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PORT AUTHORITY APPLAUDS PERMIT FOR TEXAS CITY TERMINAL

HOUSTON -- The Port of Houston Authority (PHA) today applauded the announcement of the approval of a permit for construction of the \$450 million Shoal Point container terminal in Texas City. The project will be the city's largest economic development project in five decades.

"This is a welcomed victory for economic development in the Gulf Coast region," stated Jim Edmonds, PHA Commission Chairman. "As market demands continue to rise dramatically, the need for new container terminals is abundantly clear. The facilities at Texas City and Bayport will complement each other in handling all the demand."

As recently posted on the U.S. Army Corps of Engineers' website (<http://www.swg.usace.army.mil/reg/pha/default.asp>), the Final Environmental Impact Statement (FEIS) for the PHA's proposed Bayport facility has been delayed a few weeks to ensure adequate review and careful deliberation. Pending a favorable decision on the FEIS and the granting of a permit, the PHA expects to begin the first phase of construction at Bayport immediately. "We have confidence that the on-going review process for the Bayport project will ensure that all of the public's concerns are adequately addressed," said Chairman Edmonds.

For nearly a century, Shoal Point has been a disposal site for dredging materials from the Texas City Channel. Stevedoring Services of America of Seattle, Washington

has signed an agreement to design, develop, operate, and finance the Shoal Point terminal and lease the site for 30 years. The company's work will include extensive land stabilization at a cost of approximately \$90,000 per acre.

Based on faulty comparisons to Shoal Point, some opponents of the PHA's proposed terminal project at Bayport have argued that another dredge material disposal site – Spilmans Island – would be a more suitable alternative to Bayport. Several professional engineering studies, however, have shown that Shoal Point largely consists of stiff clays while Spilmans Island consists of soft silt – a highly unstable foundation that would require two or more years to stabilize at a cost ranging from \$297,000 to \$428,000 per acre. When stabilization and other issues are taken into consideration, the PHA estimates that a Spilmans Island terminal would cost approximately \$336 million more than the Bayport project and take seven years longer to complete.

“The prevailing opinion among many experts is that Bayport is the most technically feasible and economically viable location for the Port Authority's new container terminal,” said Chairman Edmonds. “The Port Authority continues to work with the community regarding this proposed facility, simultaneously setting new standards for environmental stewardship and community responsiveness. Our plans go well beyond the letter of the law, and we push to exceed standards and requirements for protecting the environment as well as responding to considerable community input.”

In 2002, the PHA became the first U.S. port to achieve ISO 14001 compliance through the development and implementation of a rigorous environmental management system (EMS) that emphasizes waste reduction, recycling, lower air emissions and storm water quality. “On opening day in 2005, Bayport also will be ISO 14001 compliant because the Port Authority is committed to protecting our bay, our community and all of Texas.”

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 and other dry bulk materials, project and heavy lift cargo, and other types of cargo. Each year, more than 6,600 vessels call at the port, which ranks first in the U.S. in foreign waterborne tonnage, second in overall total tonnage, and sixth largest in the world. The Port Authority plays a vital role in ensuring navigational safety along the Houston Ship Channel, which has been instrumental in Houston's development as a center of international trade. The Barbour's Cut Container Terminal and Central Maintenance Facility are the first of any U.S. port facilities to

develop and implement an innovative Environmental Management System that meets the rigorous standards of ISO 14001. Additionally, the port is an approved delivery point for Coffee “C” futures contracts traded on the New York Board of Trade’s Coffee, Sugar & Cocoa Exchange. For more information, please visit www.portofhouston.com

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