



For Immediate Release
November 21, 2002

CONTACT:
Felicia Griffin
Communications Manager
713-670-2644
fgriffin@poha.com
or
Argentina M. James
Director of Public Affairs
(713) 670-2568
ajames@poha.com

**PORT AUTHORITY COMMISSION CONSIDERS KEEPING LOWERED WHARFAGE
RATE FOR IRON, STEEL IMPORTS**

Other agenda items to address security, Bayport project

HOUSTON – The Port of Houston Authority (PHA) Commission is expected to approve several recommendations involving wharfage rates, tariffs, contract awards and general authorizations during its monthly meeting on **Monday, November 25, 2002**. Chairman James T. Edmonds will preside over the meeting, which will begin at **2 p.m.** at the Port of Houston Authority's Executive Office Building, located at 111 East Loop North.

Wharfage Rates and Tariffs

The commissioners will consider a recommendation for the PHA to keep the reduced wharfage rate on all imported iron and steel products in effect through December 31, 2003. In July, the commissioners temporarily lowered the wharfage rate by approximately 28 percent to \$1.65 per short ton from \$2.32 per short ton to help offset the effect of U.S. trade sanctions on PHA customers. The reduced rate was originally scheduled to remain in effect until December 31, 2002. Steel slabs will remain subject to a wharfage rate of \$1.16 per short ton.

“The results we have seen and the very positive responses received from our customers since lowering the wharfage rate have been gratifying,” states Chairman Edmonds. “We’re pleased to do our part to help this sector of the economy sustain its recovery.”

A related recommendation calls for commissioners to implement a three percent tariff increase, effective January 1, 2003. By amending Port Tariffs No. 8 and No. 14, the PHA expects to cover rising expenses related to operations at the Turning Basin and Barbours Cut Terminals.

The Port Authority postponed scheduled tariff increases in 2002 to avoid overburdening maritime industry customers who were financially suffering in the wake of the September 11, 2001 terrorist attacks on the U.S. “While we remain committed to providing efficient services to our customers, the pressures of rising costs and increased competition are creating a situation in which higher tariffs are necessary,” states Chairman Edmonds.

Security

The commissioners will consider proposals from Initial Security, Terrace Security, and U.S. Securities Associates to provide commissioned, unarmed, uniformed security gate officer services at PHA terminal gates. The commissioners will evaluate and rank the proposals, select the offeror that offers the best value for the PHA, and authorize the PHA to negotiate a contract with the selected offeror.

Bayport

The commissioners will consider a recommendation to authorize advertising for proposals to provide early delivery of diesel electric container yard cranes for the proposed Bayport Container and Cruise Terminal. The PHA initially expects to install and use five cranes at Barbours Cut to help meet the service volume and lower operating costs until Bayport is opened. A total of 12 cranes, including the initial five, are expected to be installed at Bayport over three years at a cost ranging from \$14.6 million to \$18.2 million.

The commissioners will also consider recommendations to authorize Lockwood, Andrews & Newnam, Inc. (LAN) to issue requests for qualifications (RFQs) for architectural and professional engineering services for a maintenance and repair building, marine terminal gate facility, and an administration gate building at Bayport. Under terms of its program

management services contract awarded by the commission in 2001, LAN is responsible for preparing the RFQs related to Phase I development of Bayport.

The Bayport project remains under review by the U.S. Army Corps of Engineers, which is expected to issue a final environmental impact statement (FEIS) in March, 2003. “Although no work will be performed and no spending will be authorized until and unless the corps approves the project, beginning the process now of advertising for and receiving RFQs and proposals will save time and money when we are authorized to begin construction,” states Chairman Edmonds. The entire bidding and contracting process can take six to eight months from the time bids are submitted, evaluated by staff, reviewed by commissioners, and then awarded, he adds.

Pending the FEIS and construction permit approvals, the PHA is committed to meeting ISO 14001 standards upon the completion and opening of the Bayport facility. The Port of Houston Authority recently became the first U.S. port to achieve compliance with ISO 14001 standards through its environmental management system (EMS) at Barbour's Cut Container Terminal and the Central Maintenance Facility.

###

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 waterborne 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>.