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**PORT OF HOUSTON AUTHORITY IMPROVEMENT BONDS
ARE RATED 'AA+' BY FITCH**

Rating Agency Notes Port's Consistent Growth and Strong Competitive Position

HOUSTON, October 10, 2001 – The Port of Houston Authority announced today that its unlimited tax port improvements bonds series 2001A (Non-AMT) and series 2001B (AMT) received a 'AA+' rating (very high credit quality) from the international rating agency Fitch Inc.

“The 'AA+' rating from Fitch demonstrates our financial strength as the premier port in the Gulf of Mexico,” said Chairman James T. Edmonds. “With our efficient performance record, profitable operations and strong balance sheet, the Port of Houston Authority is in a strong position to grow as global trade expands in the Gulf Coast and Southwestern U.S. region in the coming years.”

Fitch's ratings report noted the Port Authority's “consistent growth and the depth of the service area economy, the authority's sustained favorable financial performance, and the port's strong competitive position.”

The Port Authority's \$17.3 million bond series 2001A and \$70 million bond series 2001B are scheduled to sell competitively on October 22. Dated November 1, 2001, both series mature October 1, 2003-2026; bonds maturing on or after Oct. 1, 2012 are subject to optional redemption on October 1, 2011 at par plus accrued interest. The bonds are payable from a separate unlimited ad valorem tax levied on all taxable property within Harris County.

Proceeds from series 2001A bonds will be used to pay a portion of the costs to deepen and widen the Houston Ship Channel and costs of issuance. Series 2001B will fund engineering studies for the initial phase of a new container terminal.

In addition, Fitch affirmed its 'AA+' rating on the authority's outstanding \$237.4 million unlimited tax port improvement bonds.

Supporting Growth

“The need to alleviate congestion at the Barbours Cut Terminal and increase container cargo capacity is being addressed through a long-term lease of container terminals at the Port of Galveston,” the Fitch report stated. “Resolving capacity constraints is also the focus of the authority's multiyear capital plan, which includes the widening and deepening of the ship channel and new container facilities on authority-owned property at Bayport.”

The Port of Houston Authority

The Port of Houston Authority owns and operates the public facilities located 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 is also responsible for 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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