Good morning. Thank you all for coming here today. Before we begin, I would like to welcome a few dignitaries who have joined us.

- US Congressman Gene Green, who has been a long time supporter of the Port of Houston
-
-

I also would like to acknowledge my fellow port commissioners

-

-
-

And Tom Kornegay, the port's executive director, also joins us.

It is because of the dedication of the port commissioners and staff members that we are here today.

It is my pleasure to announce today that we feel the U.S. Army Corps of Engineers has issued a positive final environmental impact statement on the Port Authority's proposed Bayport Container and Cruise terminal, which paves the way for a

permit that will allow the port to begin construction soon.

We have always believed that we would receive this positive FEIS because the Port Authority has worked diligently to develop a plan for a state-of-the-art facility that meets and exceeds many standards for environmental compliance.

In short – the Bayport facility will balance the needs of environmental sensitivity with the demands of global trade and commerce.

The U.S. Army Corps of Engineers has done an outstanding job in its diligent review of the proposed Bayport plan, and I thank them for their comprehensive review.

Many port employees and consultants have dedicated what must seem like their career to Bayport because planning began in 1998. We would not be here today were it not for the dedication and persistence of project manager Charlie Jenkins and all of the port's many devoted employees.

Throughout this process, the Port Authority has maintained its commitment to good environmental stewardship and open communication with the citizens of the communities surrounding the port.

We are confident that the FEIS now paves the way for quick approval of a permit that will allow the first phase of construction at Bayport to get underway soon.

Some people have asked – why build Bayport? There are many reasons. Container throughput in Houston has risen at an average growth rate of more than 10 percent per year for the past decade. This rate of growth is higher than anywhere else in the world.

The Texas Transportation Institute predicts that the container market will grow at a rate of 7.2

percent through 2010. A substantial share of this market growth would be expected at the Port of Houston, given our history as a leader in Gulf Coast container cargo.

Our Barbours Cut terminal has been expanded to capacity and the projected need for increased capacity to handle additional container cargo cannot be met at Barbours Cut.

Another area of market growth is the cruise industry. The cruise industry has positive impacts on our region, benefiting the economy and creating jobs.

According to cruise industry analysts, 37 new cruise vessels are contracted for or under construction. Because of space limitations, Barbours Cut is not able to take advantage of this growing market. The port needs new land and facilities to attract new cruise lines.

So, the answer the question of ‘why build Bayport’ is that Houston needs to accommodate the growing demand for container capacity and to attract new cruise lines and passengers. Bayport will generate jobs and economic growth in our region.

As we move forward with the Bayport Terminal expansion project, we continue to work to address all community concerns regarding this proposed facility, all the while setting new standards in the maritime industry for environmental stewardship and community responsiveness.

I'd like to highlight the five major areas of the FEIS that discuss how the Bayport project meets or exceeds the legal standards and the community concerns.

Regarding air quality, the Port of Houston strives to protect the environment, and with Bayport we will protect the public and the environment. For example, using clean fuel and clean engine technology will help reduce air emission. Bayport will comply with Houston's clean air program. As a matter of fact, emissions from Bayport will meet the air quality standards for diesel particulate established by the EPA and the state of California.

Regarding water, the Corps has identified 19.71 acres of wetlands that are subject to federal

jurisdiction under the Clean Water Act; of that figure 19.28 acres will be impacted by the project. The large majority of those wetlands are on old dredge material disposal areas north of Port Road.

The Port will mitigate on a 173.5-acre tract located on Red Bluff Road. The Port will create almost 67 acres of new wetlands, within the Taylor Bayou/Bayport Channel watershed, a ratio of more than 3.4 acres of wetlands for each one acre used to build the terminal. Based on the Corps' final acreage count, the Port is

committed to mitigating the required wetlands ratio.

Regarding location, Bayport is a good location for the project. It is on an existing, federally maintained deep water channel. It has synergistic operational efficiencies with the existing Barbours Cut Terminal.

The Corps examined other sites and determined that they cannot be considered suitable replacement sites for Bayport:

Spilman Island cannot be used for a container terminal. The site is a key component of the 50-year plan to dispose of dredged material from the Houston Ship Channel. Disposal of maintenance material is essential to keeping the Houston Ship Channel open.

A replacement for Spilman Island must be located and permitted before it could be used. This alternative disposal site would also produce environmental impacts. Even if that hurdle is overcome, repeated analyses have demonstrated that the costs of constructing a container terminal on the active disposal site are

much higher than those for construction at Bayport.

Shoal Point in Texas City is not available to the PHA. A permit has been granted to another applicant to use that location. The construction of a Texas City terminal does not lessen the need for Bayport, but it does eliminate the location as a reasonable or practical alternative.

Regarding noise, the FEIS demonstrates that no significant noise impacts would occur from vehicular traffic at Bayport or from traffic coming

to or from the proposed location. Additionally, Bayport will not violate any noise regulations.

The port has designed Bayport with grade separations, which will remove the necessity for trains to sound warning horns at intersections near the terminal.

Regarding traffic, most of the roadways identified as requiring improvements would need to be improved in the future, regardless of whether or not the port authority builds the Bayport facility.

The need for roadway improvements in most of the study area would be triggered by the projected increases in “background traffic,” ie, trips not associated with Bayport. This does not include widening Port Road from two lanes to four lanes, or ramp improvements between State Highway 146 and Port Road.

Once the port receives the Bayport permit, we estimate that as many as 16 contracts totaling more than $180 million will be awarded. The amount is expected to include more than half of the eligible contracts – over 100 million dollars -- being awarded to qualified small businesses

participating in the port's Small Business Development Program. The Port of Houston is committed to including opportunity for small businesses in this process.

In closing, the Port of Houston has 90 years of experience in importing and exporting cargo. It is a fact that the port creates jobs and it generates revenue for our region, and Bayport will be an extension of that commitment.