



PORT HOUSTON™
THE INTERNATIONAL PORT OF TEXAS

ROGER GUENTHER
Executive Director
Port Houston



Intermodal Tank Container Association

November 8, 2018



Largest Cargo. This is a scene on Buffalo Bayou. The barge was loaded October 30, 1899, from Houston Converting Plant, with 5,300 Lowery bales of cotton, weighing 1,285,861 pounds. Loaded on Steamship Catania, in Bolliver Roads, for Boston, and not touching Galveston wharves. Capacity of barge, 650 tons. This is the largest cargo of cotton ever loaded on Buffalo Bayou. See steamship, page 11.

2018

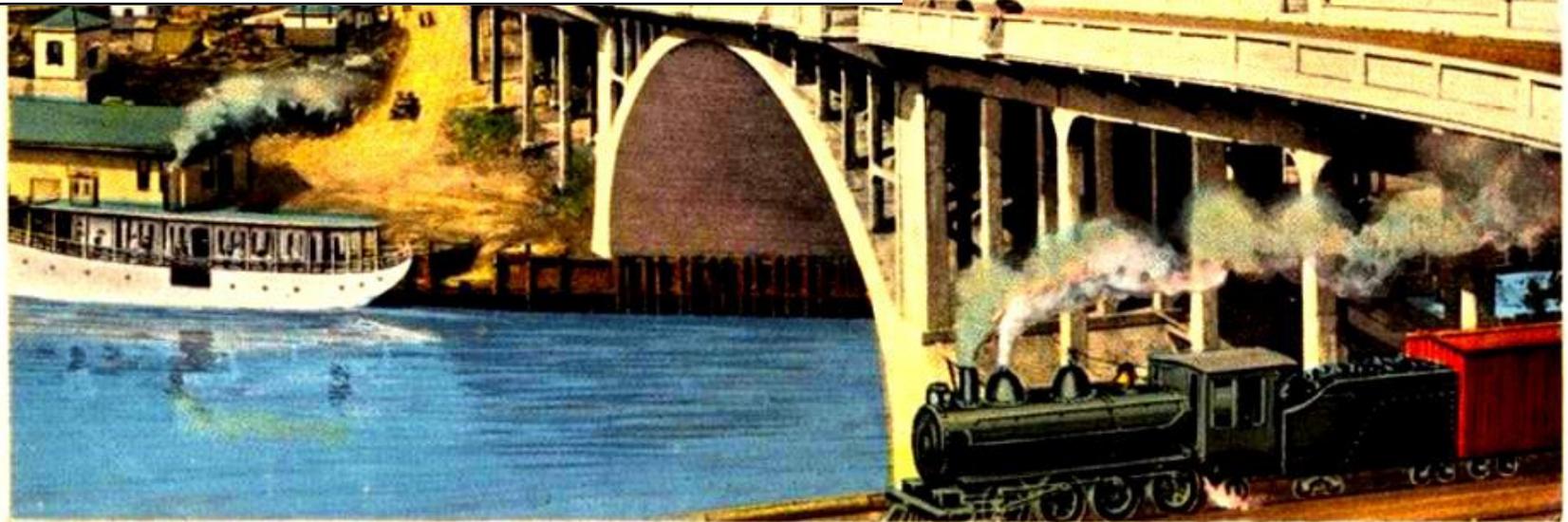


Port as... Economic Engine



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	U.S.	TEXAS
ECONOMIC ACTIVITY	\$618 Billion	\$265 Billion
JOBS	2.7 Million	1.2 Million
TAX REVENUE	\$35 Billion	\$5 Billion
PERSONAL INCOME	\$126 Billion	\$67 Billion



MAIN STREET VIADUCT AND SHIP CHANNEL, HOUSTON, TEXAS.



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MAJOR GATEWAY



#1

**U.S. Port by
Foreign
Waterborne
Tonnage –
169.9M Tons**



#1

**in Petroleum,
Steel and
Project Cargo**



#6

**Ranked US
Container
Port by
Total TEUs**



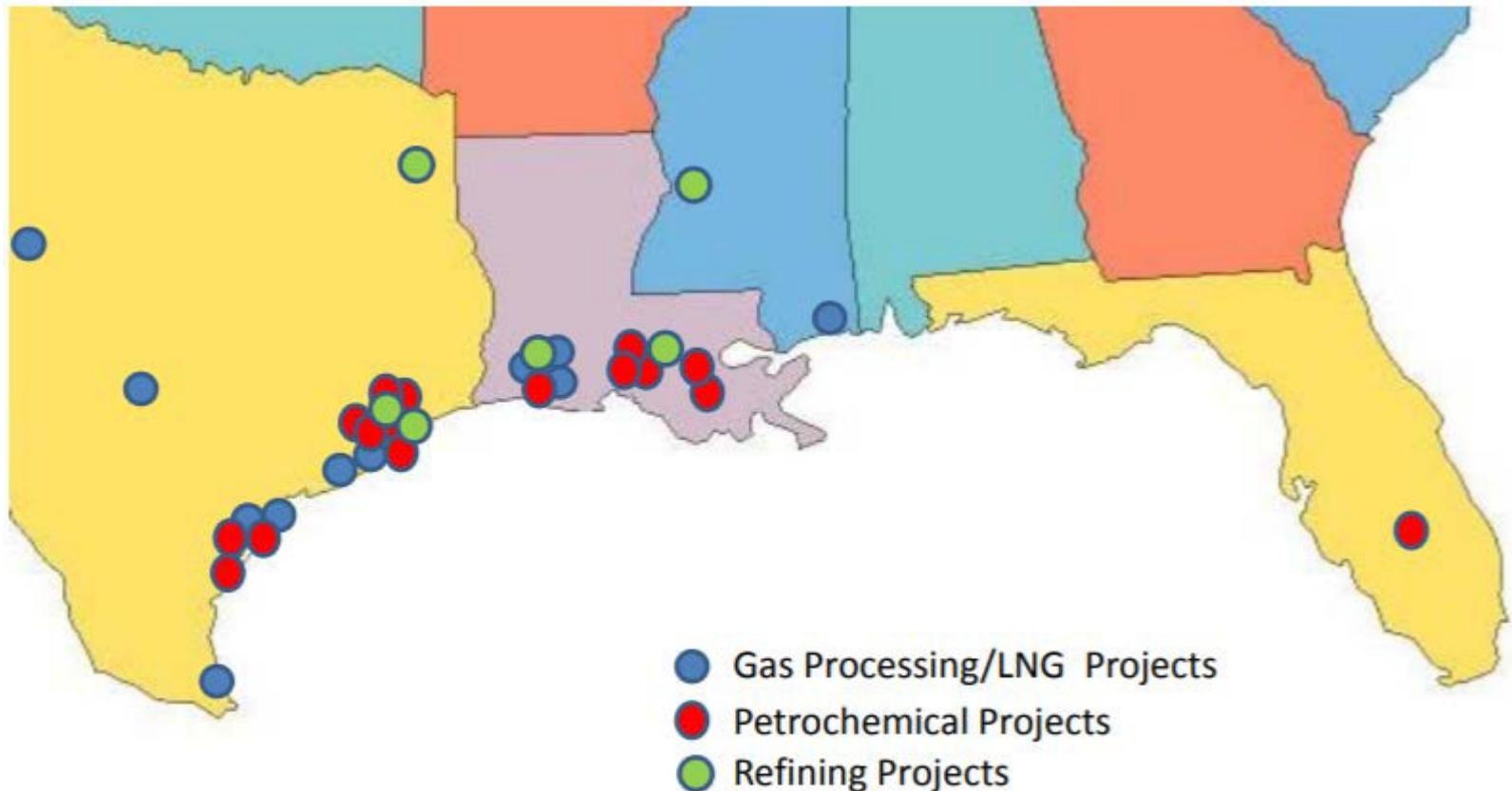
#15

**Largest
Port in the
World by
Tonnage**

Manufacturing Driving Exports



New Petrochemical Project Announcements – 2012



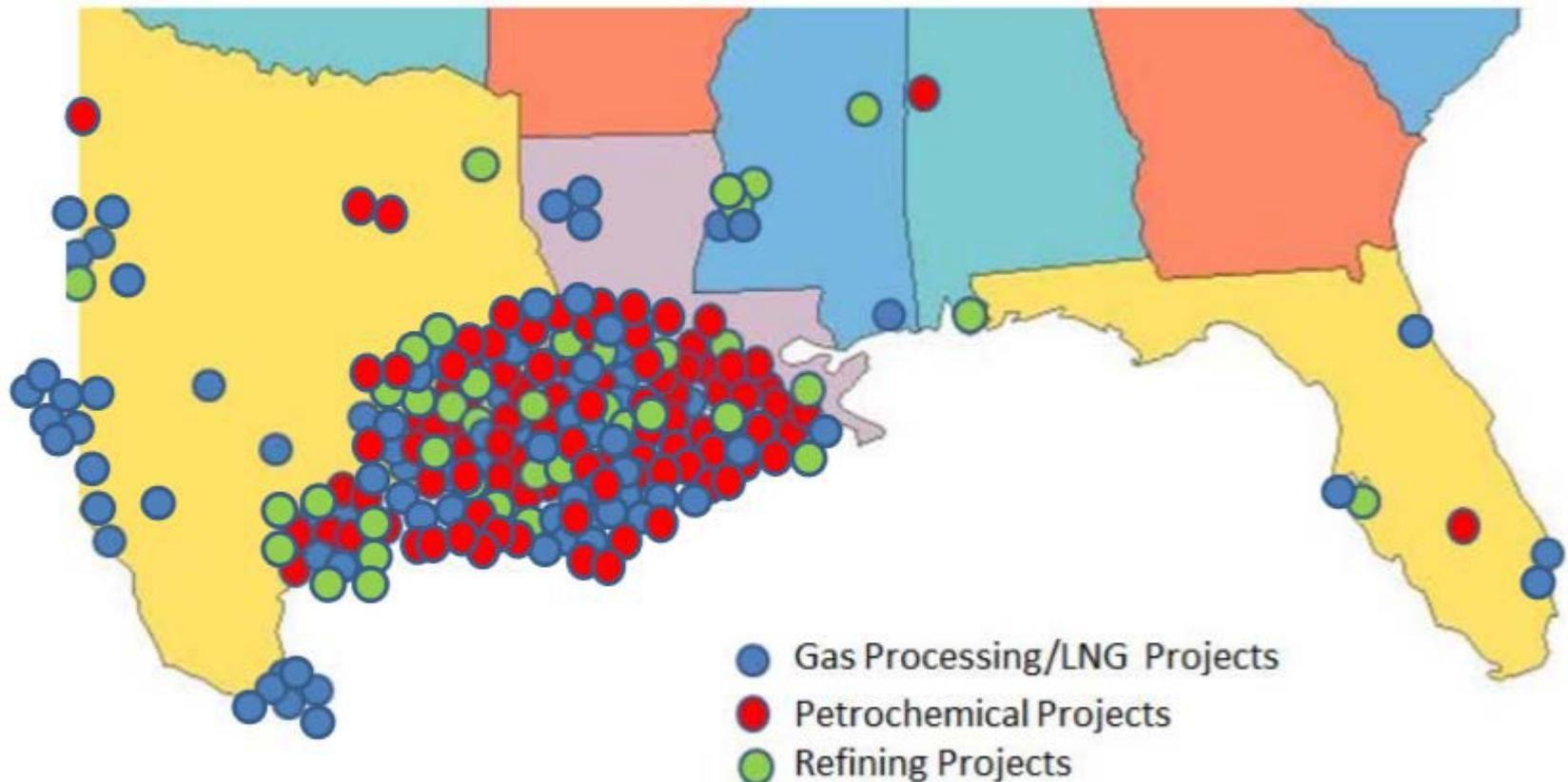
Source: Lee Nichols, Hydrocarbon Processing Magazine, Energy Construction Form 3/16

Manufacturing Driving Exports



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New Project Announcements – Through Q1-2016



Source: Lee Nichols, Hydrocarbon Processing Magazine, Energy Construction Form 3/16

Port Houston... Behind the Scenes

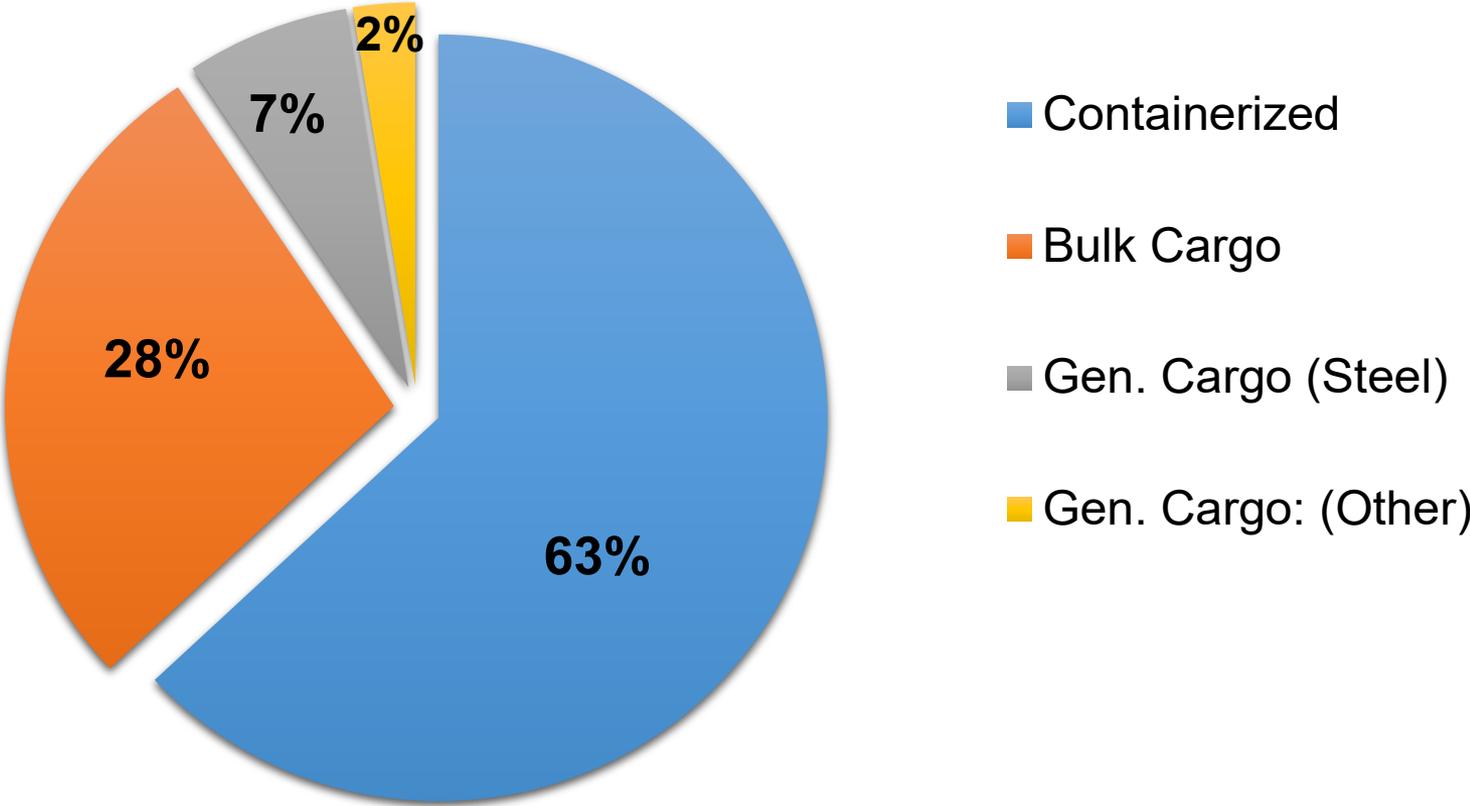


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Port of Houston Authority

Cargo Sectors – 2017





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Breakbulk/ General Cargo



Bayport Automobile Terminal



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Container Outlook

- Petrochemicals / Resin Export
- Import of Consumer Goods
- Population Growth
- Panama Canal Expansion



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Tank Containers



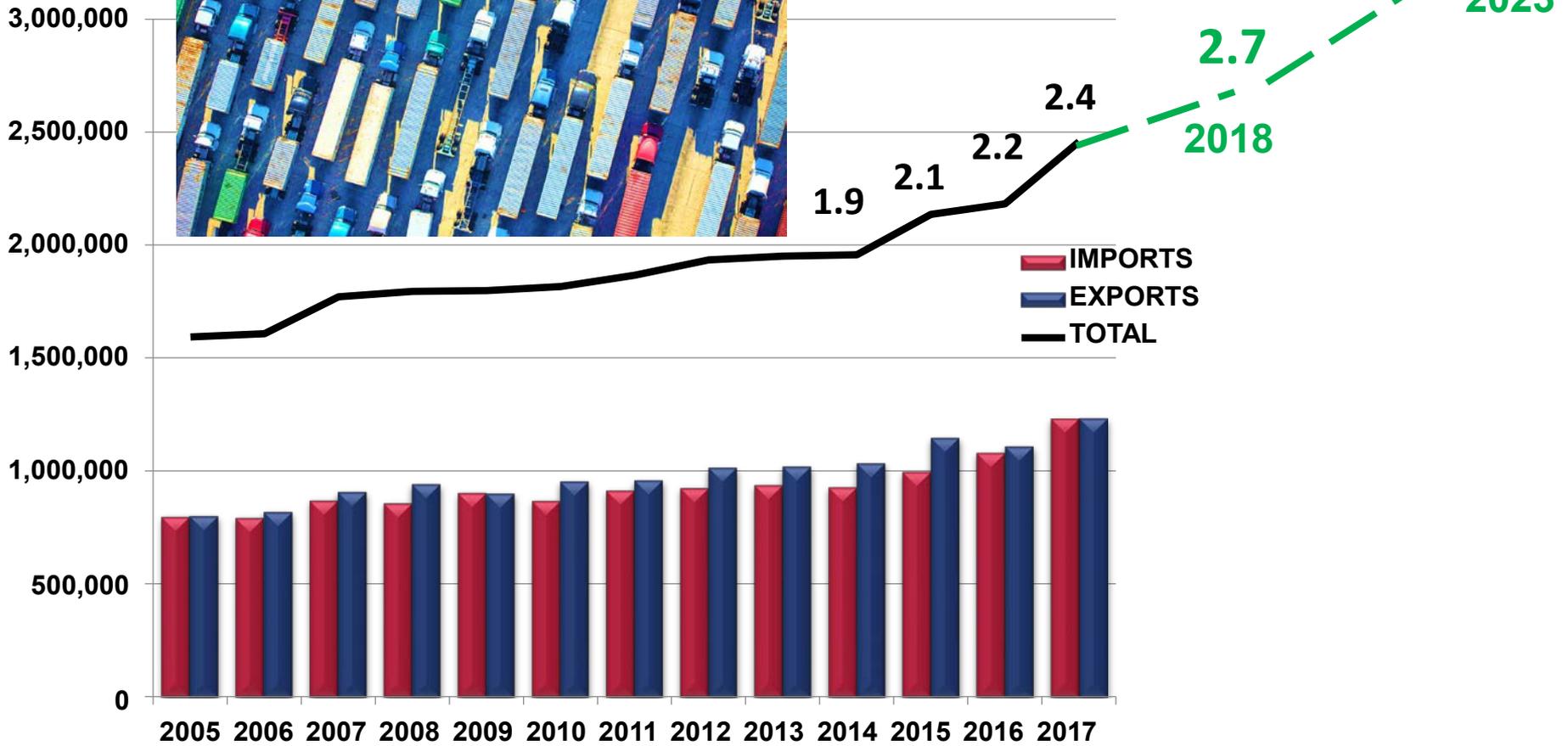
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Consistent, Balanced and Diverse Container Growth



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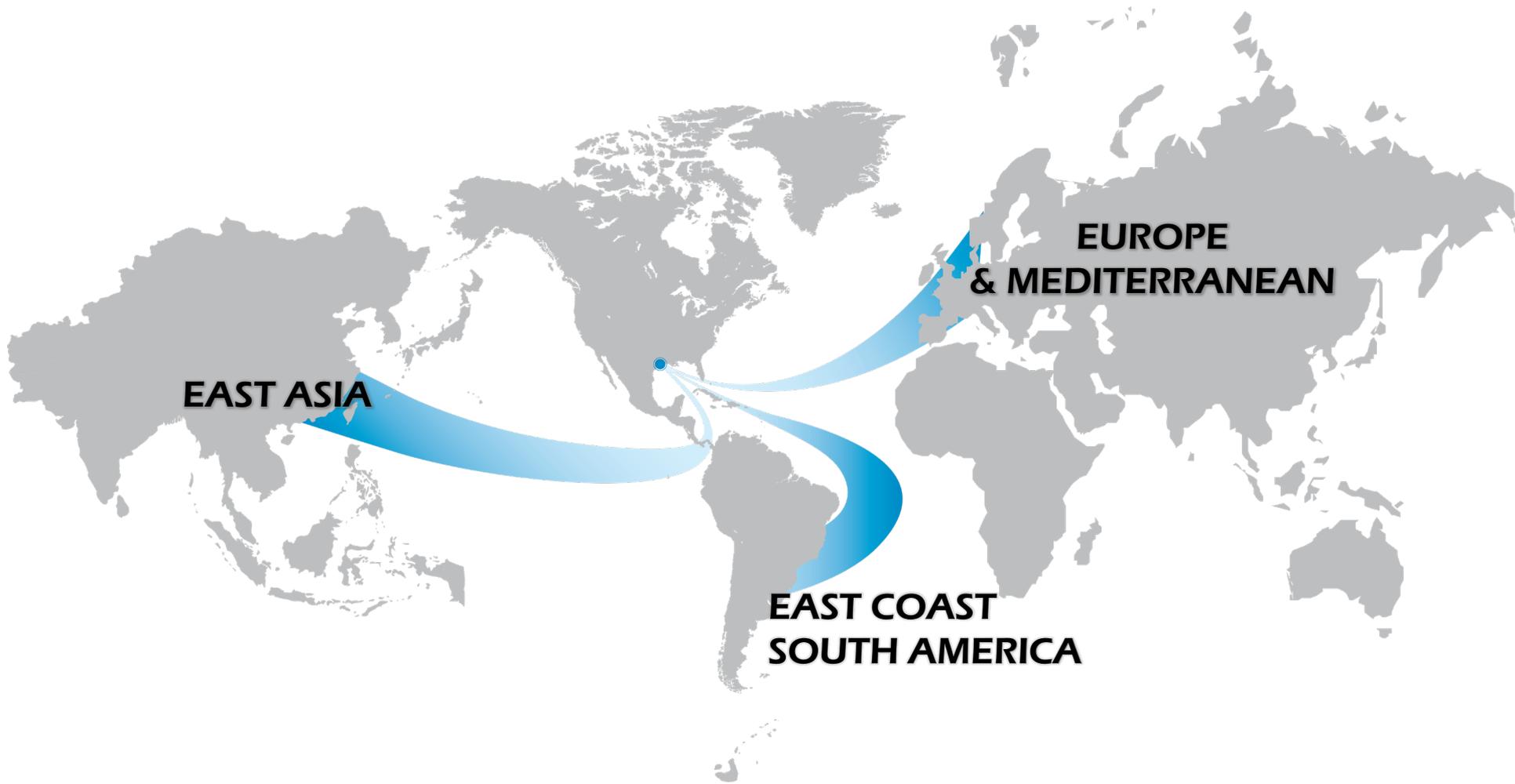


Note: Totals include empty containers
Source: PHA Accounting, PHA Market Development

CURRENT MAJOR CONTAINER TRADE LANES THROUGH HOUSTON



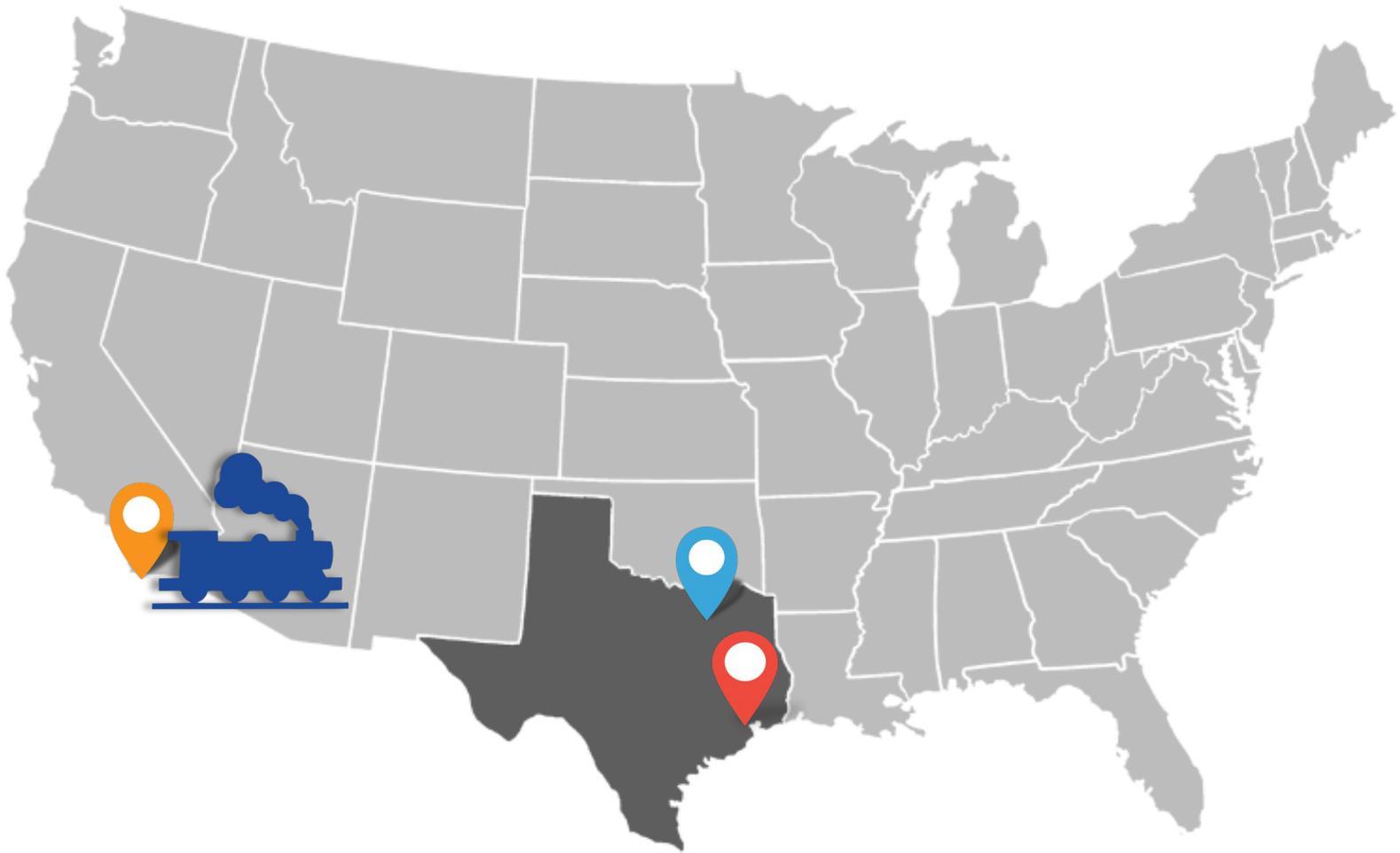
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TRADITIONAL TRADE FROM ASIA



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MAJOR SHIFT IN EAST ASIA TRADE ROUTE



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Panama Canal = Greater Shipping Efficiency



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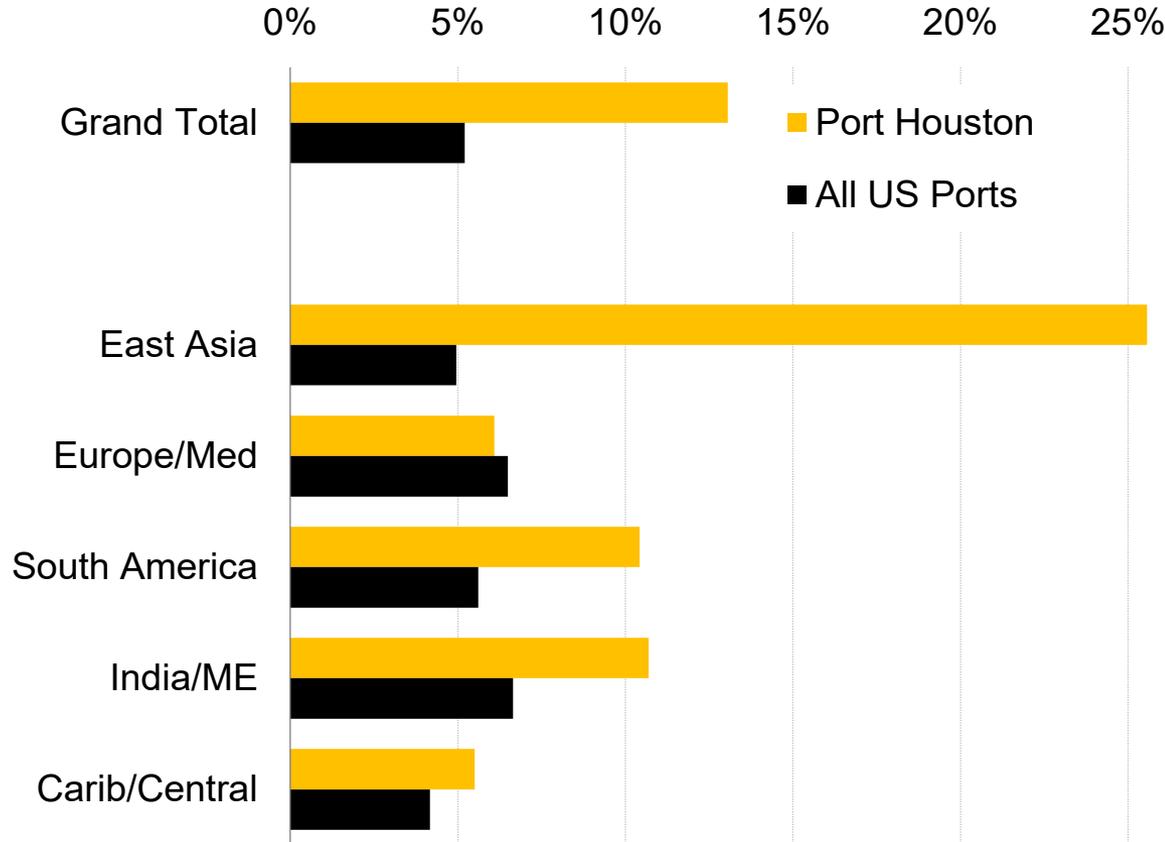
LONG RUN PERFORMANCE



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Graph: Import Growth by Region 2013-2017

Port Houston vs. All US Container Ports. CAGR of PIERS Loaded TEUs



COMMENTS:

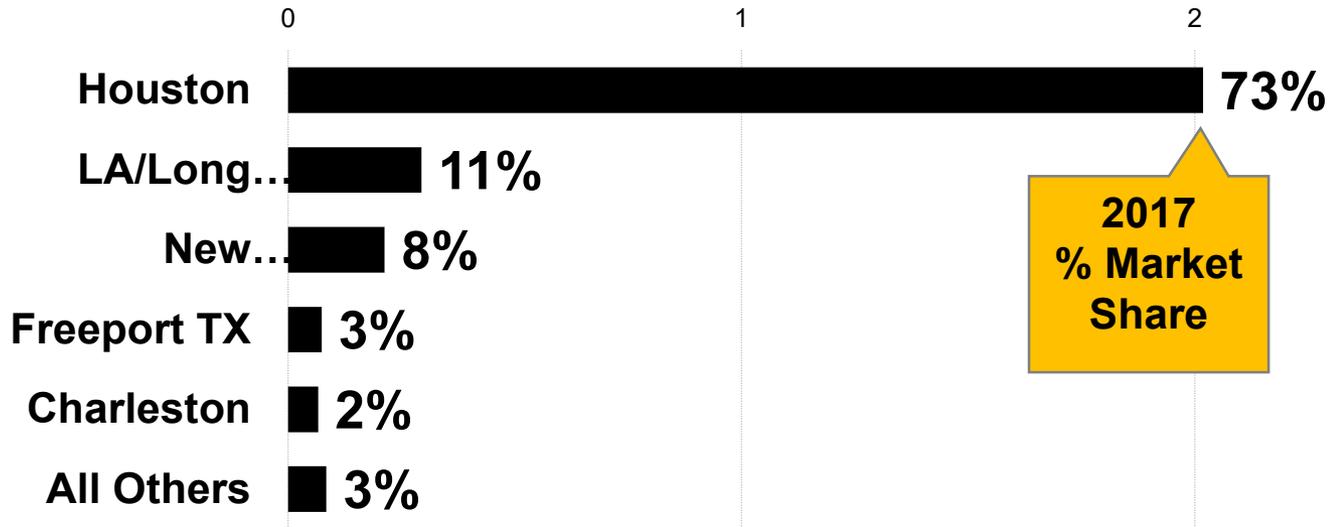
- Over five years, Port Houston has grown 2.5x faster than US average ports
- Asia has been driving our growth by far – this level of growth is driven by changing logistics preferences of shippers, not just fundamentals
- Strong performance on all others lanes, except mature Euro/Med trade



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U.S. PE EXPORT ACTIVITY CONCENTRATED IN SELECT PORTS

Graph: US Waterborne PE Export by Port, Units: Millions of Metric Tons



Environment

Transportation
Network



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Trump

Long Term Planning

SECURITY

Dredging

Congestion

WHAT KEEPS ME UP AT NIGHT?

TARIFFS

Cheaper/Faster

GROWTH

Trade

Policy Funding ??

Coastal Protection

TARIFF



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Port Houston Priorities



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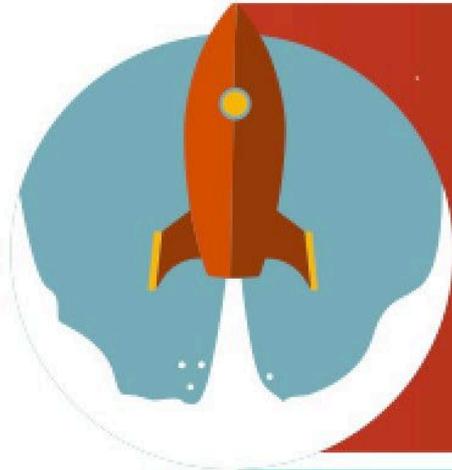
- **Port Facilities Capital Program**
- **Ship Channel**
- **Resilience**
- **Freight Mobility**
- **Port of the Future**

Funding

Mission / Vision



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MISSION: TO MOVE THE
WORLD AND DRIVE
REGIONAL PROSPERITY



VISION: AMERICA'S
DISTRIBUTION HUB FOR THE
NEXT GENERATION

Priority: Infrastructure



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Barbours Cut Container Terminal



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	Current	At Built-Out
Acres (<i>ha</i>)	235 acres (<i>95 ha</i>)	235 acres (<i>95 ha</i>)
Berths	6	6
Waterfront ft (<i>m</i>)	6,000 ft (<i>1,830 m</i>)	6,000 ft (<i>1,830 m</i>)
Terminal Capacity	1.2 M teu	2.5 M teu
Equipment (cranes)	5 PP, 3 P, 7 Neopanamax	18 Neopanamax



PHA Capital Investment 2017-2021
CY Reconstruction – \$88 Million
Wharf Rehabilitation – \$71 Million
6 Wharf STS Cranes – \$78 Million
Terminal Infrastructure – \$32 Million
8 RTG's – \$15 Million
10-year Capital Investment – \$577 Million

Bayport Container Terminal



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	Current	At Built-Out
Acres (<i>ha</i>)	225 acres (<i>71 ha</i>)	376 acres (<i>152 ha</i>)
Berth	3	7
Waterfront ft (<i>m</i>)	3,330 ft (<i>1,015 m</i>)	7,000 ft (<i>2,130 m</i>)
Terminal Capacity	1.6 M teu	2.3 M teu
Equipment (cranes)	9 Neopanamax	21 Neopanamax



PHA Capital Investment 2017-2021
50% complete today
CY 6 Construction – \$92 Million
Wharf 2 Construction – \$81 Million
18 RTG's – \$46 Million
3 Wharf STS Cranes – \$36 Million
Next 10-year Completion – \$600 Million

Priority: Houston Ship Channel



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- Better Channels for Bigger Ships
- Channel Funding
- Preparing for the Future



Still...Busiest U.S. Waterway



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Sept 10, 2018

FEDERAL CHANNEL NAVIGATION STUDY



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Priority: Resilience



Before Harvey



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8/22/2017

After Harvey

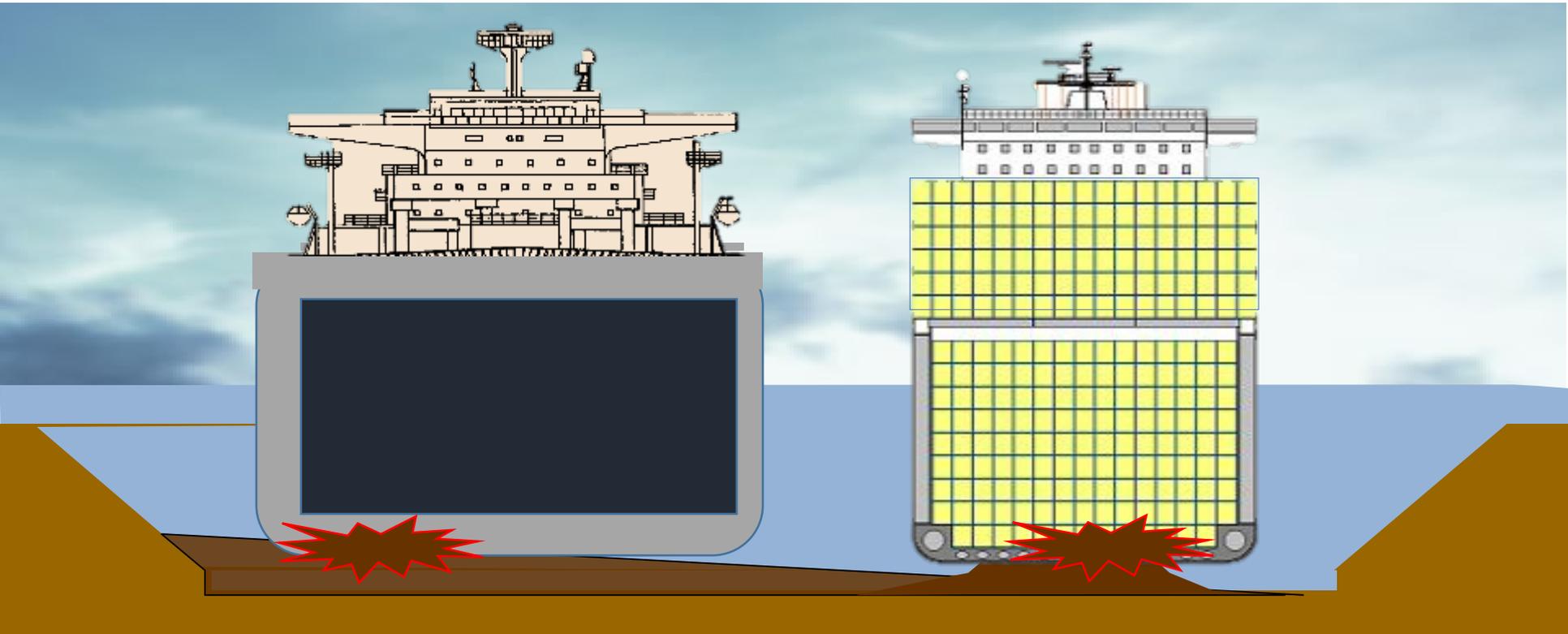


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8/31/2017

Channel Challenges-Consistent Depth



Depth is critical to commerce:

- Each foot of shoaling can cost the economy \$281 million per year
- 3 feet of draft restriction can cost a container ship ***\$1M in lost revenue for each ship call***

FREIGHT INITIATIVES



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- Use ALL modes of transportation
- Avoid congestion
- Increase safety
- Better use of current transportation network

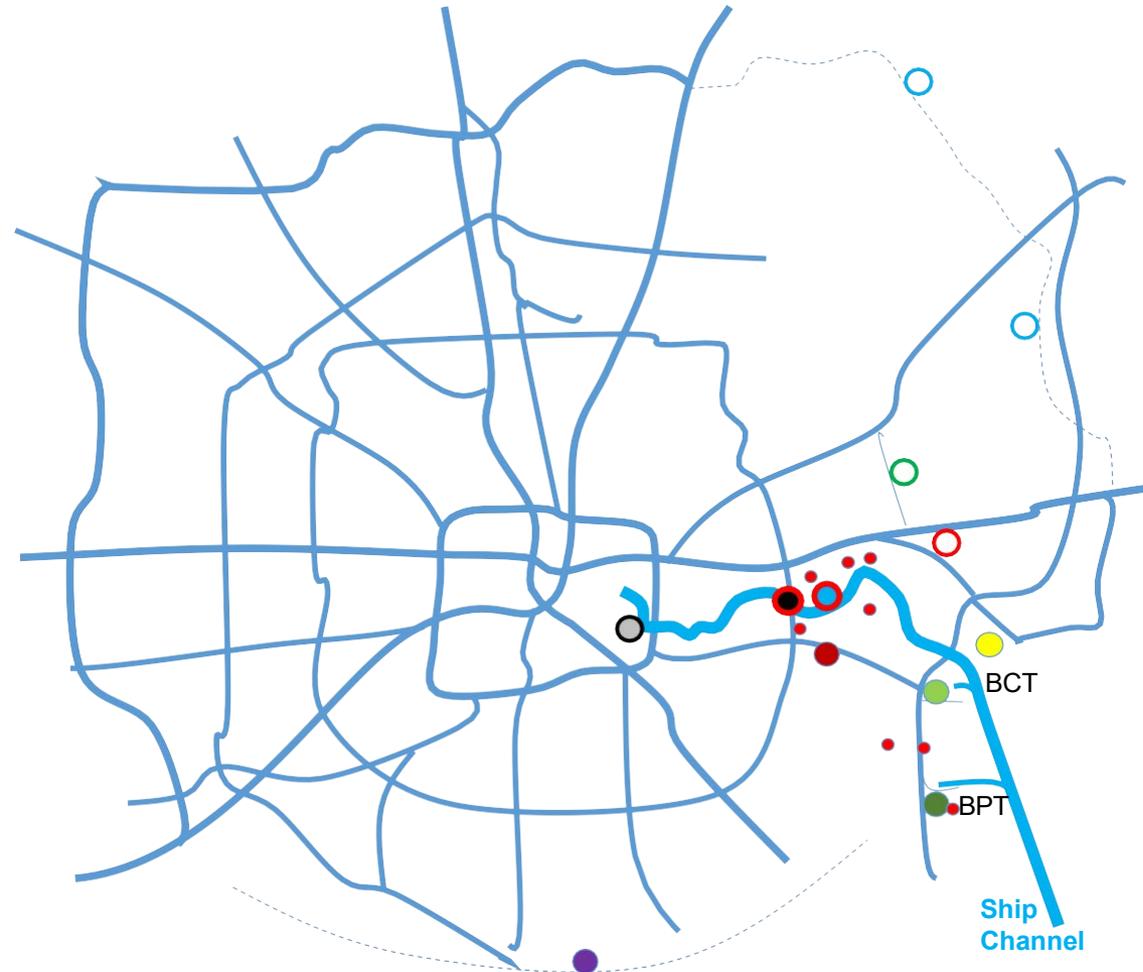
Priority: Freight Mobility



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Example Current & Potential Area Projects

- 99 Sections H & I
- Crosby-Lynchburg Improvements
- SH 330 Connectivity
- Peninsula Road Expansion
- RR Double-track at Broadway
- BW-8 Bridge Expansion
- SH 225 Expansion & Connectors
- Container Barges
- BCT Blvd to 146 connectors
- Bayport Port Road and RR Spur
- I-69 / 99S bypass
- Other road and rail improvements
- ⊗ Inland distribution (not shown)



Priority: Port of the Future



• From...

- Physical Gateway
- Waterside Cargo
- Diesel
- Capital Infrastructure
- Customer Service
- Digital Info
- Public *OR* Private
- Community Support
- Operator / Landlord

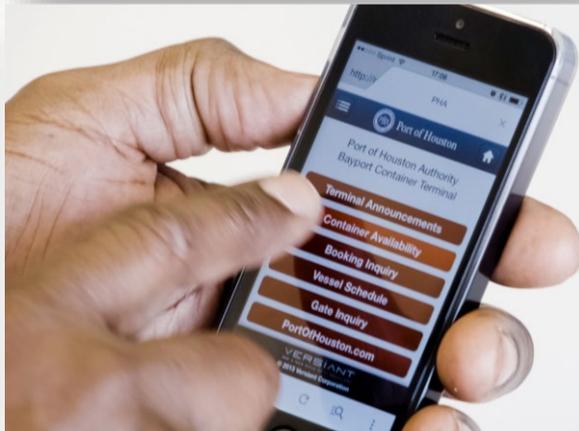
To...

- **Digital Value Creation**
- **Inland Delivery**
- **Hybrid / Electric**
- **Innovation**
- **Integrated Operations**
- **Big data analytics**
- ***And: P3***
- **Cluster & Jobs Incubation**
- **Integrated Enterprise**





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INVESTMENTS TO INCREASE EFFICIENCIES

- More than 40,000 Interchanges per week
- High productivity on vessel operations
- OCR Technology at Truck Gates
- Mobile app for truck drivers
- Systems for customer visibility

HOUSTON—THE “IRREPLACEABLE” PORT



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- The assets developed over the past century are not moving anywhere
- Houston’s energy, security, and inland infrastructure makes it **one-of-a-kind**
- Houston is **the top exporting port** in the US, and is growing
- **Houston’s channels, roads, and rail are vital to the regional and national economy, and must be protected and preserved**

- *Colliers International, U.S. Port Assessment, 2012*





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THANK YOU

Roger Guenther

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Port Houston

Questions?

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