



For Immediate Release

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PORT AUTHORITY COMMISSION ISSUES BONDS

Proceeds targeted for Houston Ship Channel project and refund of 1992 bonds

HOUSTON, November 19, 2002 – The Port of Houston Authority (PHA) Commissioners approved the issuance of more than \$23 million in bonds during a special meeting on Monday, November 18. The meeting was held at the Port of Houston Authority’s Executive Office Building, located at 111 East Loop North.

Proceeds from the \$16 million Unlimited Tax Port Improvement bonds (Series 2002A Non-AMT) will be used to pay a portion of the costs related to the deepening and widening of the Houston Ship Channel. The ship channel is being deepened to 45 feet from 40 feet and widened to 530 feet from 400 feet to better accommodate the ships coming to and from the ports of Houston and Galveston. The Series 2002A bonds were issued pursuant to the \$130 million bond issuance authorization approved by Harris County voters in 1989.

Proceeds from the \$7.06 million Unlimited Tax Refunding (Series 2002B AMT) bonds will be used to refund all of the outstanding 1992 bonds. The interest rates on the new bonds are lower than the previous rates, which ranged between 5.875 percent and 6.3 percent.

“These tax refunding bonds will save an estimated net present value of \$650,000 in interest expense over the next ten years,” stated James T. Edmonds, Chairman of the Port of Houston Authority Commission. “This shows that the Port of Houston Authority is being a good steward with its share of receipts from ad valorem taxes,” Edmonds added.

Traditionally, PHA bonds and bond-related expenses are payable from a portion of the receipts of ad valorem taxes that are levied on taxable property and collected by Harris County. The Harris County Commissioners Court annually determines the specific tax to be collected to pay interest and principal on bonds.

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The Port of Houston Authority

The Port of Houston Authority owns and operates the public facilities located along the Port of Houston, the 25-mile long complex of diversified public and private facilities designed for handling general cargo, containers, grain, other dry bulk materials, project and heavy lift cargo and other types of cargo. The Port of Houston Authority plays a vital role in ensuring navigation safety along the Houston Ship Channel, which has been instrumental in Houston’s development as a center of international trade. The port -- sixth largest in the world -- is ranked first in the United States in foreign tonnage and second in total tonnage. Each year, more than 6,600 vessels from around the world call at the port. For more information, please visit <http://www.portofhouston.com>.