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PORT AUTHORITY DELIVERS FAVORABLE OUTLOOK ON BAYPORT

U.S. Army Corps of Engineers releases final environmental impact statement on proposed container and cruise terminal facility, paving the way for construction permit

HOUSTON – The Port of Houston Authority (PHA) today welcomed the release by the U.S. Army Corps of Engineers (USACE) of the final environmental impact statement (FEIS) on the proposed Bayport Container and Cruise Terminal Facility. The FEIS evaluates issues related to the PHA’s planned facility, including potential impacts on air quality, water quality, noise, security, traffic and other environmental and social factors. The document reflects consideration of all public comments that were submitted following the November 2001 release of the USACE’s draft environmental impact statement (DEIS). The appendix to the FEIS includes all comments submitted on the DEIS and the USACE's response to those comments.

Public comments on the FEIS are due by June 16, 2003. The USACE will consider comments on the FEIS in the finalization of their Record of Decision (ROD), which is scheduled for July 28, 2003. The ROD will authorize one of three actions related to a construction permit for Bayport: 1) issuance of the permit, 2) issuance of the permit with modifications or conditions, or 3) denial of the permit.

“The Corps has done an outstanding job in its diligent review of the proposed Bayport plan,” stated Jim Edmonds, Chairman of the PHA Commission. “Throughout this process, the Port Authority has maintained its commitment to good environmental stewardship and open communication with the citizens of the communities surrounding

the port. We are confident that the FEIS now paves the way for quick approval of a permit that will allow the first phase of construction at Bayport to get underway soon.”

The PHA is committed to meeting ISO 14001 standards upon the completion and opening of the Bayport facility. The PHA last year became the first U.S. port to achieve compliance with ISO 14001 standards through its environmental management system (EMS) at the Barbour's Cut Terminal and the Central Maintenance Facility.

The PHA's design for the Bayport facility includes several mitigations for environmental impacts. For example, the use of clean fuel and clean engine technology will help reduce air emissions. The PHA also has committed to help fund several local transportation projects in the Bayport area in an effort to increase the safety and efficiency of the local transportation network while reducing congestion and air pollution. A three-mile long buffer zone around the facility will include a landscaped sight and sound berm that will be 20 feet tall. The buffer zone also includes part of an extensive stormwater collection system that will protect Galveston Bay. Lighting systems designed to use black light poles and specially designed fixtures will limit night-time impacts. The PHA's Bayport plan also involves jurisdictional wetland replacement at a ratio of more than three to one to increase the habitats available for fish, waterfowl and other coastal wildlife. Furthermore, the beneficial use of dredged material will create an additional 200 acres of inter-tidal marsh.

“The Port Authority has drawn on expertise developed in other ports around the world to make the proposed Bayport facility environmentally sound,” stated Chairman Edmonds. “We will continue to review our development plans as new environmental technologies and techniques evolve.

“The Port Authority will continue to work to address all public concerns and issues regarding the proposed facility, setting a new standard in the maritime industry for environmental stewardship and community friendliness. The Port Authority wants to be a good neighbor and will work as hard as we can to meet that goal.”

U.S. Congressman Gene Green said, “Having represented the port area for many years in Austin and Washington, D.C., I know the port makes continuous efforts to be a good neighbor. We have witnessed it protect the environment with projects such as the widening and deepening of the Houston Ship Channel. This FEIS shows that the Bayport project will be planned and constructed with the same level of environmental and civic

commitment. I have been a long-time supporter of the Port of Houston, and I readily support the Bayport terminal.”

U.S. Senator John Cornyn remarked, “The positive results outlined in the U.S. Army Corps of Engineers’ FEIS on the Port Authority’s proposed Bayport project are welcome news. I’m confident that the Bayport project will help create jobs and stimulate the economy not only in Houston, but throughout the region.”

Built out in phases over 15 to 20 years to meet market demand, the Bayport complex will have enough space for seven ships and a 378-acre container storage yard. It will have a maximum capacity of about 1.4 million containers – a 200 percent increase over the Port Authority’s current container handling capacity. The facility is expected to create approximately 39,000 jobs and contribute approximately \$1.6 billion to the Texas economy through wages and tax revenues.

In anticipation of the FEIS and a construction permit, the PHA has been advertising for and receiving RFQs and proposals over the past several months in an effort to save time and money when construction is authorized. 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. Following the granting of a permit, the PHA estimates that as many as 16 contracts totaling more than \$180 million will be awarded during the first part of the Bayport project. More than half of that amount is expected to be Small Business Development Program-eligible contracts, and can result in as much as 35 percent participation by qualified small businesses.

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About 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 Barbours 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