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PORT OF HOUSTON AUTHORITY INVOKES ECONOMY-BOOSTING TARIFFS FREEZE

Goal Is to Help Stabilize Economic Conditions in Aftermath of Sept. 11

HOUSTON, November 15, 2001 – To help counter ongoing economic effects from the events of September 11, the Port of Houston Authority today imposed a freeze on the tariffs charged for shipments in and out of the Port of Houston.

Port of Houston Authority Executive Director H. Thomas Kornegay said the tariffs freeze means that, for the first time in more than 20 years, fees charged Port of Houston shippers will not increase in 2002. “Our partners in the port community have advised us that they are experiencing a severe decline in operating revenues as a result of diminished cargo opportunities and rising costs. Recognizing that we must all play a role in helping to stabilize this current situation, the Port Authority is holding its published tariffs at current rate levels,” Kornegay said.

The Port Authority will not implement rate increases averaging 2 to 3 percent previously planned for the year 2002. The only adjustments made will be to offset contractual labor increases as they occur.

Kornegay urged all those who provide goods and services to the Houston port community to follow the Port Authority’s lead and maintain current rates and prices.

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 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.