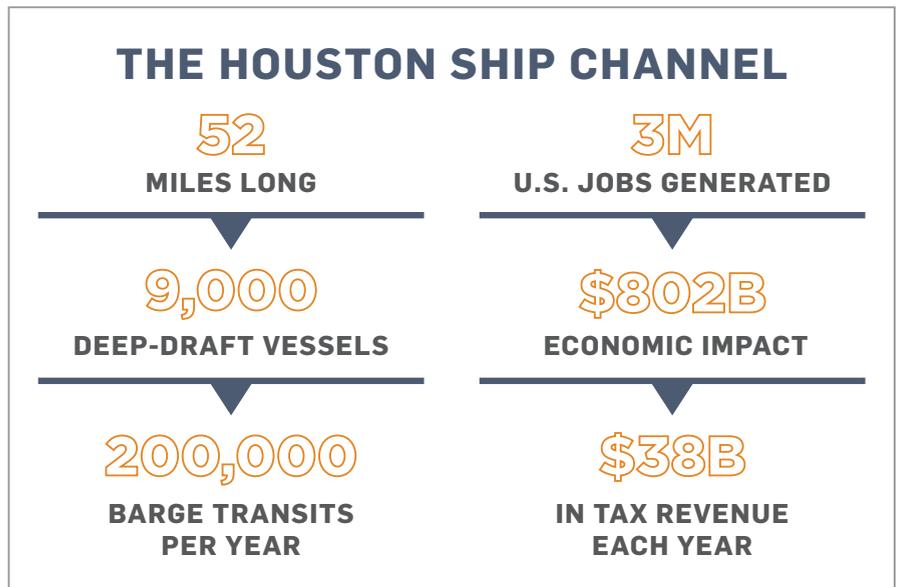
The Chief's Report recommended a variety of modifications to the 52-mile-long Houston Ship Channel System. Those included easing bends, widening the bay reach of the Houston Ship Channel to 700 feet, and widening the Bayport and Barbours Cut ship channels to 455 feet.

Modifications to the bayou reach of the Houston Ship Channel include deepening from Boggy Bayou to the Main Turning Basin with selective widening between Boggy Bayou and Greens Bayou.

Environmental benefits will include using material dredged during channel construction to create more than 800 acres of tidal marsh and bird island habitat as well as approximately 376 acres of oyster reef in Galveston Bay. This continues Port Houston's work of creating numerous wetlands in recent years.

### A Wider, Safer Port to Grow the Nation's Economy

The Houston Ship Channel is the busiest deep-draft waterway in the United States, with more than 9,000 deep-draft vessels and 200,000 barge transits



per year. The annual deep-water vessel activity at the Port of Houston is nearly equivalent to the combined totals for the next three largest U.S. ports — Los Angeles, Long Beach, and New York/ New Jersey — according to U.S. Maritime Administration data.

A wider and safer channel with two-way traffic will facilitate the growth of vessel size, exports, and domestic manufacturing. An estimated \$50 billion has been invested by the employers and manufacturers at the Port of Houston to handle increasing

exports and imports. It is critical that the necessary infrastructure be in place to accommodate future economic opportunities.

### An Engine of Our Economy

The ship channel, which officially opened in 1914 with the completion of the first improvement project, spans Harris, Chambers and Galveston Counties. The greater Port of Houston sustains three million U.S. jobs, generates \$802 billion in economic benefits, and provides \$38 billion in tax revenue each year.

# Port Commission Approves Contracts to Move Forward on Project 11

An agreement with the U.S. Army Corps of Engineers to support the design review of the Houston Ship Channel Expansion – Project 11 was recently approved by the Port Commission.



The “contributed funds agreement” was for an amount not to exceed \$400,000 and was authorized just days after the Chief’s Report from the Corps was signed and delivered in late April.

The Commission also approved a pair of professional services contracts for engineering and auditing services on an as-needed basis as work on expanding the ship channel speeds up. Those contracts were awarded to allow for the acceleration of processes associated with a traditional navigation improvement project with the Corps. Under the accelerated plan, dredging could begin in 2021 with the major components of the project to be completed in 2024.

The contracts were awarded to Atkins North America, Inc., and Freese and Nichols, Inc. Federal law and policy require that professional engineering and design services provided by the local sponsor of the channel, Port Houston, be reviewed and approved by the Corps. Several other agreements will cover various Corps requirements. Executive Director Roger Guenther noted during the Port Commission meeting in April that the signing of the Chief’s Report was a major milestone that capped a four-year study of channel improvements by the Corps and Port Houston.



We now look forward to authorization by Congress, completion of design, and working diligently to turn that first shovel of dirt on this critical improvement project.

— **Roger Guenther**  
Executive Director

# Freight Moving Faster, Smoother on Peninsula Road

Work on one of the most congested and accident-prone roads in the entire port region has been completed, and the results indicate the project is a success. The \$12.7 million construction project at Peninsula Road in the greater Port of Houston area widened the two-way road to accommodate three lanes inbound and one lane outbound.

The change is expected to reduce congestion, which should improve safety and decrease supply chain costs. Rail crossing safety has also been improved, with train signals added at six locations and crossing arms at five of those locations.

The improvement, which took almost 18 months to complete, is expected to bring \$123 million in benefits to the Houston region over the next 10 years.



**\$12.7 Million**

**CONSTRUCTION PROJECT**

**\$123 Million**

**IN BENEFITS TO THE HOUSTON REGION OVER THE NEXT 10 YEARS**

**18 Months**

**TIME TO COMPLETION**

“Port Houston is proud to have worked on sourcing project funding on behalf of our industrial and governmental stakeholders on this project and appreciates their involvement in making this happen,” said Bruce Mann, Freight Mobility Director for Port Houston. “It’s been great to be part of this project from the beginning and to see the de-bottlenecking and the significant improvements to safety for both railroad and roadway users.”

The project was completed in partnership with Harris County Precinct 2, Port Houston and the Texas Department of Transportation. Port Houston contributed \$800,000 to the project. Port Houston also facilitated Harris County’s participation in the Texas Legislature’s Rider 48 Grant Program, which awarded up to \$10.2 million for the project.



This project will make a big difference in our county’s infrastructure.

This road has been overdue for an upgrade to handle heavy truck use for many years, and I am very pleased that it’s now complete. I want to thank our partners at Port Houston and TXDOT for their hard work in upgrading this roadway.

— **Adrian Garcia**

Commissioner for Harris County Precinct 2



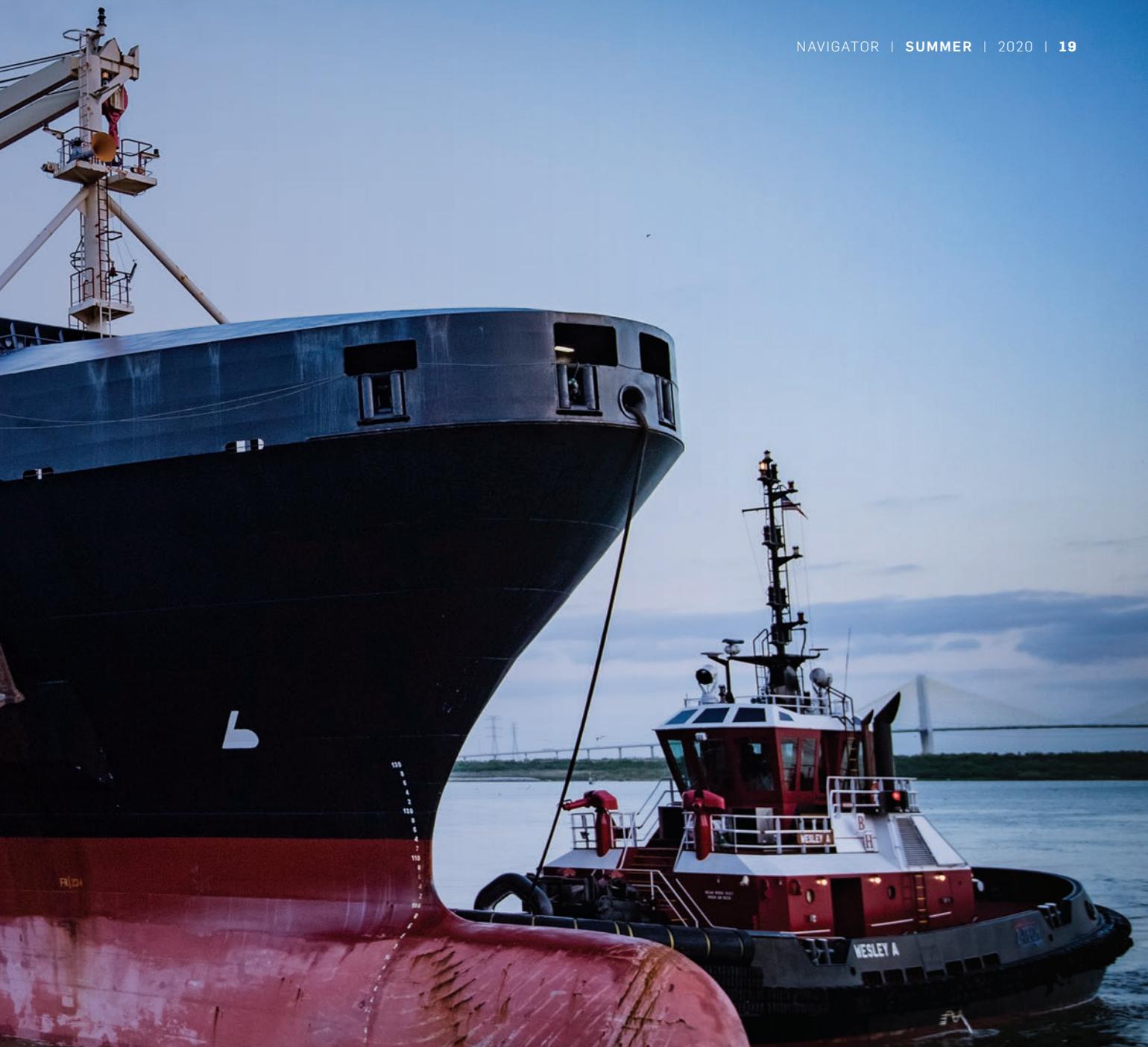
# Port Houston Plans Continued Growth in Latin America

**LATIN AMERICA IS A KEENLY IMPORTANT REGION FOR PORT HOUSTON.**

With eight regularly scheduled container services to and from Central and South America, the region accounts for 20 percent of Port Houston's container trade and has grown steadily over time. The Port's total trade with Central and South America grew 7 percent in 2019 alone, with exports increasing by 11 percent. Those are significant increases.

Because of Port Houston's geographic location in the United States, doing business with Latin America makes sense. Port Houston has a vital, longstanding relationship with the Panama Canal Authority, as the canal provides a key gateway for trade to the U.S. Gulf Coast. That has been the case since the canal's inception, but the relationship increased in importance when planning began for adding a third set of locks to the canal.

Well before the expansion of the Panama Canal was completed in 2016, large retail outlets began building distribution centers in the Houston region as trade through Port Houston expanded.



More distribution centers have located to the region and Port Houston has continued its expansion, including the acquisition of additional ship-to-shore cranes at its container terminals to handle increases in cargo.

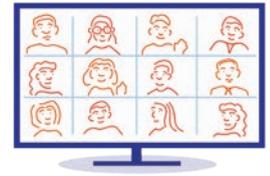
Regional growth has meant continued growth for Port Houston and a steady buildup of trade with Latin America. For Brazil alone, which has the biggest economy in Latin America, Port Houston consistently ranks among the highest ports for Brazilian trade, according to a WorldCity analysis of the latest U.S. Census Bureau data. For the first three months of this

year, Latin American trade with the Port of Houston jumped 14.3 percent to \$2.38 billion. Exports rose 27.3 percent to \$1.76 billion, while imports fell by 11.4 percent to just over \$618 million, the analysis showed.

Trade between Latin America and the Houston-Galveston Customs District is now 4.6 times larger than it was in 1989, statistics show, and has increased by 362 percent since that time. That was the year Port Houston first added a team member specifically focused on increasing trade with Latin America.

## Did You Know?

# First Virtual Port Commission Meeting — One for the Books



### *"It is great to gather again ... at least virtually."*

That's the way Executive Director Roger Guenther kicked off his remarks at the April Port Commission session, Port Houston's first-ever virtual commission meeting. The meeting, which featured more than 100 attendees, came off without a hitch. That's in large part thanks to Kelly Day, Senior Executive Assistant in the Executive Offices, who was at the controls while Chairman Ric Campo ran the meeting from his own remote location. Day said that, while she thought the meeting came off well, it had its moments. "The only challenge I really faced was hosting a meeting with 118 participants while people communicated with me across several different platforms, like the chat feature in Webex, text messages, and email," Day said. "I was getting messages from people on all three at the same time while managing the meeting."

### Surge in Technology Due to Coronavirus

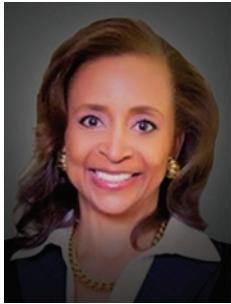
Cisco Webex reports that about 130 million professionals use its system each month. The company reported a big spike in usage since the coronavirus pandemic hit. Port Houston is using it for employees who are telecommuting after the Executive Office Building was closed in mid-March in response to the pandemic.

Other companies across the world are using Webex or similar tools, such as Zoom or Jabber. Demand for videoconferencing and digital collaboration apps has been surging, not just for businesses, but schools as well.

# PORT OF HOUSTON



**Kelly Day**  
Senior Executive Assistant



**Cheryl Cruzot**  
Commissioner



At Port Houston, Guenther highlighted the uniqueness of the situation before the April Port Commission meeting began.

**“To keep commerce moving through our port, we are doing things we never dreamed of doing before, and certainly conducting business differently than we ever planned,” he told attendees during the virtual meeting. “Much of the nation is making plans to safely return to work and reopen business, but Port operations never stopped.”**

More than half of Port Houston’s employees continued to attend work in-person because they are considered essential employees. And considering the circumstances, new technologies also have been used at the container terminals where those employees work. For example, Port Houston hired a company to begin screening employees for fever using non-invasive temperature gauges that produce accurate readings without skin contact.

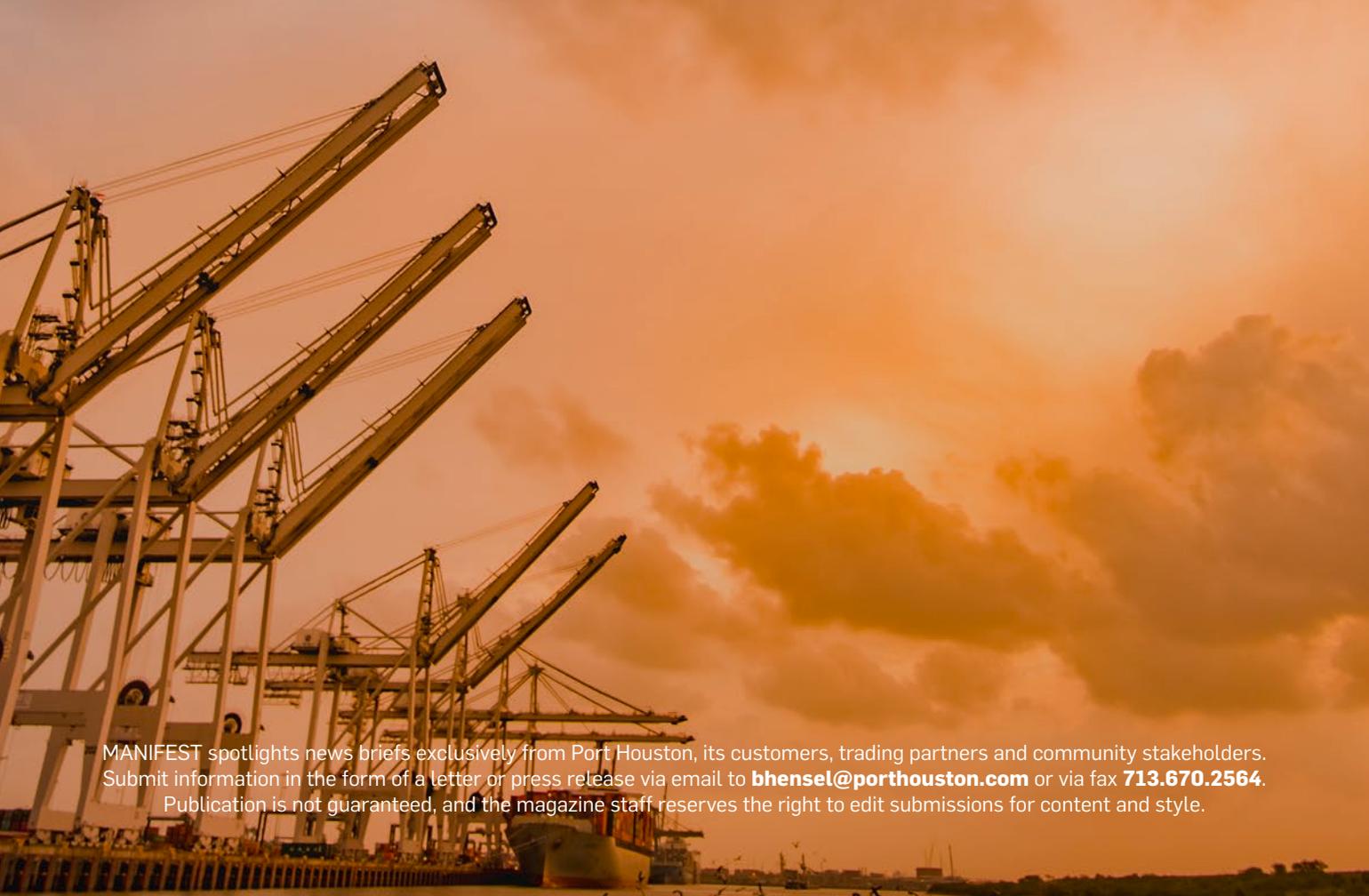
Using new technology requires a bit of learning. At the start of April’s commission meeting, Campo set some ground rules. He covered everything from muting phones and having the video function turned off, to chats and voting. The voting feature was used to ask commissioners if there were any no votes on each agenda item. He thanked Commissioner Stephen DonCarlos for making the voting suggestion. Campo also welcomed Commissioner Cheryl Cruzot, who was “attending” her first meeting as a commissioner after being appointed to the post recently. “We are pleased to have her on board, and she has jumped right in despite the circumstances and is working diligently to get up to speed on Port Authority issues,” Campo noted.

The May and June meetings of the Port Commission were also held virtually.



# THE MANIFEST

Port Houston News and Highlights



MANIFEST spotlights news briefs exclusively from Port Houston, its customers, trading partners and community stakeholders. Submit information in the form of a letter or press release via email to [bhensel@porthouston.com](mailto:bhensel@porthouston.com) or via fax **713.670.2564**. Publication is not guaranteed, and the magazine staff reserves the right to edit submissions for content and style.

# Port Houston Receives Big Federal Infrastructure Grant

Port Houston received nearly \$80 million toward its efforts to restore and improve wharf and yard space at its Barbours Cut Container Terminal.

The U.S. Department of Transportation (USDOT) awarded \$79,472,000 from the Infrastructure for Rebuilding America (INFRA) program to Port Houston, which was the full amount requested for Port Houston's \$198 million project. The local cost share is 60 percent with the INFRA grant accounting for 40 percent of future construction costs.

**"This funding support will help bring significant economic benefits to the region and nation while maintaining an efficient and safe movement of commerce to the U.S.," said Port Houston Executive Director Roger Guenther.**

The restoration and upgrades are needed to handle the current and future demand of cargo calling at Barbours Cut. The project also provides environmental benefits and emissions reduction.

Opened in 1977, Barbours Cut Terminal comprises 6,000 linear feet of wharf and about 390 acres of yard space, including container yards and support areas. The project will restore and strengthen 2,667 linear feet of wharf and 83.5 acres of yard space.



The project will strengthen facilities, allowing for larger ships and densification of container space, and enabling continued growth in cargo volumes and international trade. In 2019, Port Houston was the fastest-growing container port of the top 10 U.S. container ports.

Barbours Cut was Port Houston's first container terminal. The Bayport Container Terminal, which opened in 2007, is being built out in phases and is about 50 percent complete.

# New Port Commission Community Advisory Council Launched

The recently formed Port Commission Community Advisory Council is a diverse group of 14 members, representing different communities along the Houston Ship Channel and various special interest groups. The council will help promote deeper engagement and understanding between local communities and Port Houston and is expected to help Port Houston provide a more open line of communication and robust dialog opportunities for stakeholders.

The original Chairman's Citizen Advisory Council was formed in 2013, but with this updated version, all the Port Commissioners will play a role in this council. The updated platform will

help Port Houston leadership better engage community stakeholders who are connected to our mission in some way and who have a vested interest in what we do.

Members of the council include representatives from Pleasantville, the West Gulf Maritime Association, Harris County, Air Alliance, and recreational users of Galveston Bay, among others. The council members will serve two-year terms.

"Consistent with our recently adopted strategic plan, where partnerships are a strategic goal, this council will help promote deeper engagement

and understanding between local communities and Port Houston," said Ric Campo, Port Houston Chairman.

**"As a neighbor to many, it's important that Port Houston continues to build strong relationships with the community," said Leslie Herbst, Director of Community Relations and Events for Port Houston. "Whether working on smaller, very localized initiatives or something like the Houston Ship Channel Expansion – Project 11, those community relationships play a key role in our success."**

## Evergreen Begins New Service at Barbours Cut

Port Houston, the largest container port on the U.S. Gulf Coast, has received its first stand-alone Evergreen Line weekly service at the Barbours Cut Container Terminal that will connect the U.S. Gulf of Mexico and Houston with the Caribbean and South America. It is a solo feeder service called the Gulf Service (T/S) using three vessels to support the shipping company's CAJ service. This new addition brings the total to 12 weekly container services to the Barbours Cut facility and 21 total weekly container services at Port Houston.

The service began at Port Houston with the maiden voyage arrival of the M/V *Arkadia*, a 3,500-TEU vessel in May. It will also support Evergreen's other shipping services in the Caribbean and South America by transshipment with ports of call that include Manzanillo, Panama; Colón, Panama; Kingston, Jamaica; and Port-au-Prince, Haiti.

Port Houston's containerized cargo trade with South America grew a total of 6 percent in 2019, with exports rising 10 percent. Some of the top commodities exported to South America from Port Houston include resins, plastics, chemicals, minerals and consumer retail goods. With this service, Port Houston expects to see more resin exports since Houston is a U.S. petrochemical hub. Port Houston is the nation's leading resin export port, with a 73.7 percent share of all U.S. polyethylene resin exports.

**"Houston is an international gateway for South America, and we are delighted that Evergreen has chosen Port Houston to help connect these markets," said Dominic Sun, Trade Development Director for Port Houston. "We are grateful to continue to see trade development opportunities like this happen during these uncertain times."**

This is the second new service for Port Houston in the past few months. A new service with King Ocean Gulf Alliance (KOGA Shipping) started March 31 at Port Houston's CARE Terminal, operated by Coastal Cargo of Texas. That service is monthly from Houston to the North Coast of South America and includes Colombia, Venezuela, Trinidad, Guyana, and Suriname, and will support breakbulk, bulk, steel and project cargo. It will also cater to cargoes generated by oil and gas, mining, power generation, and infrastructure activity in the region.



## Averitt Opens New Distribution Center Near Container Terminals

Averitt Express has opened a new international distribution center to service the Port of Houston. The center is located less than five miles from the Barbours Cut and Bayport Container Terminals and features 250,000 square feet of enclosed space to handle the flow and distribution of cargo.

"We are excited to increase our ability to service the growing needs of shippers that rely on the Port of Houston," said Wayne Spain, Averitt's

President and Chief Operating Officer. "The sheer size of this distribution center dramatically increases our ability to provide more capacity and a wider array of services in the region."

Averitt has operated in the area for more than two decades. In addition to the new distribution center, Averitt operates a service center located near the George Bush Intercontinental Airport.

**"The proximity of our new facility to the container terminals puts us in a prime position to streamline the inland transportation of international cargo," said Spain. "We can now reduce the amount of time that containers are on the road by providing drayage and transload services at our facility. Not only does this help reduce the overall container use fees for shippers, it also allows us to quickly move cargo in and out of our LTL and truckload distribution networks."**

Averitt's expansion in Houston follows the recent openings of new facilities in Austin and in Georgia.

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## SMALL BUSINESS SPOTLIGHT

Gullett and Associates is a professional pipeline service company that has been in business for 45 years.

— **Pedro Gonzalez**  
Small Business Manager for Port Houston

### Gullett and Associates: Providing Data to the Petrochemical and Pipeline Industry in Houston

Gullett and Associates, a Houston pipeline company established in 1972, supports the midstream, downstream, and other oil and gas businesses through land surveys, right-of-way, drafting and 3D laser scanning. Its clients include numerous companies with operations along the Gulf Coast, including Targa Resources, LyondellBasell and Energy Transfer.

The company brings a data-driven approach to a survey, providing information that an engineer or facility needs before pursuing a construction or design project. This team finds solutions that will provide the right information, including detailed, accurate maps. Gullett and Associates prides itself on providing follow-through with clients, while also continually improving techniques and using state-of-the-art technology and equipment to get a job done right.

**Small Business Manager for Port Houston Pedro Gonzalez says, "Gullett and Associates have been doing this for a long time. They provide accurate and detailed survey information for right-of-way acquisitions and pipeline service. Their applications for pipeline crossings through Port Houston property are always of sufficient detail and description to make the review and approval of their licenses very prompt."**

Port Houston's small business program has greatly helped our business expand throughout the Houston Ship Channel through networking events that bring business from the port's tenants.

It's the relationships we've built from the program that have made our company even more successful. Not to mention the knowledge that you get out of the information presented at those events.

— **Scott Breaux**  
Business Development for  
Gullett and Associates



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