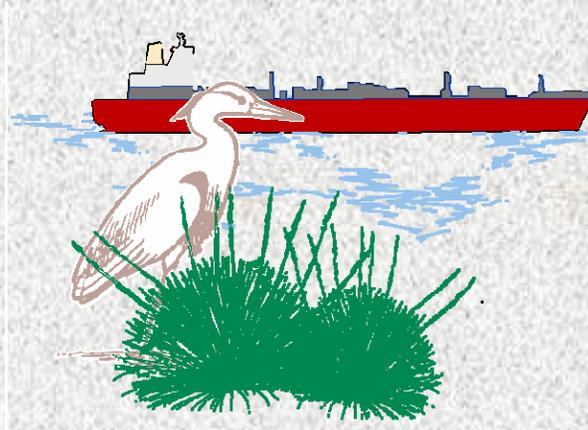

THE PORT of Port Lavaca - Point Comfort

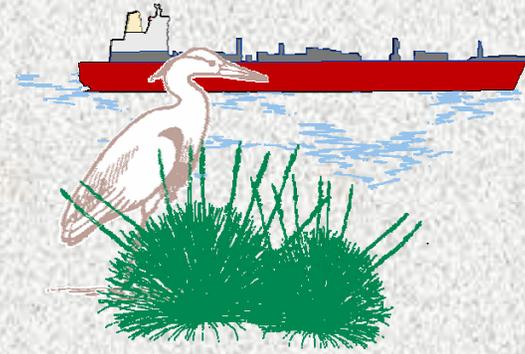
Calhoun Port Authority



Matagorda Ship Channel's Value to Texas & the Nation

Presented 14 September 2006 to
Galveston District Dredging Conference

Introduction to the Calhoun Port Authority

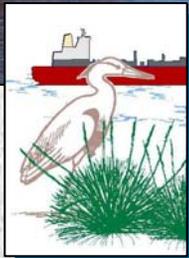


2006 Officers

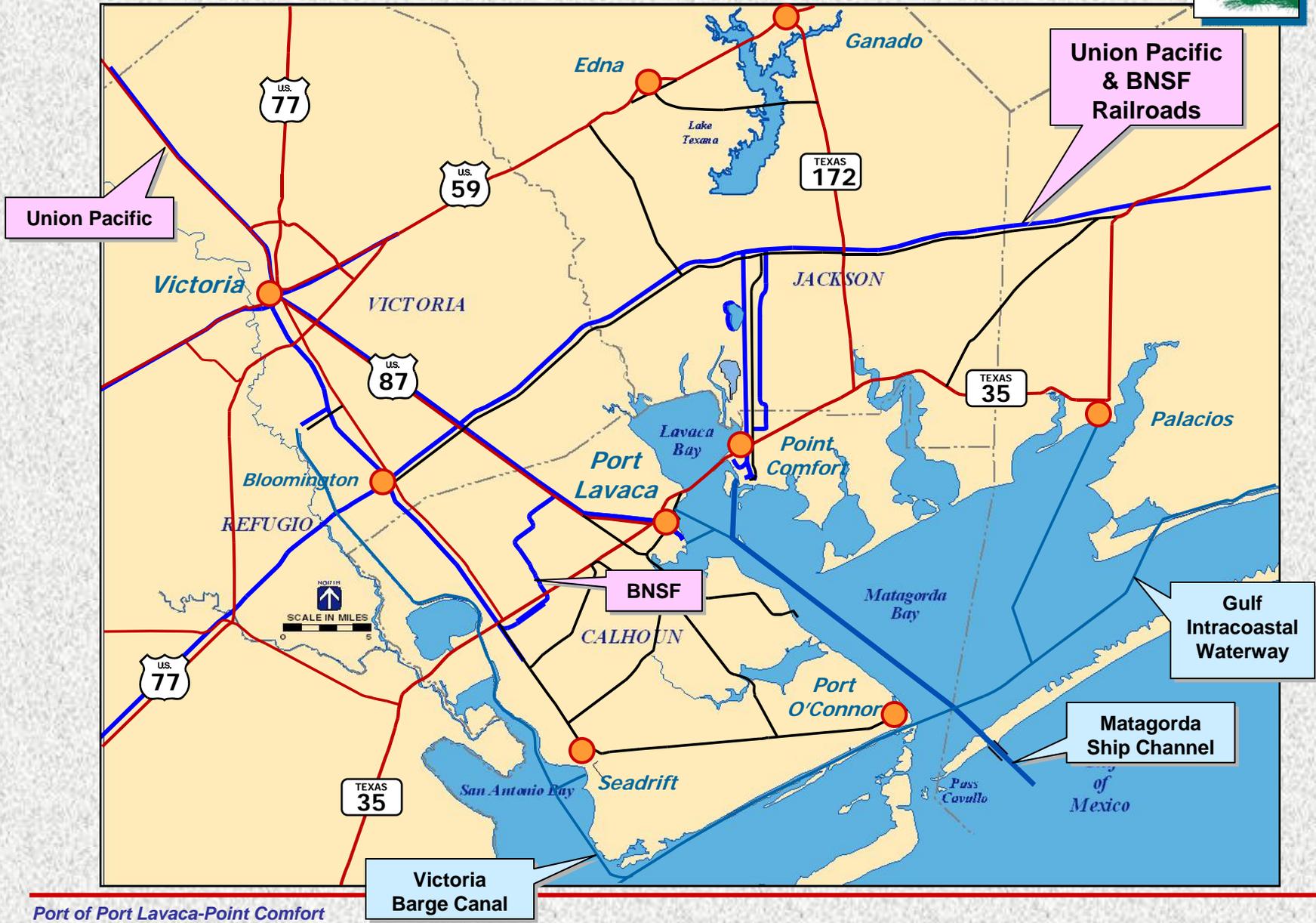
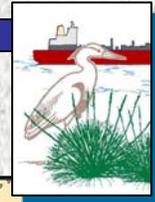
- Paul R. Blasingim, Board Chairman
- Roger G. Martinez, Board Secretary
- Leo J. Kainer, Board Member
- H. C. "Tony" Wehmeyer, Jr., Board Member
- J. C. Melcher Jr., Board Member
- Shields A. "Tony" Holladay, Sr., Board Member

-
- Robert H. Van Borssum, PPM[®], Port Director
 - Charles R. Hausmann, Deputy Port Director - Finance & Administration
 - Wanda Roberts, Port General Counsel

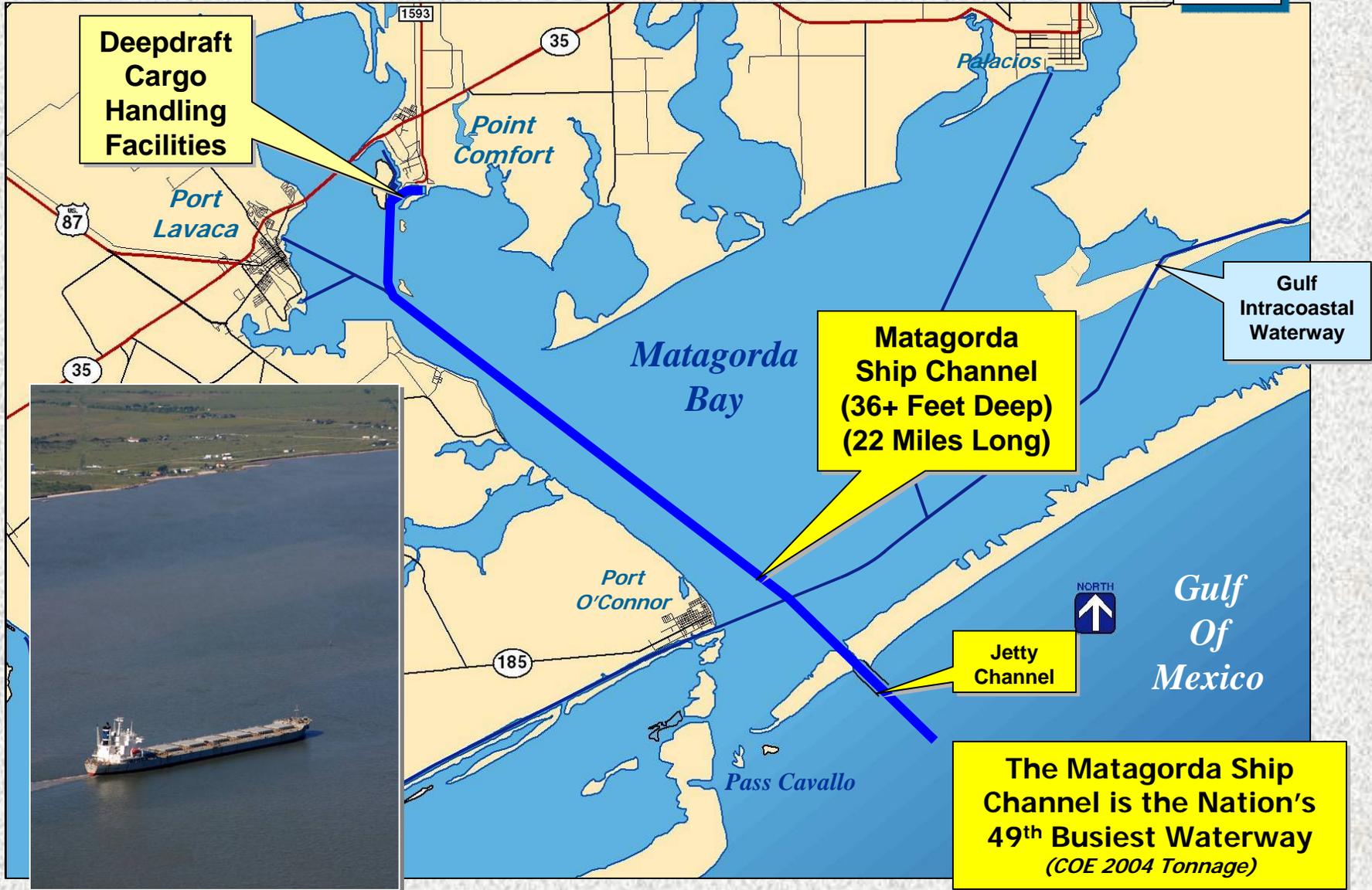
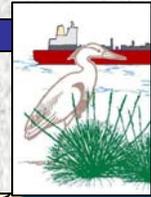
At the Heart of the Texas Coast



Area Transportation Network



Matagorda Ship Channel

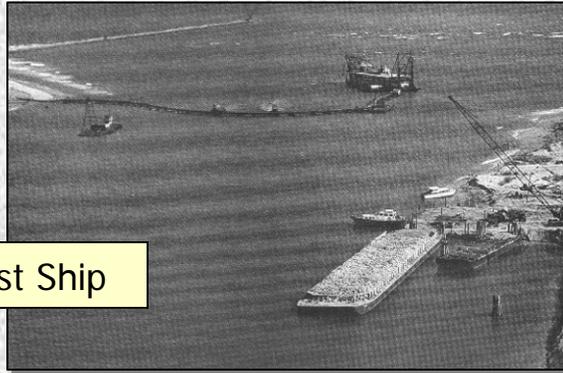
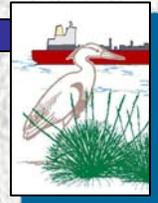


Port Anchors Regional Economy

Heavy Industries Make Up
85% of Calhoun County's Tax Base
and Provide Good Jobs

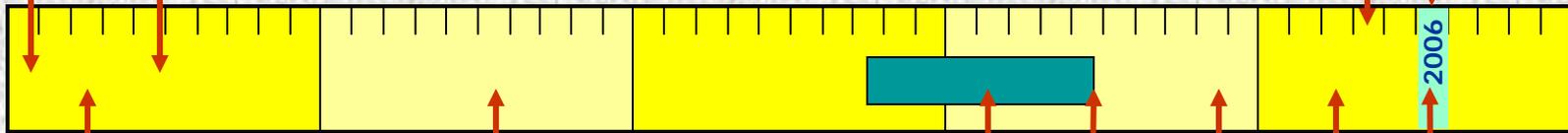


Port History



1961: Channel Construction Started

1965: 1st Ship



1960

1970

1980

1990

2000

2006

2010

1963: Cargo Dock Completed

1976: Barge Bulk Dock Completed

1988-95 Expansion: Liquid Cargo Ship Pier Barge Terminal Multi-Purpose Dock

1995: New Terminals Put In Service

1999: New Liquid Cargo Facilities

2003: New TLF-Simplot Fertilizer Terminal

2004: Liquid Cargo Storage Facilities Expanded

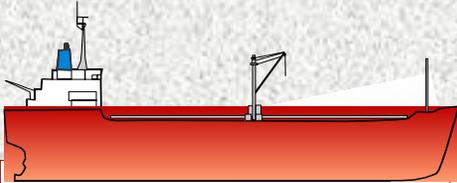
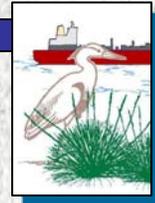
2004: AEP Property Purchased

2006: Channel Improvement DMMP and EIS Being Developed

2006: Calhoun LNG Terminal DEIS Published by FERC



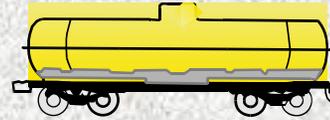
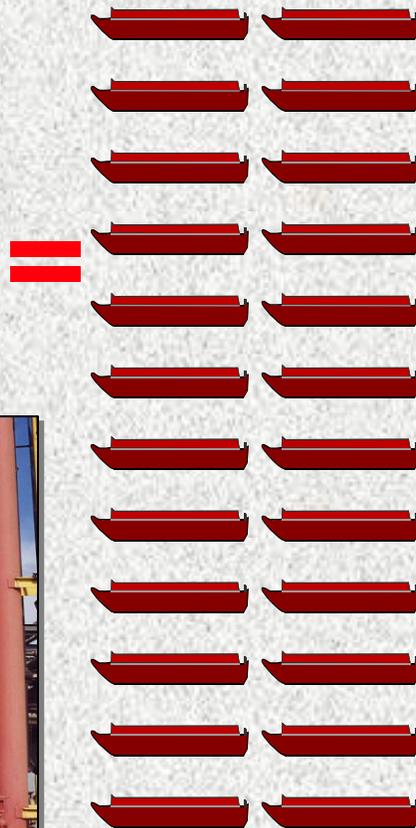
Water Transport Economics



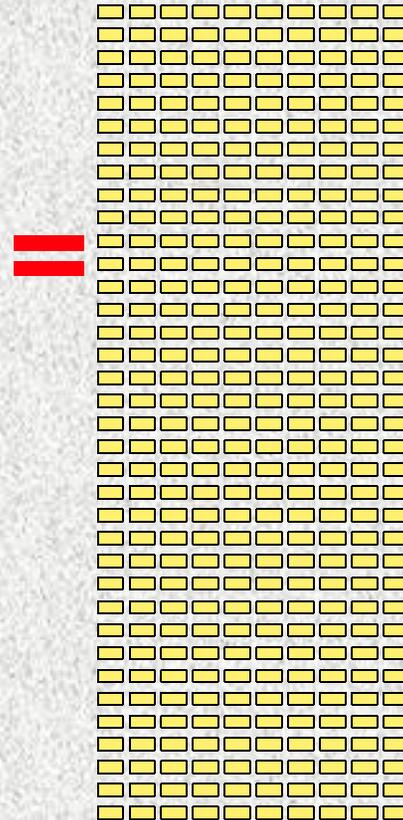
**Typical Parcel
Tanker:
36,000 Tons
Of Cargo**



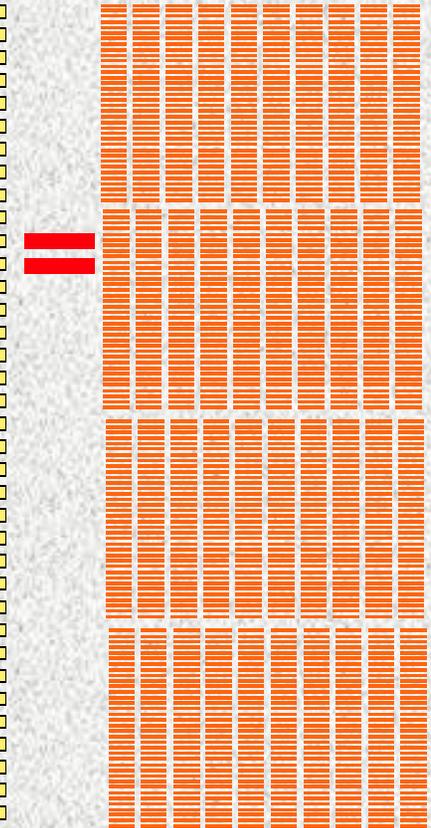
24 Barges



360 Railcars

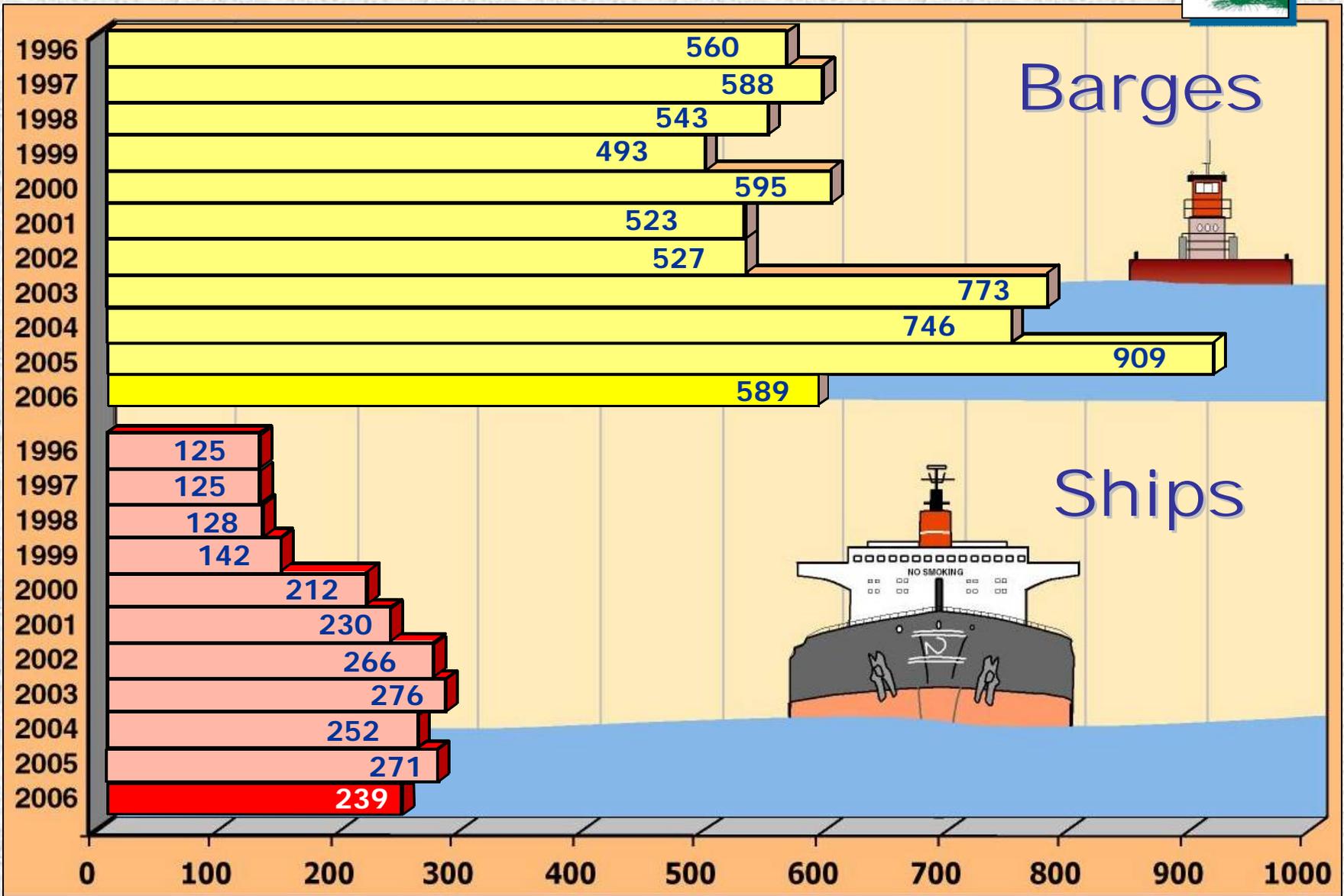
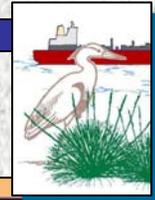


1,440 Trucks

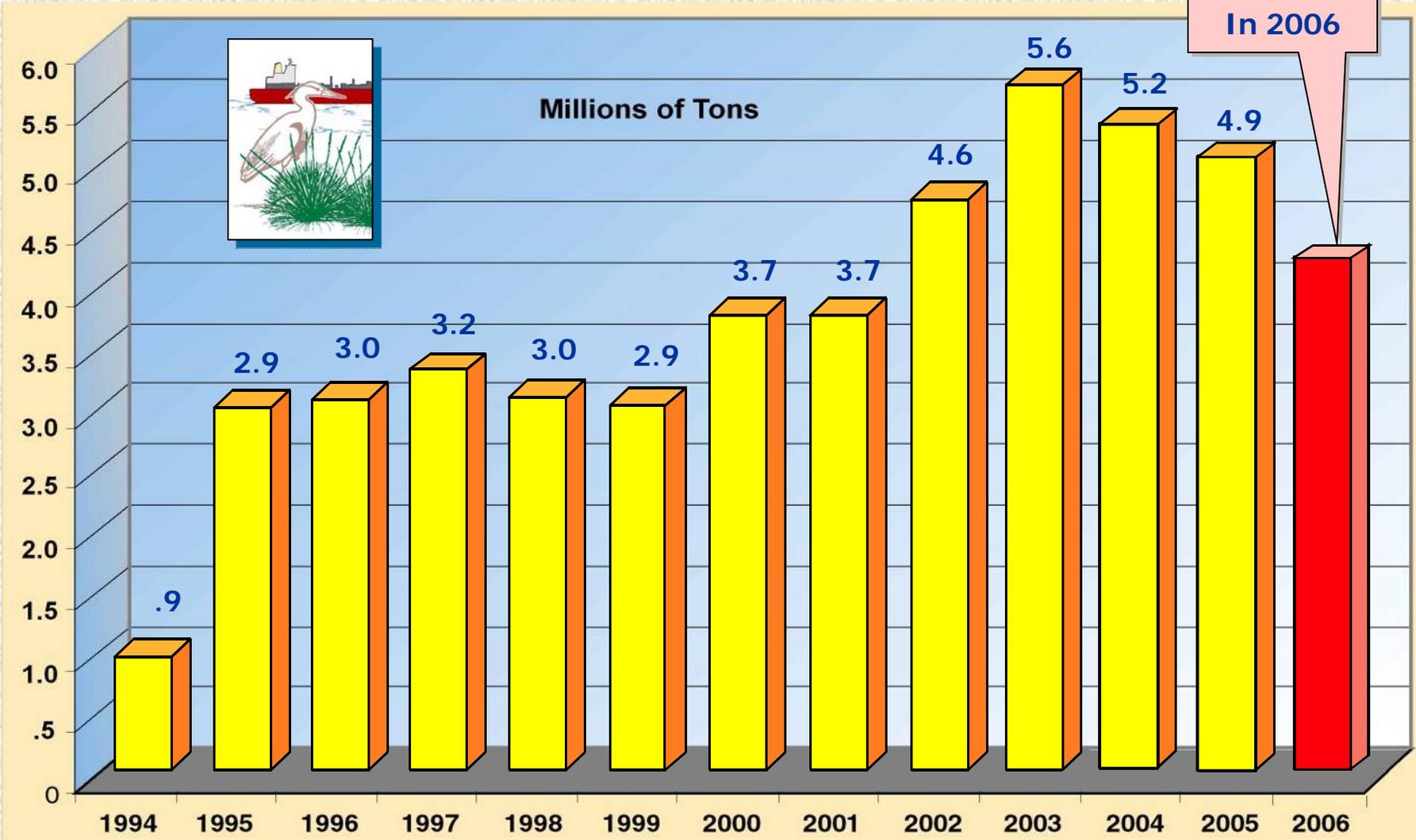


Port of Port Lavaca-Point Comfort

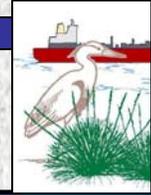
Maritime Traffic Growth



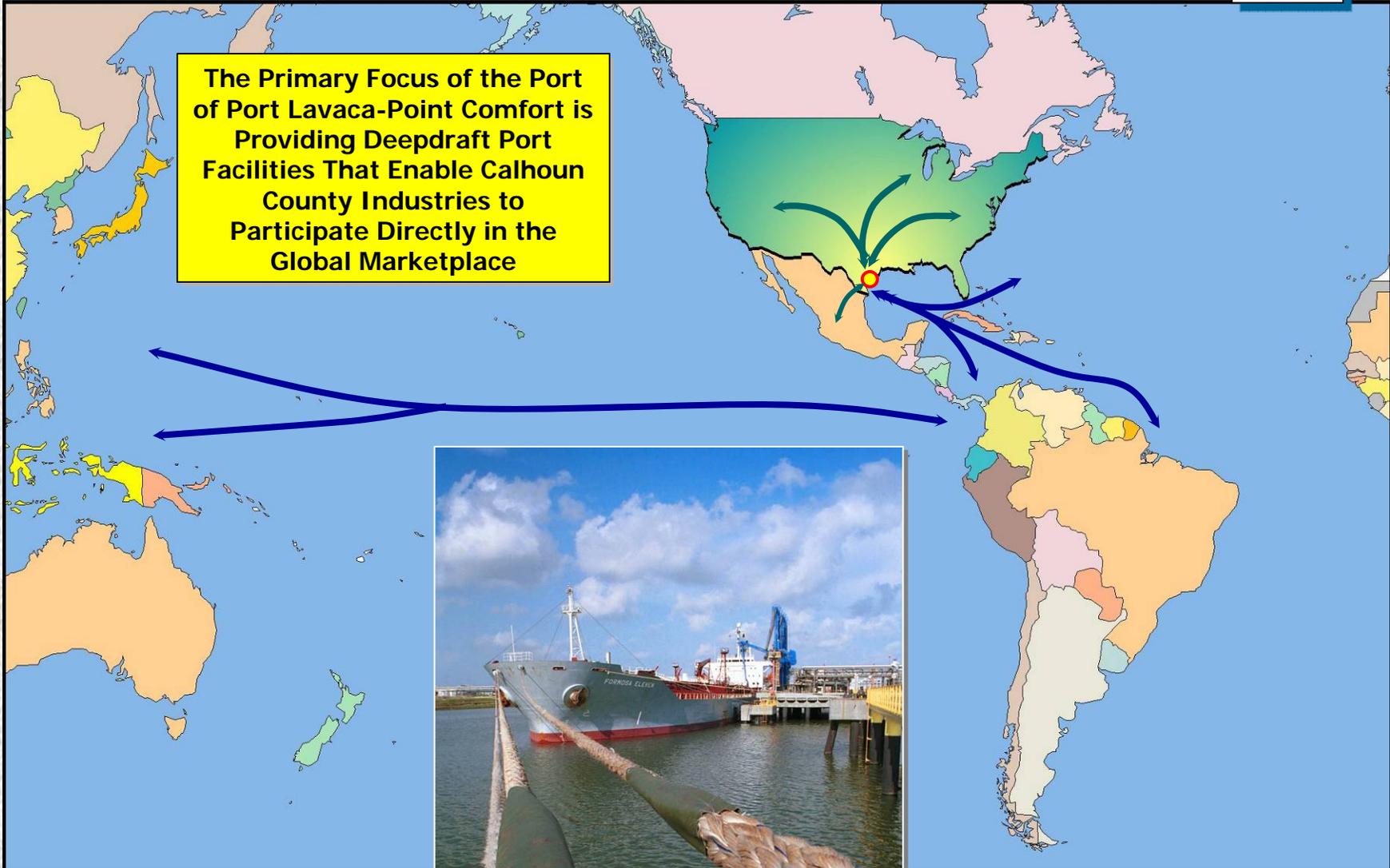
Public Port Tonnage Growth



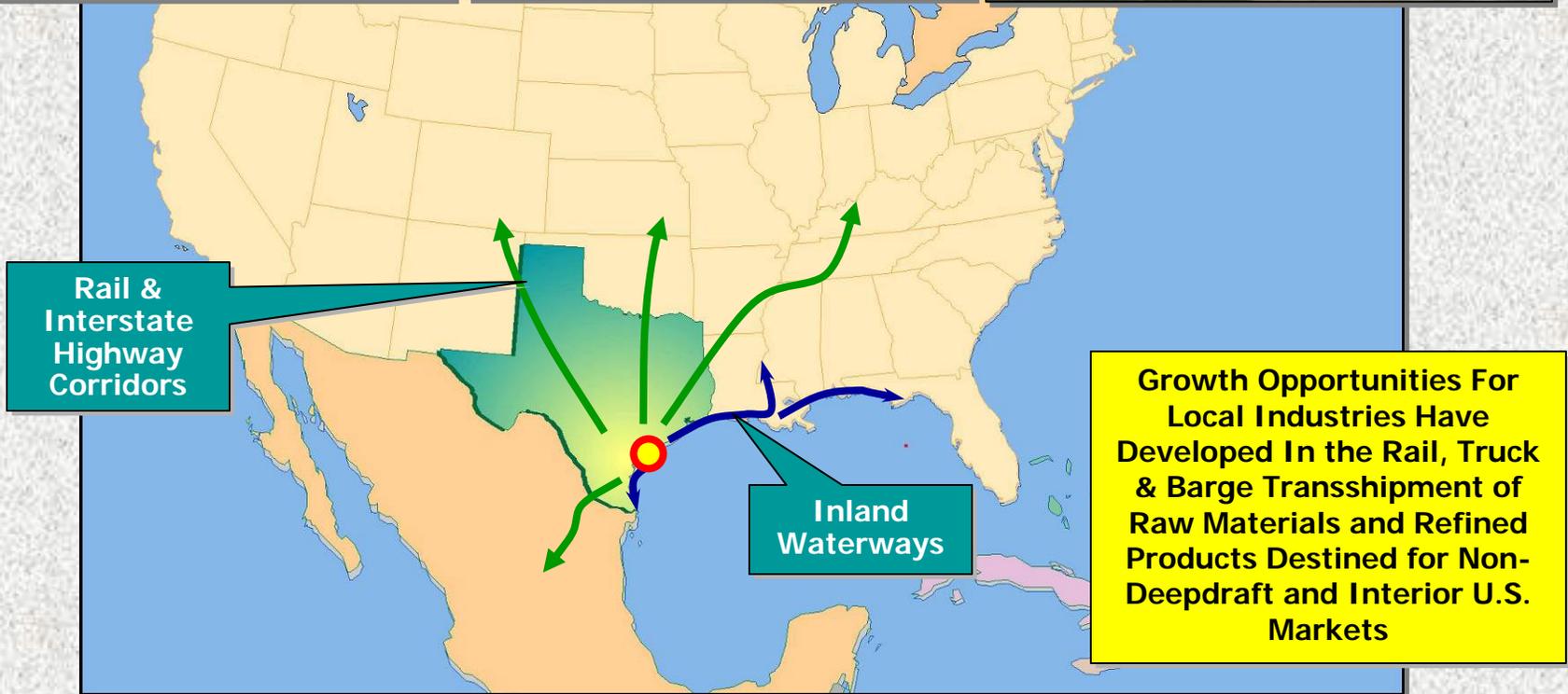
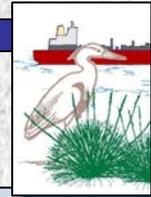
Access to Global Markets

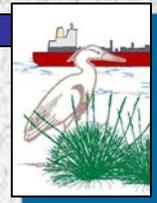


The Primary Focus of the Port of Port Lavaca-Point Comfort is Providing Deepdraft Port Facilities That Enable Calhoun County Industries to Participate Directly in the Global Marketplace

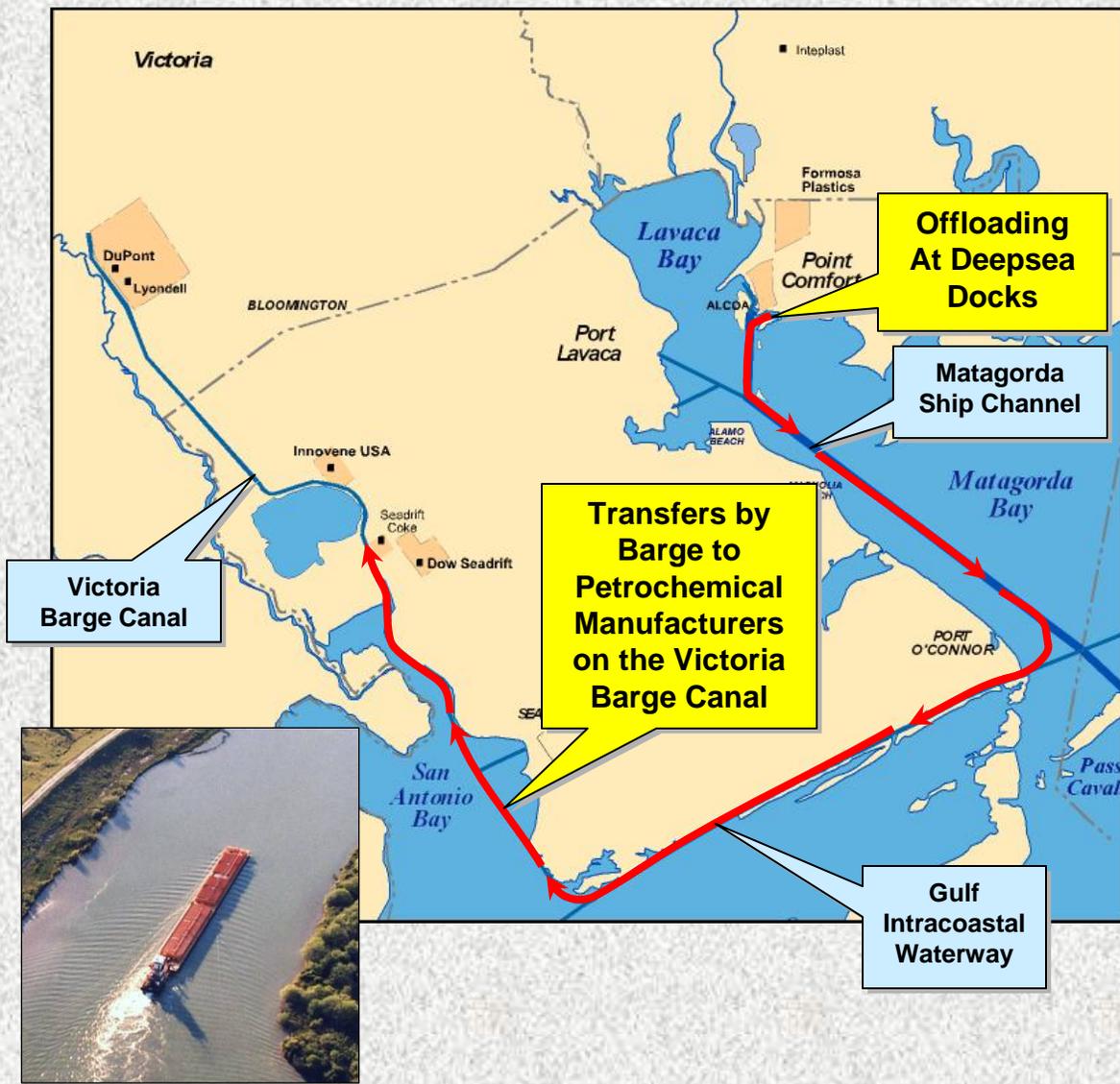


Destination-Distribution Point

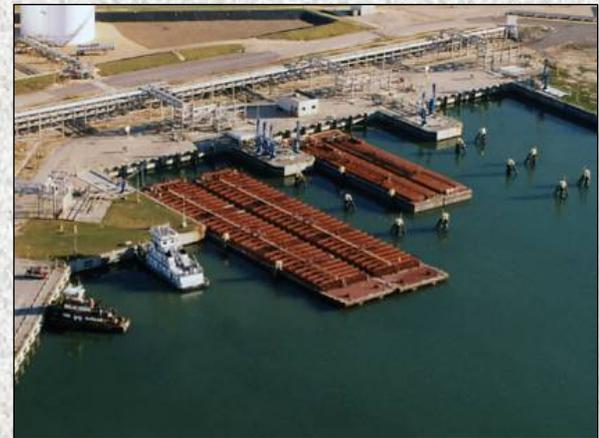




Delivery via Ship and Barge Transfer



Fiscal Year	Transferred by Barge
2002	223,490
2003	310,981
2004	303,800
2005	247,335
2006	236,826
Total Short Tons	1,322,433

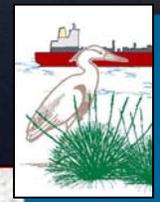


MSC Jetty System Threatened

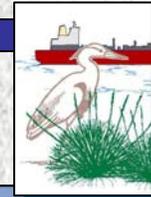
- High velocity currents have caused severe scouring with depths up to 100 feet
- Conditions pose an immediate danger to the jetty system and create navigational safety issues
- Failure could completely block vital shipping access

NORTH JETTY

Matagorda Ship Channel

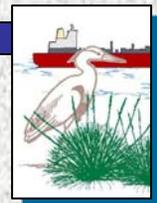


Jetty Stabilization Project



- COE is Transitioning to a "Major Rehabilitation Project" in O&M
- O&M Funding Needed for Continuing Feasibility Study
- O&M Funding Needed for Prompt Construction of Repairs

Repair Alternatives Include Widening Bottom Width and Bay Inlets to Reduce Current Velocity



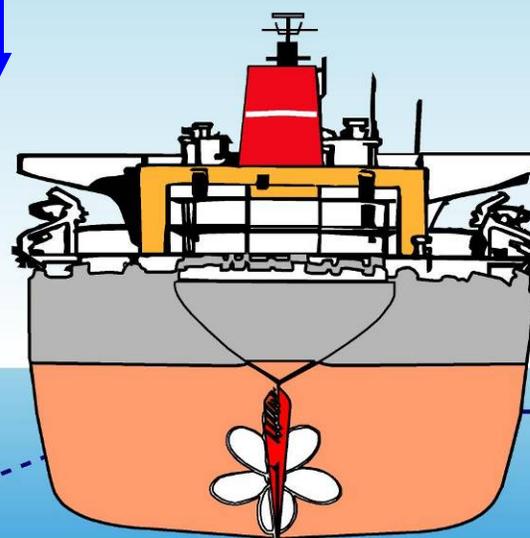
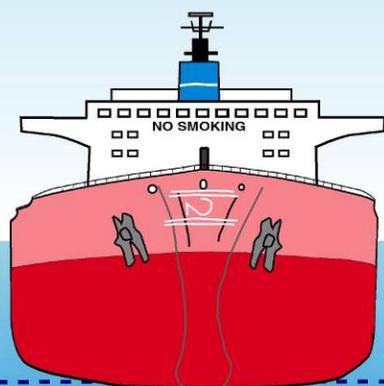
MSC Channel Improvement Project

Deepening Needed to Accommodate the Larger Vessels In World Fleet

Proposed Channel Centerline

Widening Will Improve Navigational Safety & Allow Two-Way Traffic for Most Vessels

Current Operating Depth: 36 Feet



Channel Marker

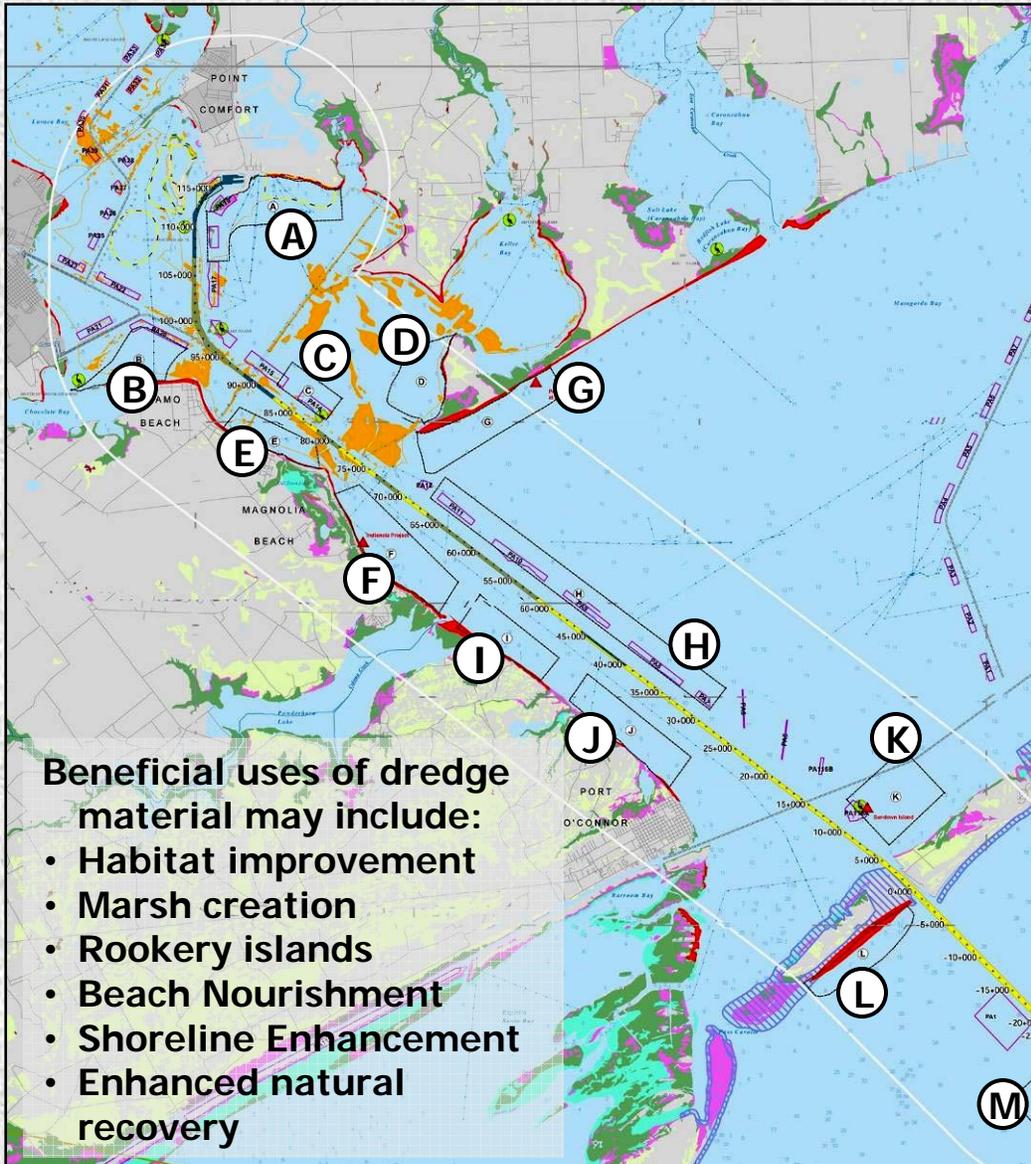
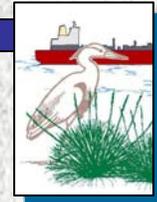
New Bottom Width 400 Feet
(200' Current Width)

Proposed Operating Depth: 44 Feet

View Towards Gulf

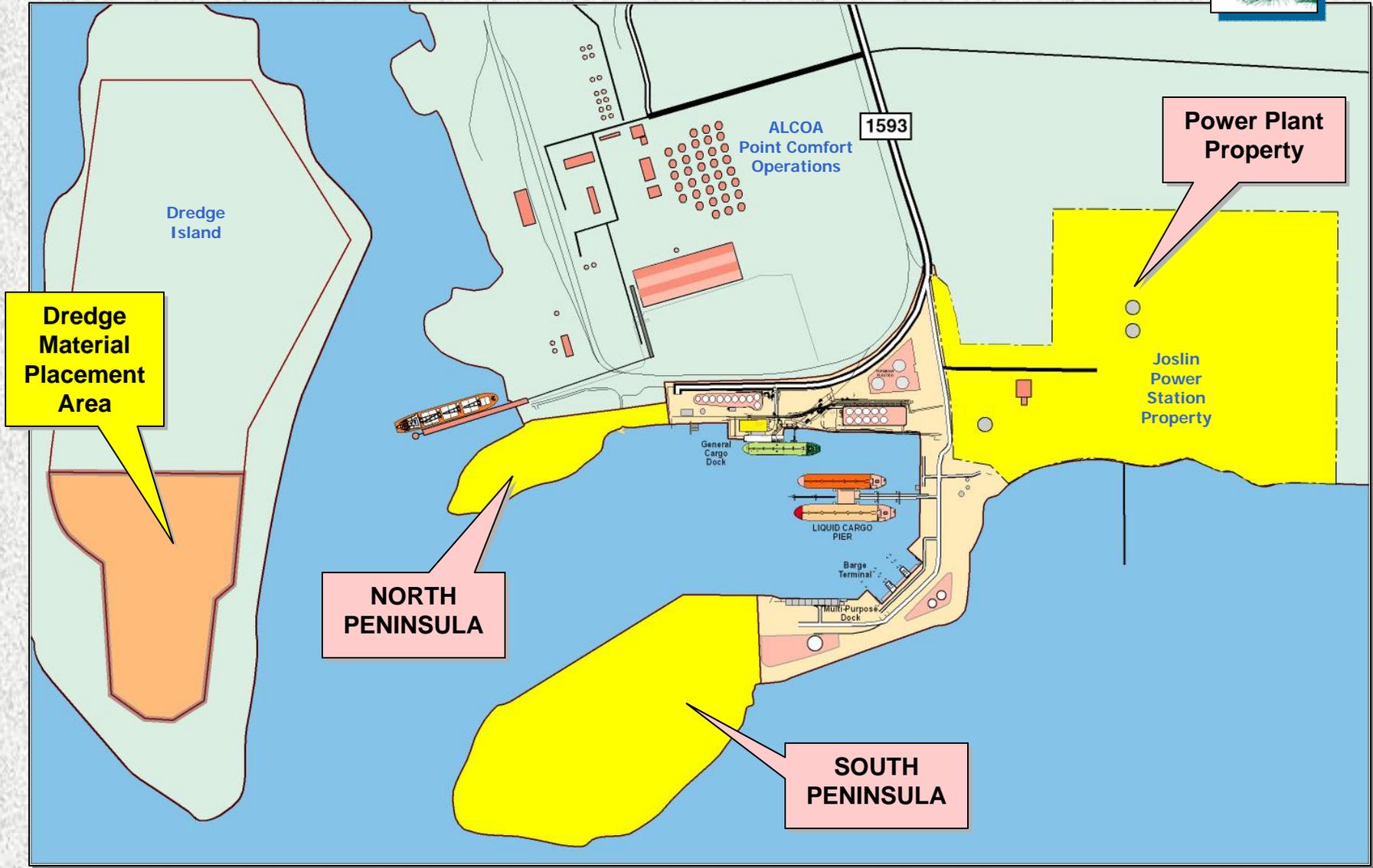
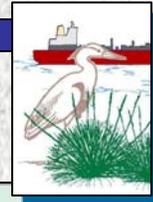
MSC is a First Generation Channel

Port Seeking Project Permits

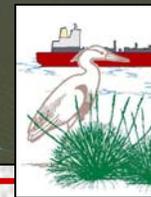


- ◆ Port started work in 2005 and made application in January
- ◆ Scoping meeting held in April and EIS process is underway
- ◆ Port is working with community stakeholders and Agency Workgroup to develop Dredge Material Placement Plan
- ◆ COE providing technical review services

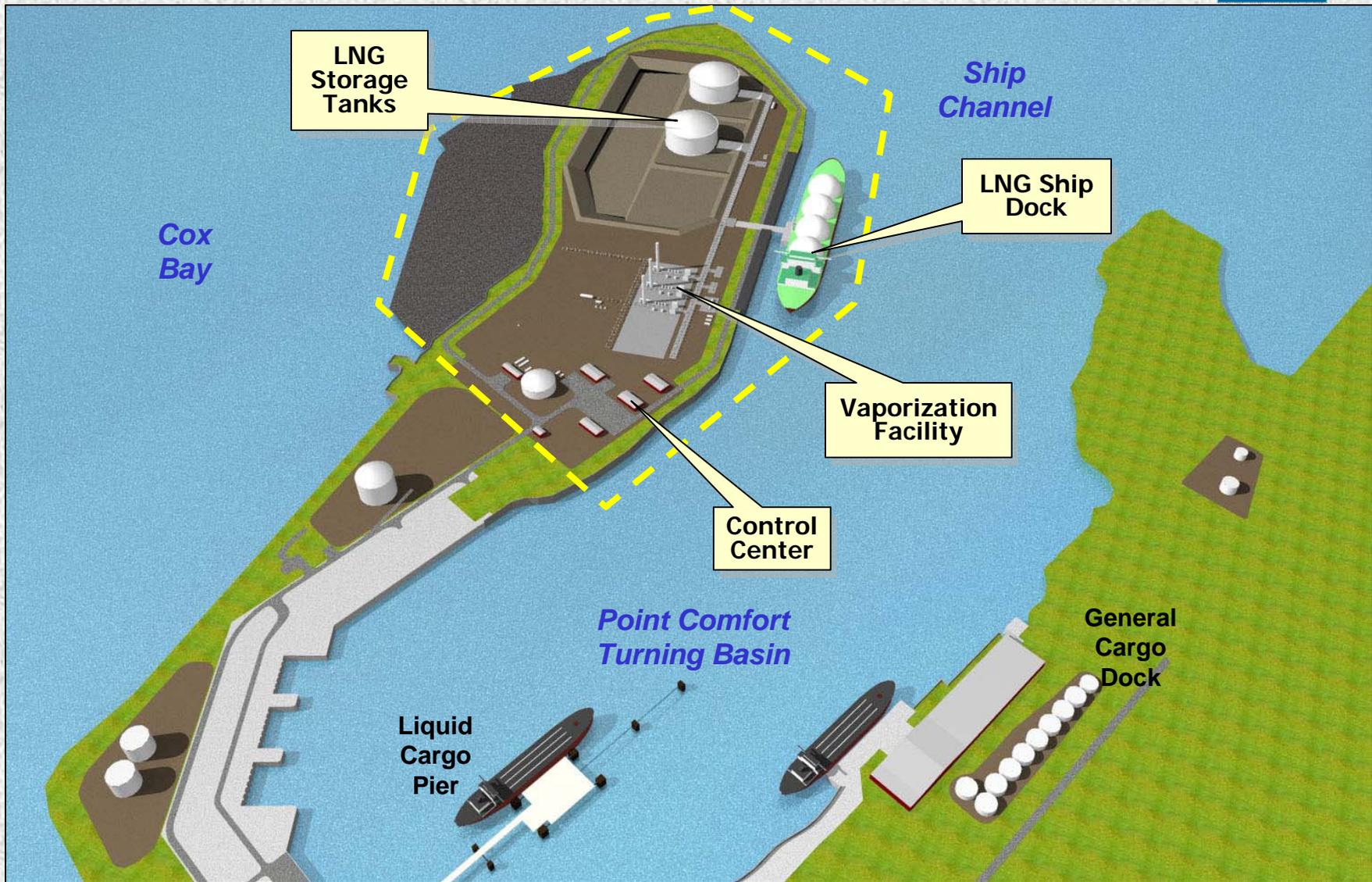
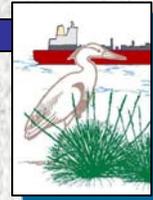
Planning for the Port's Future



LNG Terminal Site on South Peninsula

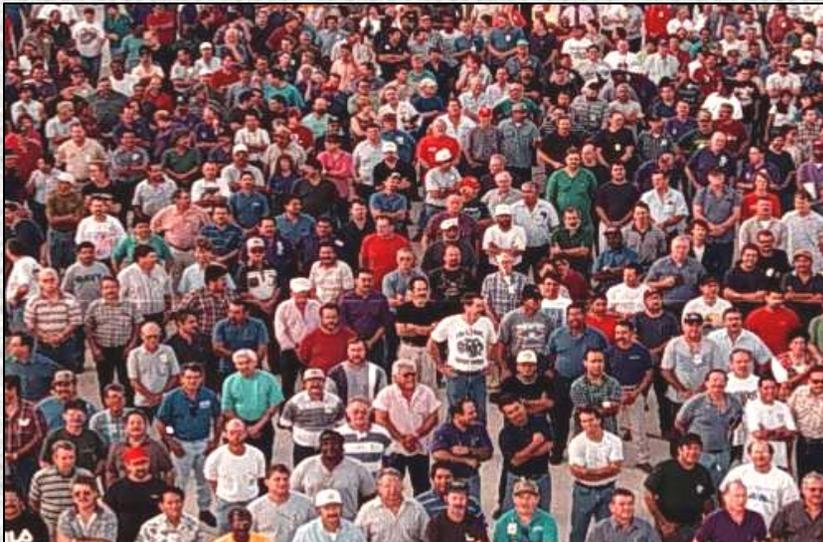
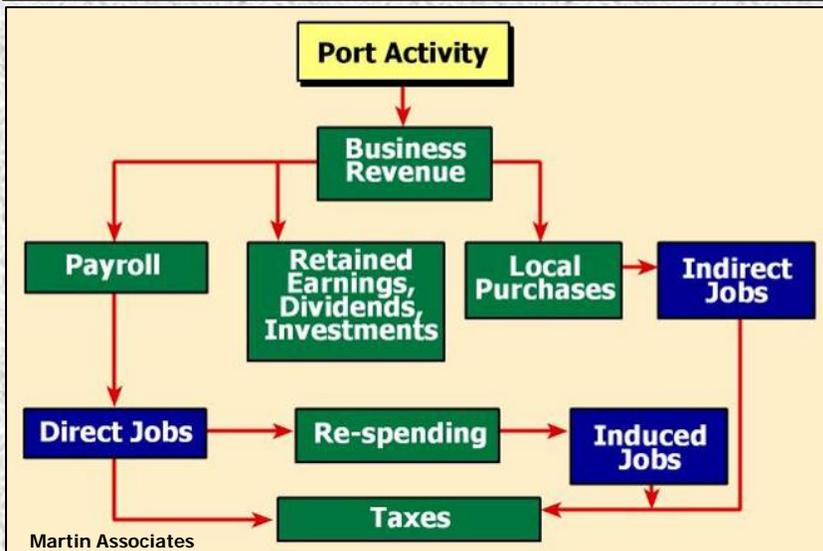


Calhoun LNG Conceptual Site Plan



Economic Impacts Analysis Methodology

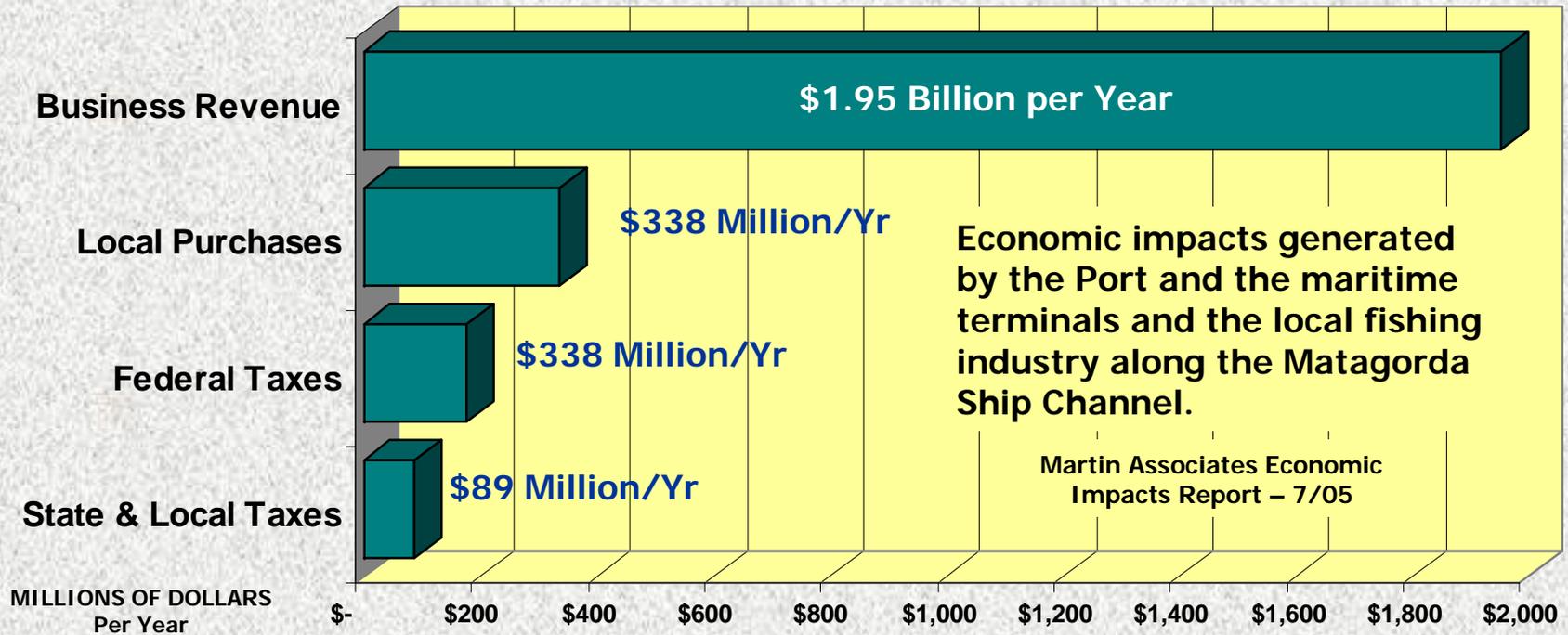
Flows of Economic Impacts Through the Economy



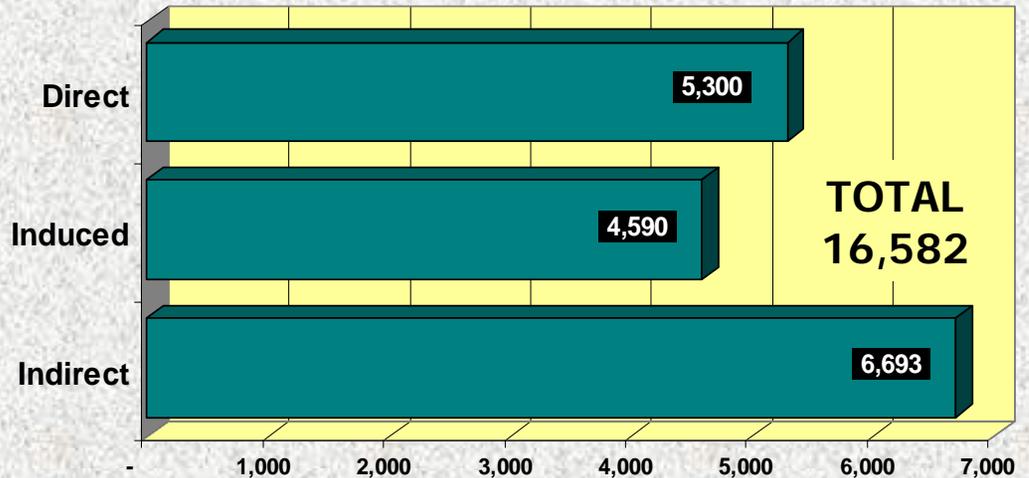
Port of Port Lavaca-Point Comfort

- ◆ Martin Associates' methodology has been used to estimate economic impacts for more than 150 seaports
- ◆ Baseline data was collected from interviews with 246 firms associated with the Matagorda Ship Channel
- ◆ Baseline direct job, revenue and income impacts for economic sectors and job categories were developed from baseline data
- ◆ Tax impacts were estimated based on Tax Foundation per capita tax burden calculations
- ◆ A computer model was constructed including:
 - Cargo tonnage by commodity
 - Distribution of seaport cargo by transport mode and by geography
 - Vessel calls and vessel size

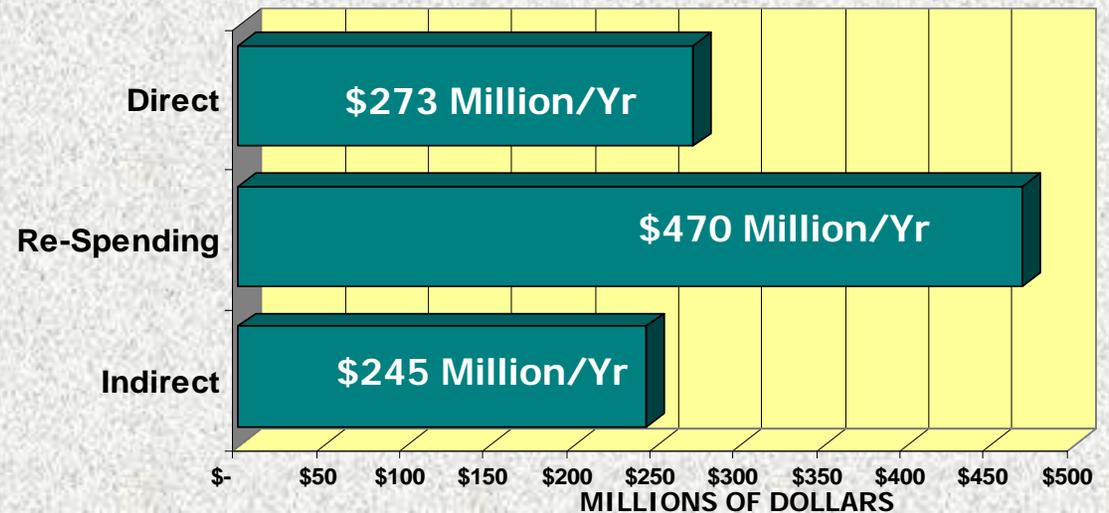
Impacts on Business & Tax Revenues



16,500 U.S. Jobs Connected to Port



\$1 Billion A Year in Wages & Salaries



Martin Associates Economic Impacts Report – July 2005

Waterway's Economic Impact Growing

Key Commodities Handled



Chemicals



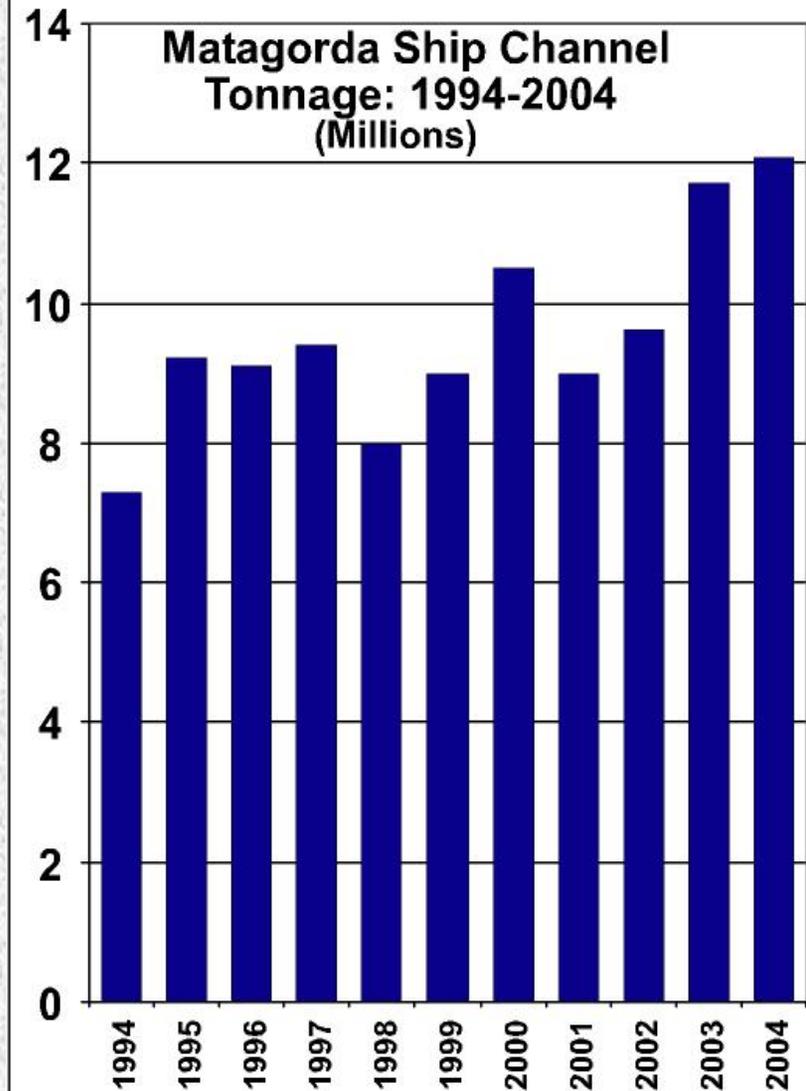
Agricultural Fertilizer



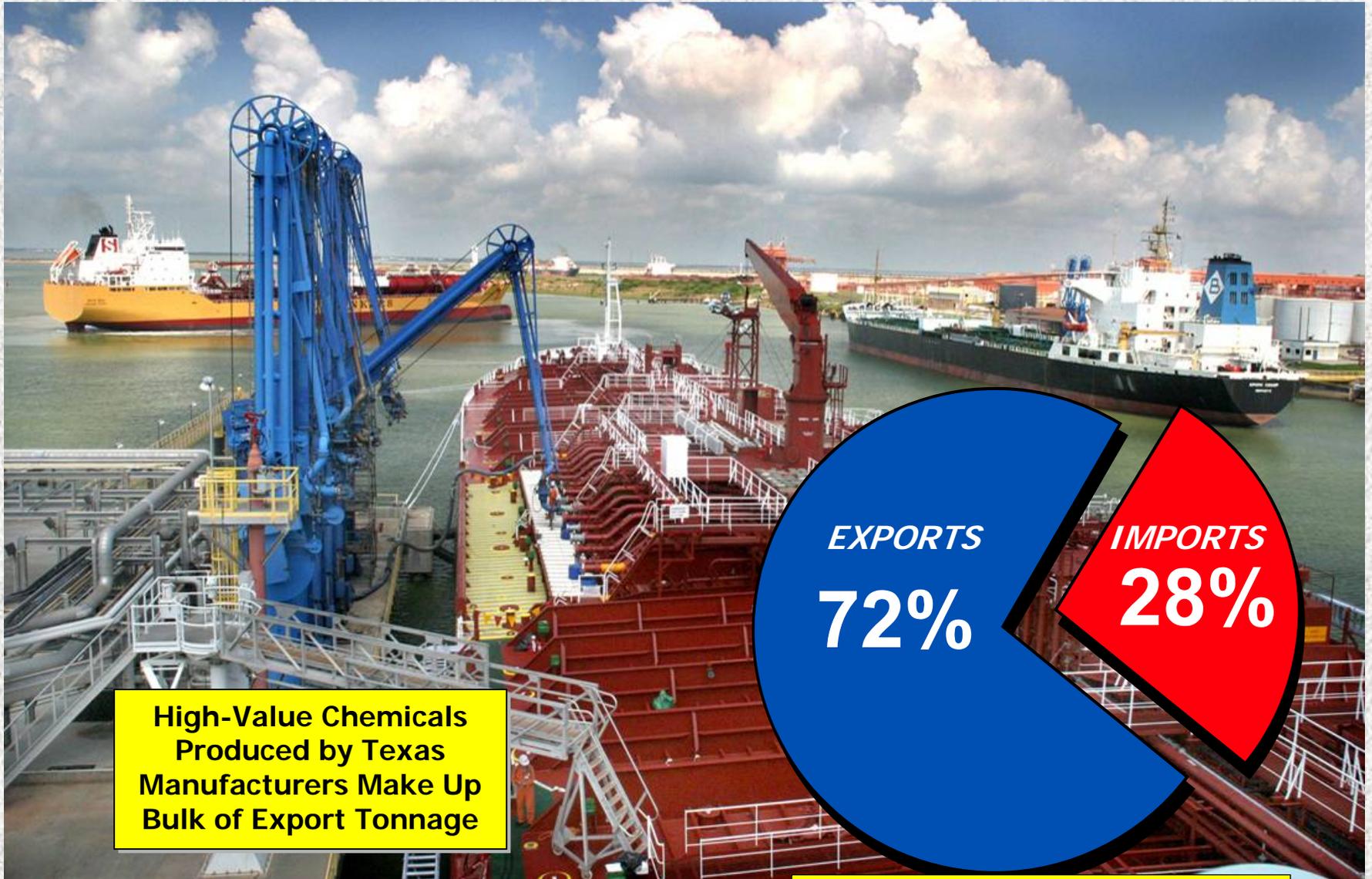
Aluminum Ore



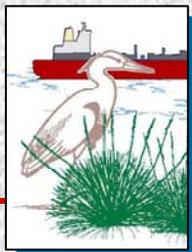
Petrochemicals



Port Generates Net Exports for U.S.



*Providing Calhoun County and the
Texas Mid-Coast With Direct Deep and
Shallow Draft Access to Global Markets*



**THE PORT of
Port Lavaca - Point Comfort**

Calhoun Port Authority – Texas, U.S.A.