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**PIPELINE OWNERS TRYING TO CHANGE THE RULES
TO MAKE TAXPAYERS PAY \$100 MILLION COST OF MOVING PIPELINES**

HOUSTON, April 11, 2002 – The companies that own the pipelines that run beneath the Houston Ship Channel – not the taxpayers of Harris County – should pay for the pipelines removal to accommodate the widening and deepening of the channel, Martha T. Williams, general counsel for the Port of Houston Authority said in a statement today.

“These companies are trying to change the rules which clearly establish that it is the pipeline owners’ responsibility to pay for the removal of all of these obstructions to navigation,” said Williams. “The businesses operating terminals along the Ship Channel are the primary beneficiaries of these Ship Channel improvements, and we believe that they should pay for the removal of their pipelines.”

In 1996, the United States Congress authorized the Houston Ship Channel deepening and widening project. In 1998, pursuant to powers granted it by Congress and the pipeline companies’ own permits, the U.S. Army Corps of Engineers told the pipeline owners to move the pipelines that blocked the project. The pipeline owners, rather than bear the costs of removing the pipelines as they had previously agreed, sued the United States Army Corps of Engineers and the Port of Houston Authority asking the Court to require the Port and the taxpayers to pay for the pipeline removal. On January 25, 2002, a U.S. District Judge ruled for the pipeline owners and against the Corps and the Port. On February 19, 2002, the Port Commission voted to appeal this decision.

The Port of Houston Authority

The Port of Houston Authority owns and operates the public facilities along the Port of Houston, a 25-mile-long complex of diversified public and private facilities that handle more than 175 million short tons of freight worth more than \$60 billion annually. The Port Authority plays a vital role in ensuring navigation safety along the Houston Ship Channel, a key economic catalyst for the city since the Port of Houston first opened to deep-water vessels in 1914. The Port is the source of more than 200,000 direct and related jobs and generates about \$525 million annually in state and local taxes. The Port of Houston ranks first in the U.S. in foreign waterborne commerce and second in total tonnage. Each year, more than 7,000 vessels from around the world call at the Port.

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