



**For Immediate Release**

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**PORT AUTHORITY'S BAYPORT PROJECT RECEIVES WATER QUALITY CERTIFICATION**

*TCEQ certification brings container, cruise terminal closer to reality*

HOUSTON -- The Port of Houston Authority (PHA) today welcomed the announcement by the Texas Commission on Environmental Quality (TCEQ) that the Bayport Container and Cruise Terminal project has received certification under Section 401 of the Clean Water Act. The TCEQ's announcement follows last week's release of the U.S. Army Corps' record of decision (ROD) recommending approval of a permit for the Bayport project.

"We're pleased with the outcome of TCEQ's review process," stated Jim Edmonds, Chairman of the PHA Commission. "The TCEQ reviewed the Bayport project for consistency with the goals and policies of the Texas Coastal Management Program in accordance with the regulations of the Coastal Coordination Council and determined that the project is consistent with the applicable goals and policies."

Last April, PHA participated in TCEQ's public meeting to discuss water quality issues related to the Bayport project. The meeting at the Bay Area Community Center in Seabrook, Texas was requested by State Rep. John Davis under Section 401 of the Clean Water Act. More than 500 citizens expressed their views of support and opposition.

"The Port Authority continues to work with the community regarding this proposed facility," Edmonds said. "We've set a new standard in the maritime industry for environmental stewardship and community responsiveness," he added.

Last week, Edmonds touted the environmental integrity of the \$1.2 billion container and cruise terminal project in a compelling commentary he delivered during the public comment period of the Coastal Coordination Council's regional meeting in Kemah.

Bayport opponents are expected to request a full council review of the project. Edmonds said that such a request would be based on erroneous claims that Bayport is not consistent with the Texas Coastal Management Plan.

“The Bayport facility is designed with a balanced approach to meet the demands of trade and commerce, protect the environment and preserve the quality of life in surrounding communities – now and in the future,” Edmonds stated. “The port authority has worked diligently to develop an extensive mitigation program that meets CCC’s objectives and satisfies the wide variety of stakeholders – including residents, government regulators and others. It has been a difficult and lengthy task. However, we believe that we have a better product because of this process.

“Planned for construction in an industrial zone, Bayport has been designed with the highest environmental standards and procedures,” Edmonds explained. “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. We’re very proud of our industry-leading and award-winning environmental program.”

### **Environmental Green Lights**

In October, PHA and the Texas Parks and Wildlife Department (TPWD) signed a memorandum of agreement on PHA’s plan to preserve coastal prairie habitat as part of the development of the proposed Bayport terminal. Specifically, the PHA will preserve 456 acres along the lower part of the San Jacinto River and 500 acres of prairie habitat. In the agreement, PHA and TPWD indicate that this additional preservation of valuable habitat completes a package that compensates for the impacts from the proposed terminal facilities.

Additionally, written statements on PHA’s coastal prairie preservation plan have been submitted to the Corps of Engineers by three other agencies that had previously raised concerns about the environmental impacts of the proposed Bayport project. The statements from the U.S. Environmental Protection Agency, U.S. Fish and Wildlife Service, Texas Commission on Environmental Quality generally conclude that PHA’s plan adequately addresses their concerns and establishes appropriate conditions that should be included in a permit for Bayport. The office of the Governor of Texas has also submitted a written statement in support of the project. The Corps considered the TPWD agreement, the written statements from the other agencies, and several public comments in its finalization of the ROD on the Bayport permit application.

In addition to coastal prairie preservation, PHA's design for the Bayport facility includes several other mitigation measures to compensate for environmental impacts. For example, the use of clean fuel and clean engine technology will help reduce air emissions. PHA's existing container facility at Barbours Cut recently completed an initiative to convert 28 rubber-tired gantry cranes and 25 yard tractors to Purinox, a diesel emulsion fuel that produces significantly lower levels of air emissions. The initiative was funded by \$212,000 in grants awarded to PHA by the Texas Emissions Reduction Program (TERP). Previous tests of Purinox on Barbours Cut equipment engines have resulted in a 25 percent reduction in nitrogen oxide (NOx) levels and a 30 percent reduction in particulate matter.

Air emissions reduction, solid waste recycling, and storm water quality improvement are the key objectives of PHA's environmental management system (EMS). In 2002, Barbours Cut and PHA's central maintenance facility became the first of any U.S. port facilities to implement an EMS that complies with ISO 14001, the global standard for environmental excellence. PHA is committed to meeting ISO 14001 standards upon the completion and opening of the Bayport facility.

Another mitigation measure planned for the Bayport facility is a three-mile long buffer zone around the facility that will include a landscaped sight and sound berm that will be 20 feet tall. The buffer zone also includes part of an extensive storm water collection system that will protect Galveston Bay. Lighting systems designed to use black light poles and specially designed fixtures will limit night-time impacts at the facility. 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," Edmonds said. "We will continue to review our development plans as new environmental technologies and techniques evolve."

### **Jobs, Economic Impact**

Built out in phases over 15 to 20 years to meet market demand, the proposed 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 PHA'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 ROD and permit, PHA has been publicizing and receiving bids and proposals over the past several months in an effort to save time and money when construction is authorized. “Although no work will be performed and no spending will be authorized until and unless the Corps issues a permit, executing these contracts now will save time when we are granted a permit to begin construction,” stated Chairman Edmonds. He further explained that PHA’s entire bidding and contracting process can take six to eight months, including bid and proposal submissions, evaluations by PHA staff, and subsequent reviews, contract award decisions, and spending authorizations by PHA commissioners.

Following the granting of a permit from the Corps, 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 packaged in Small Business Development Program (SBDP) contracts, which can result in as much as 35 percent participation by qualified small businesses.

The SBDP was established in 2002 to help PHA contractors make good faith efforts to include small business participation in eligible contracts. In the program’s first year, a total of \$6.3 million of PHA’s \$18.1 million in non-exempt contracts – equivalent to the targeted goal of 35 percent -- were awarded to small businesses.

Every year, more than \$8 billion worth of goods move through the Port of Houston. Last year alone, nearly 200 million tons of goods moved through the port. More than 287,000 jobs throughout Texas are related to the movement of cargo through the port. Those jobs pay more than \$7 billion in salaries and wages. Additionally, port-related businesses generate nearly \$11 billion in revenues and pay nearly \$650 million in taxes.

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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 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](http://www.portofhouston.com)