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PORT HIGHLIGHTS MID-YEAR SUCCESSES

Port of Houston Moves Up to Sixth in the World in Total Cargo Tonnage

HOUSTON, July 22, 2002 – The Port of Houston moved up two spots in the world rankings and is now the sixth largest port in the world, based on fiscal year 2000 total cargo tonnage reported by the American Association of Port Authorities. “Our sixth place ranking among the world’s ports is a testament to our efficient operations, our facilities and our commitment to our customers,” said Port Authority Chairman James T. Edmonds.

The Port commissioners reduced steel import tariff rates from \$2.32 to \$1.65 to stimulate steel imports that have been affected by new trade regulations. This reduction, effective July 1, 2002, has helped turn around a downward trend of steel imports.

The Port’s total container volume in the first six months of 2002 increased 8 percent to 568,911 TEUs (twenty-foot-equivalent units) from 522,111 TEUs in the year 2001. Overall container shipping grew to nearly 5.2 million tons, an approximately 7.6 percent increase over the same period of 2001.

In the first six months of 2002, bulk grain shipments increased 33 percent on movement of approximately 1.1 million tons through the Port of Houston Authority’s facilities, compared to approximately 865,870 tons during the same period in 2001. In addition, tonnage at the Bulk Materials Handling Plant increased 35 percent to just over 2 million tons of Pet Coke, compared to approximately 1.5 million tons handled in the first six months of 2001.

Exported bagged cargoes totaled 220,483 tons for the first six months of 2002 compared to 204,948 tons for 2001, an increase of 8 percent.

Highlights in the first six months of 2002 include:

- More than 700 local small businesses attended the kickoff of a Small Business Development Program aimed at creating increased contracting and procurement opportunities with the Port for Houston-region small businesses.
- During the months of May and June, the commissioners awarded approximately \$1.4 million in contracts to small business providers.
- James T. Edmonds, chairman of the Port of Houston Authority Commission, was reappointed to a second two-year term by a vote of the combined members of the Houston City Council and the Harris County Board of Commissioners.
- To help guard against future terrorist threats following the events of September 11, the Port received a \$1.8 million grant from the federal government to enhance the region's maritime security.
- To date, two trade missions have been completed in 2002, one to the South and Central America ports and customers in Venezuela, Peru, and Costa Rica in March and another in April to European ports and customers in England, the Netherlands, Denmark and Switzerland.
- During the second quarter of 2002, the first of several shipments of steel manufactured in China and shipped from Shanghai for use in the construction of the George R. Brown Convention Center Hotel arrived at the Port.

About 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.