

# TEXAS PORTS – Value to the Nation

**Col. Christopher W. Sallese**

District Commander, Galveston District  
U.S. Army Corps of Engineers

March 18, 2013

Houston-Galveston Area Council

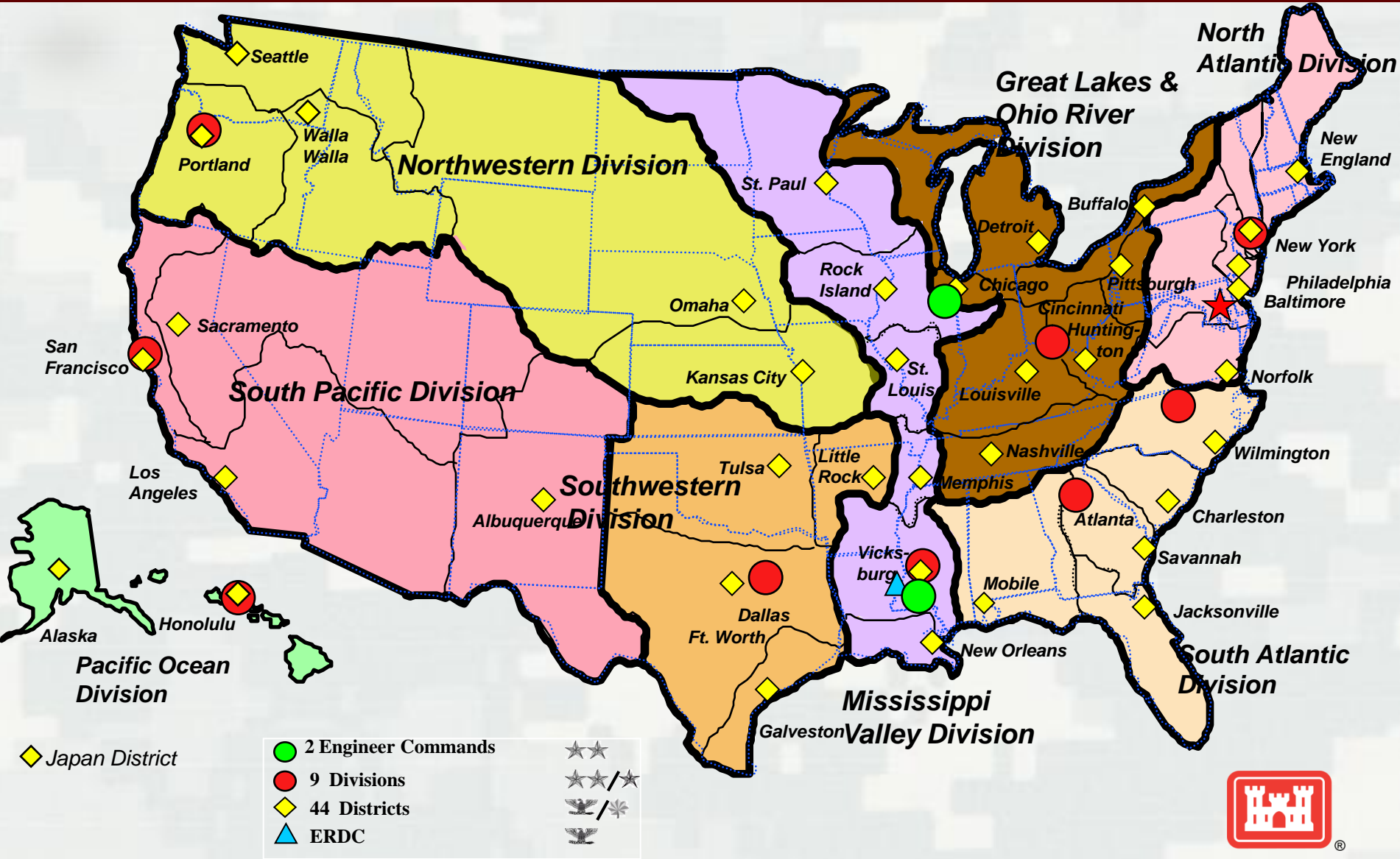


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# DIVISION BOUNDARIES (CW)



# GALVESTON DISTRICT FACTS



- Texas Ports and Waterways moved 575M
- 50,000 square mile district boundary
- 460 miles of coastline
- 48 Texas counties
- 18 counties – Coastal Bay Estuaries
- 2 Louisiana parishes
- 346 full time employees
- 760 miles shallow draft
- 240 miles deep draft
- 13 shallow draft ports
- 15 deep draft ports

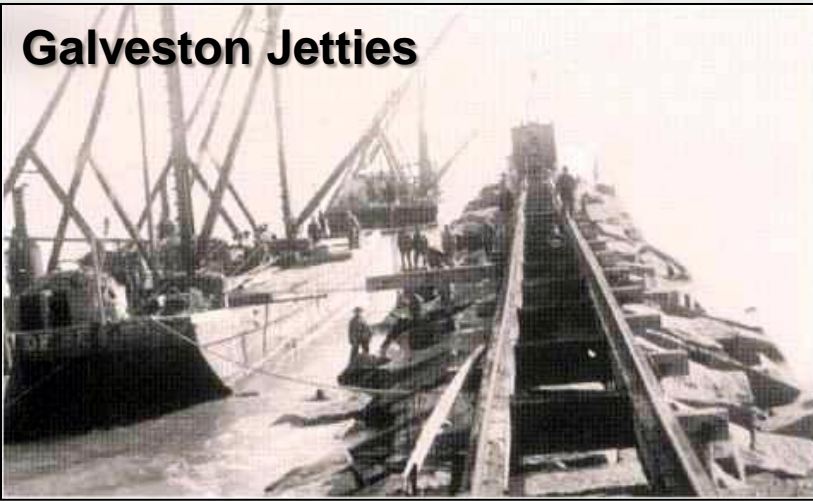






# HISTORY OF THE DISTRICT

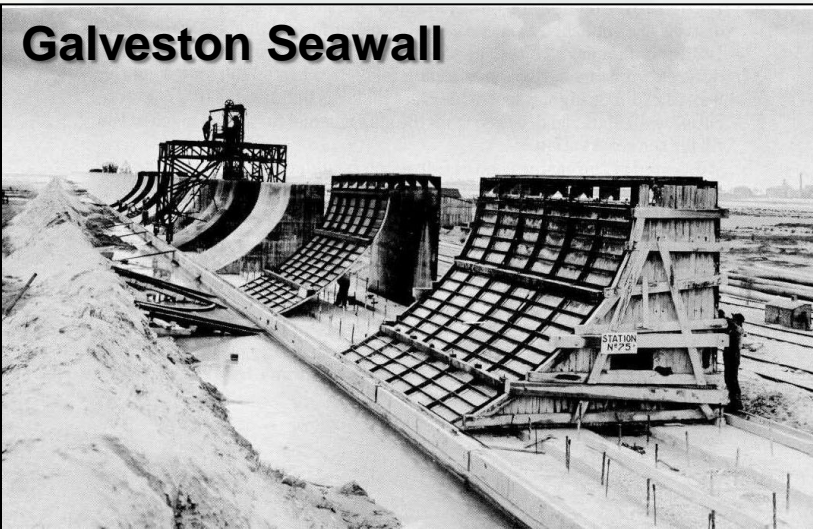
## Galveston Jetties



The U.S. Army Corps of Engineers and Galveston District have been deeply rooted in Texas history since its establishment in 1880 to facilitate navigation along the Texas coastline.

In the 1880s, Congress authorized the first deepening of Sabine-Neches and Houston-Galveston ship channels and the construction of breakwaters known as jetties, which protect harbor and inlet entrances.

## Galveston Seawall



In addition to the deepening projects and jetty construction, the iconic Galveston Seawall, which has protected the city of Galveston for more than 100 years, was also completed in partnership with Galveston County after the 1900 hurricane.

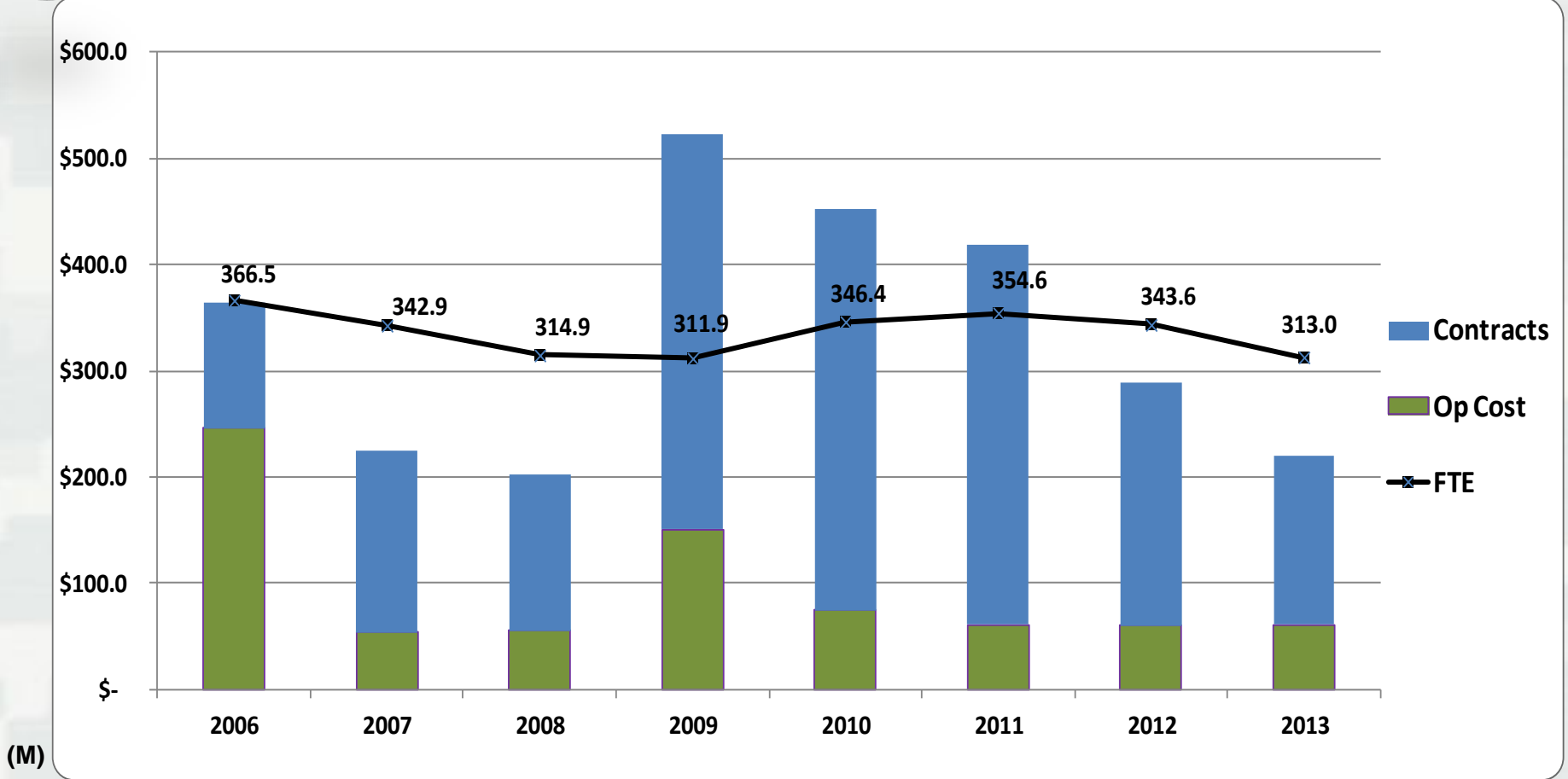
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# SWG PROGRAM VS. FTE



**RITA**

**IKE**

**ARRA**

Year	2006	2007	2008	2009	2010	2011	2012	2013
Total Execution \$ (M)	\$ 365.0	\$ 224.4	\$ 202.7	\$ 523.3	\$ 452.5	\$ 419.5	\$ 288.6	\$ 220.4





# MISSION

*The USACE Galveston District is committed to providing vital public engineering services in peace and war to strengthen our nation's security, energize the economy and reduce risks from disasters.*



## Major Business lines

- Navigation
- Flood Risk Management
- Ecosystem Restoration
- Regulatory
- Emergency Management
- Military Construction
- Interagency/International Support (IIS)





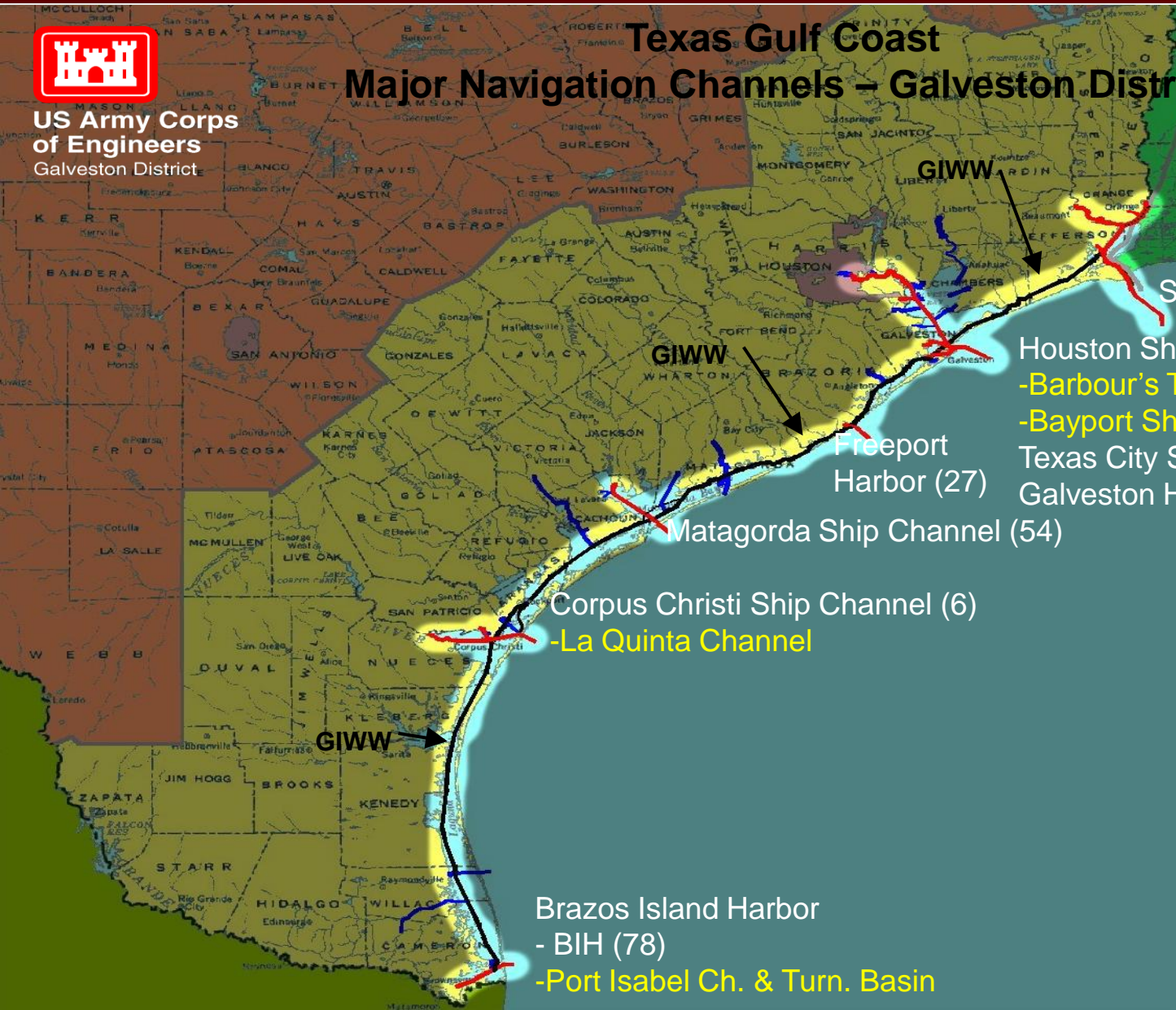
# NAVIGATION- DEEP DRAFT



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## Texas Gulf Coast Major Navigation Channels – Galveston District

(#) SWG Port Rankings  
vs. Nation



Sabine-Neches Waterway (4)

- Houston Ship Channel (2)
- Barbour's Terminal Channel
- Bayport Ship Channel
- Texas City Ship Channel (10)
- Galveston Harbor (41)

Freeport Harbor (27)  
Matagorda Ship Channel (54)

Corpus Christi Ship Channel (6)  
-La Quinta Channel

Brazos Island Harbor  
- BIH (78)  
-Port Isabel Ch. & Turn. Basin

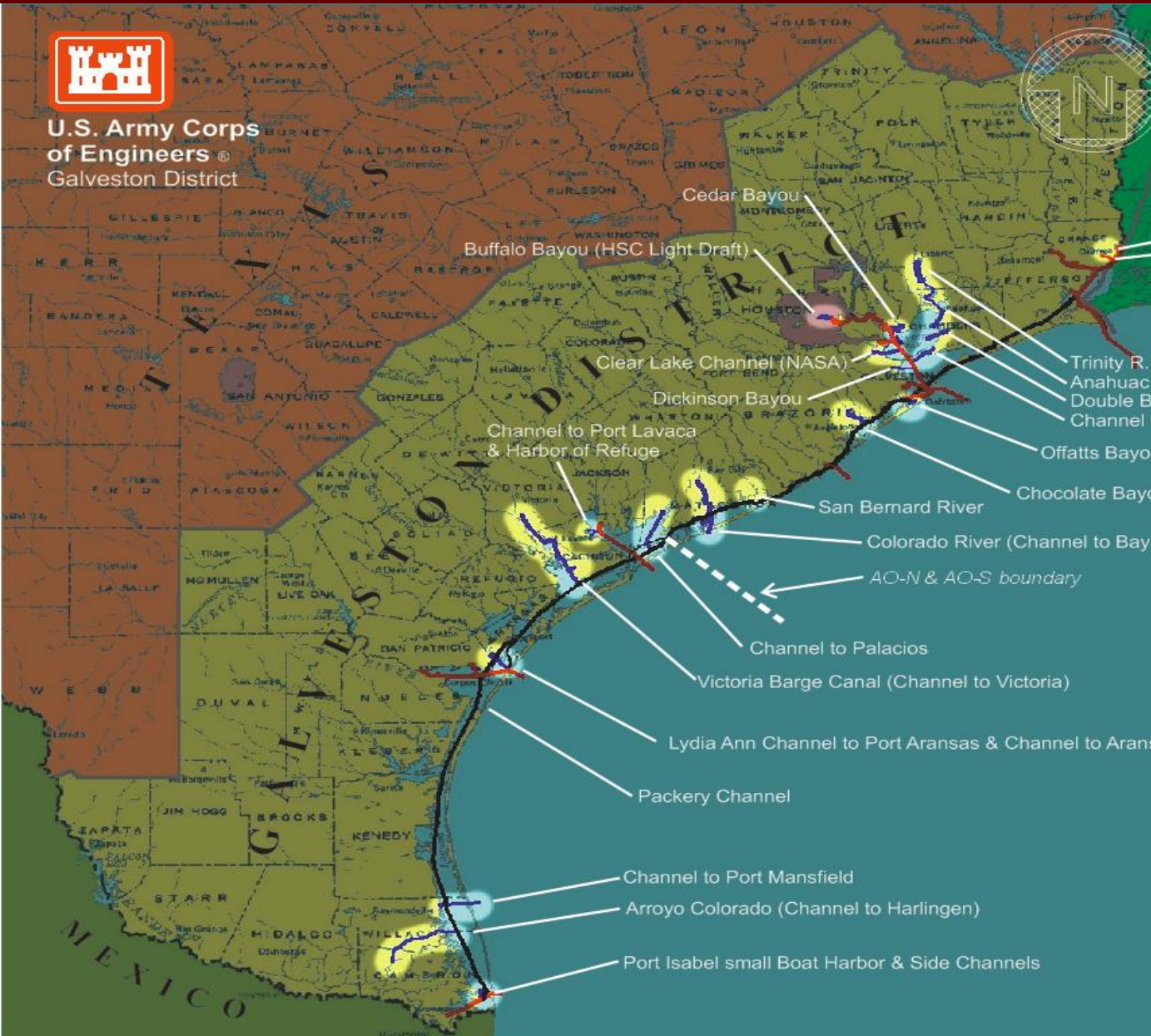




# SHALLOW DRAFT



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- Cedar Bayou
- Buffalo Bayou (HSC Light Draft)
- Clear Lake Channel (NASA)
- Dickinson Bayou
- Channel to Port Lavaca & Harbor of Refuge
- San Bernard River
- Colorado River (Channel to Bay City)
- AO-N & AO-S boundary
- Channel to Palacios
- Victoria Barge Canal (Channel to Victoria)
- Lydia Ann Channel to Port Aransas & Channel to Aransas Pass
- Packery Channel
- Channel to Port Mansfield
- Arroyo Colorado (Channel to Harlingen)
- Port Isabel small Boat Harbor & Side Channels
- Cow Bayou
- Adams Bayou
- Trinity R. to Liberty
- Anahuac Channel
- Double Bayou
- Channel to Smith Pt.
- Offatts Bayou
- Chocolate Bayou



# PORT STATISTICS & STUDIES

					2011			
					Channel	2010	UNDER STUDY	
TEXAS	AUTHORIZED	TONNAGE (millions) 2010			Availability	Value of	IMPROVED	
PORTS	DEPTH (ft)	DOMESTIC	FOREIGN	TOTAL	1/2 Width	Tonnage	DEPTH (ft)	STATUS
<b>Deep Draft Coastal</b>								
Houston (2)	45	67.6	159.6	227.1	53.3%	\$170.4B	45	Construction Completed in June 2005
Beaumont (4)	40	25.2	51.8	77	12.9%	\$37.8B	48	Chief's Report Signed July 2011
Corpus Christi (6)	45	18.8	54.8	73.7	83.8%	\$35B	52	Draft LRR to SWD July 2012
Texas City (10)	45	16.5	40.1	56.6	87.5%	\$28.5B	45	Construction Completed in June 2011
Port Arthur (25)	40	10.8	19.5	30.2	12.9%	\$13.1B	48	Chief's Report Signed July 2011
Freeport (27)	45	4.3	22.3	26.7	61.6%	\$13.7B	50-55	Chief's Report December 2012
Galveston (41)	45	5.9	8.0	13.9	76.0%	\$8.6B	45	Construction Completed March 2011
Matagorda (54)	38	2.2	6.7	8.9	27.5%	\$2.4B	38	No improvements forecasted
Brownsville (78)	42	2.1	2.5	4.6	66.3%	\$3.1B	45-52	Chief's Report August 2014
Victoria (89)	12	2.8	0	2.8	62.5%	\$2.1B	12	No improvements forecasted
<b>Inland Waterway</b>								
GIWW	12			67.0	Varies	\$34.6B	12	

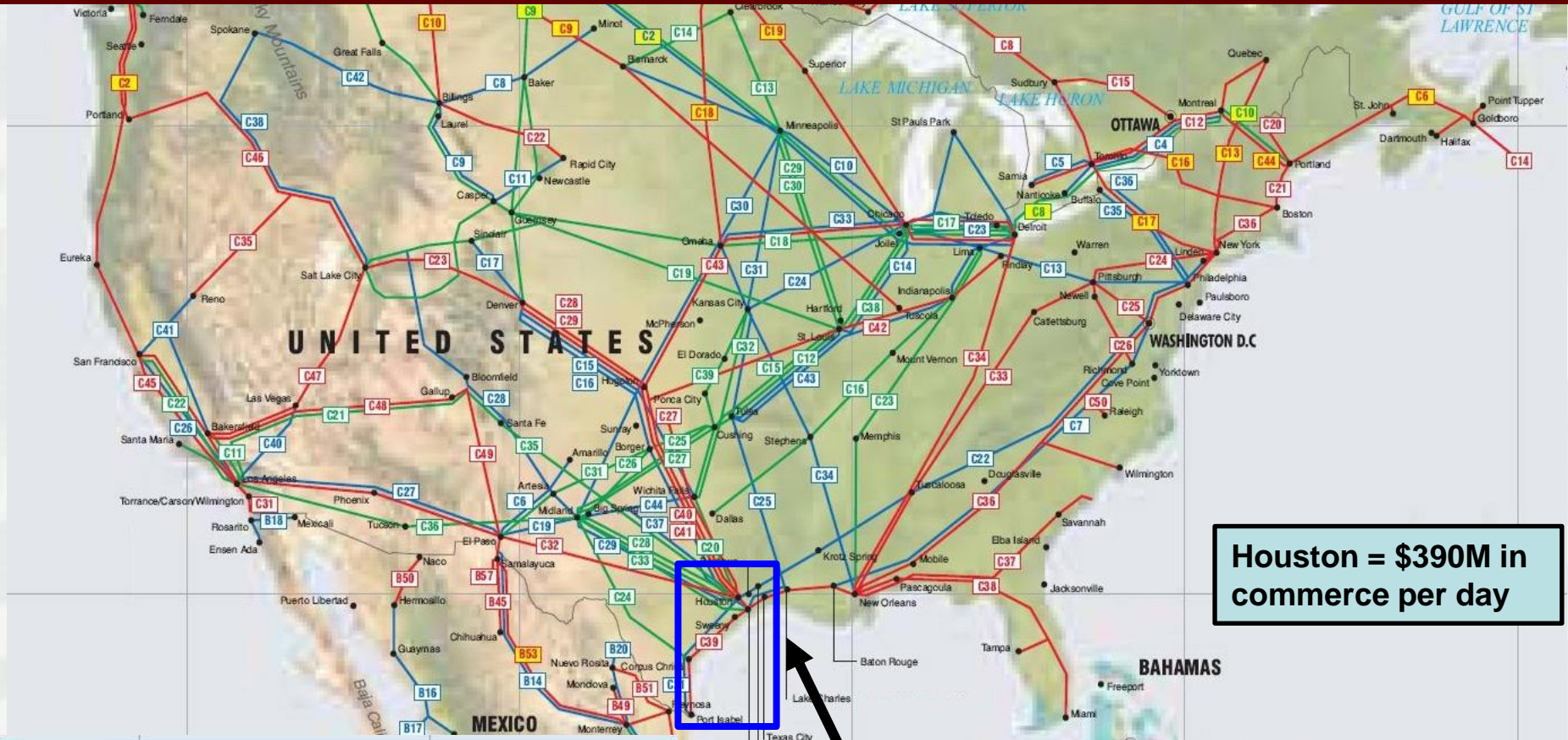
**22.2% of Nation's Total Export Tonnage (Maritime)**

**43.4% of Imported Crude Oil (Maritime)**

**Texas is the Nation's #1 State for Waterborne Commerce  
(Major Ports = 521.5M Tons worth \$314.7B) - [source - IWR]**



# PETROCHEMICAL PIPELINE DIST.



**Houston = \$390M in commerce per day**

**LEGEND:**

	Oil pipeline		Inter-Country oil pipeline label
	Oil pipeline (planned/under construction)		Cross-Border oil pipeline label
	Gas pipeline		Inter-Country gas pipeline label
	Gas pipeline (planned/under construction)		Cross-Border gas pipeline label
	Products pipeline		Inter-Country products pipeline label
	Products pipeline (planned/under construction)		Cross-Border products pipeline label

**Texas Coast - where the U.S. large refinery infrastructure exists...the main start and end point for the Value Chain**

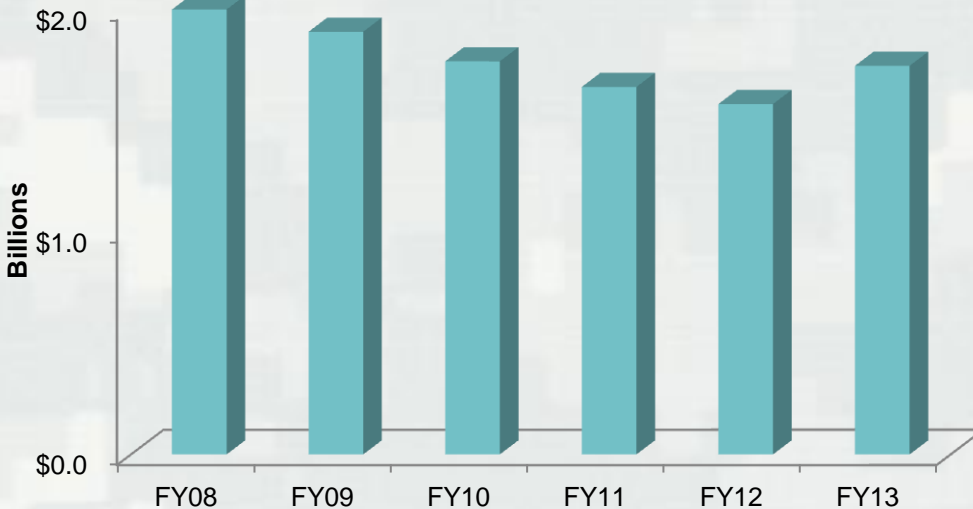


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# NAVIGATION FUNDING

## National Navigation Funding



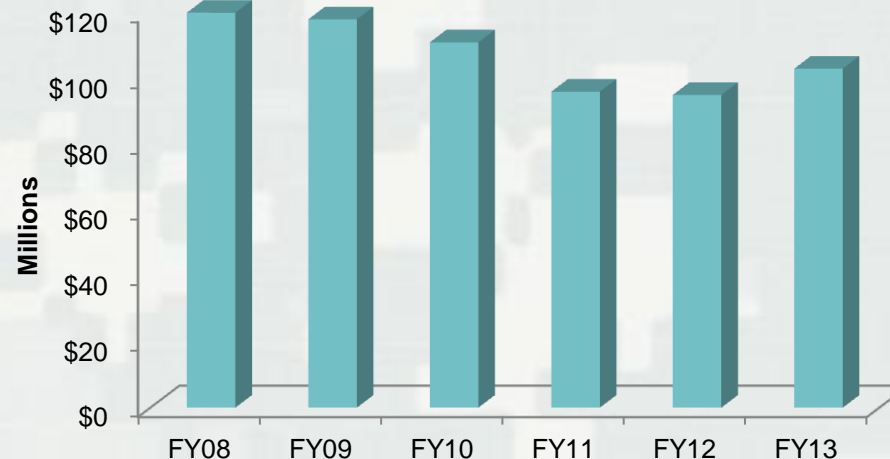
Navigation Funding Amounts Includes Federal Appropriations from:

- General Investigations
- Construction General
- Operations & Maintenance

Not Included;  
Federal Appropriations from:

- ARRA
- Storm Supplemental

## Galveston Navigation Funding



# NAVIGATION SYSTEM HEALTH

Adequate funding stream to support:

- Dredging project depth + advanced maintenance “just in time”
- Construct incremental levee capacity
- O&M lock and gated facilities – GIWW
- Conduct jetty repairs
- Prepare placement areas and DMMPs
- Conduct O&M discretionary studies
- Implement DAMP activities
- Environmental sustainability
- Safety (navigation)
- In our current strain fiscal environment, we must consider revamping our current financial options. (HMTF and IWTF changes, user fees, PPP, cost shares?)

**The system is rapidly losing its resiliency.**

## Navigation Mission

Provide a balance of funds across the required activities to maintain an efficient, interactive and reliable navigation system







# HIGH PRIORITY NAVIGATION PROJECTS

- Brazos Island Harbor deepening study
- Corpus Christi LRR
- Freeport Harbor deepening study
- Houston section 902 report
- La Quinta deepening - under construction
- Sabine Neches Waterway PED
- Upper Houston ship channel deepening study



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# ECONOMIC FACTORS

## Positive Factors-

- Texas ports create over one million direct jobs regionally and ~1.3 million indirect jobs nationally
- Port of Houston alone helped generate \$4.5 billion in local and state tax revenue
- Current and future exports help stabilize the dollar the reduce the value of the federal deficit (national revenue)
- Allows nation to optimize the benefits of prior year strategic investments in navigation and supply chain infrastructure
- GIWW provides a intermodal linkage through domestic and international markets and facilities

## Negative Factors-

- 1' of draft restriction = lost benefits due to lightering and lightening loads
- Houston - \$188 million/year
- Matagorda - \$80 million/year
- GIWW Texas – 130 million/year
- Texas ports receive less than \$.25 on the dollar of HMTF contributions for O&M
- From a study aspect ready to take advantage of Panama Canal expansion (2 channels authorized at > 50 ft with two more pending, none constructed)
- The current channels depths do not optimize transportation or supply chain efficiencies

**The nation's navigation system requires a strategic investment to realize its full economic benefit.**

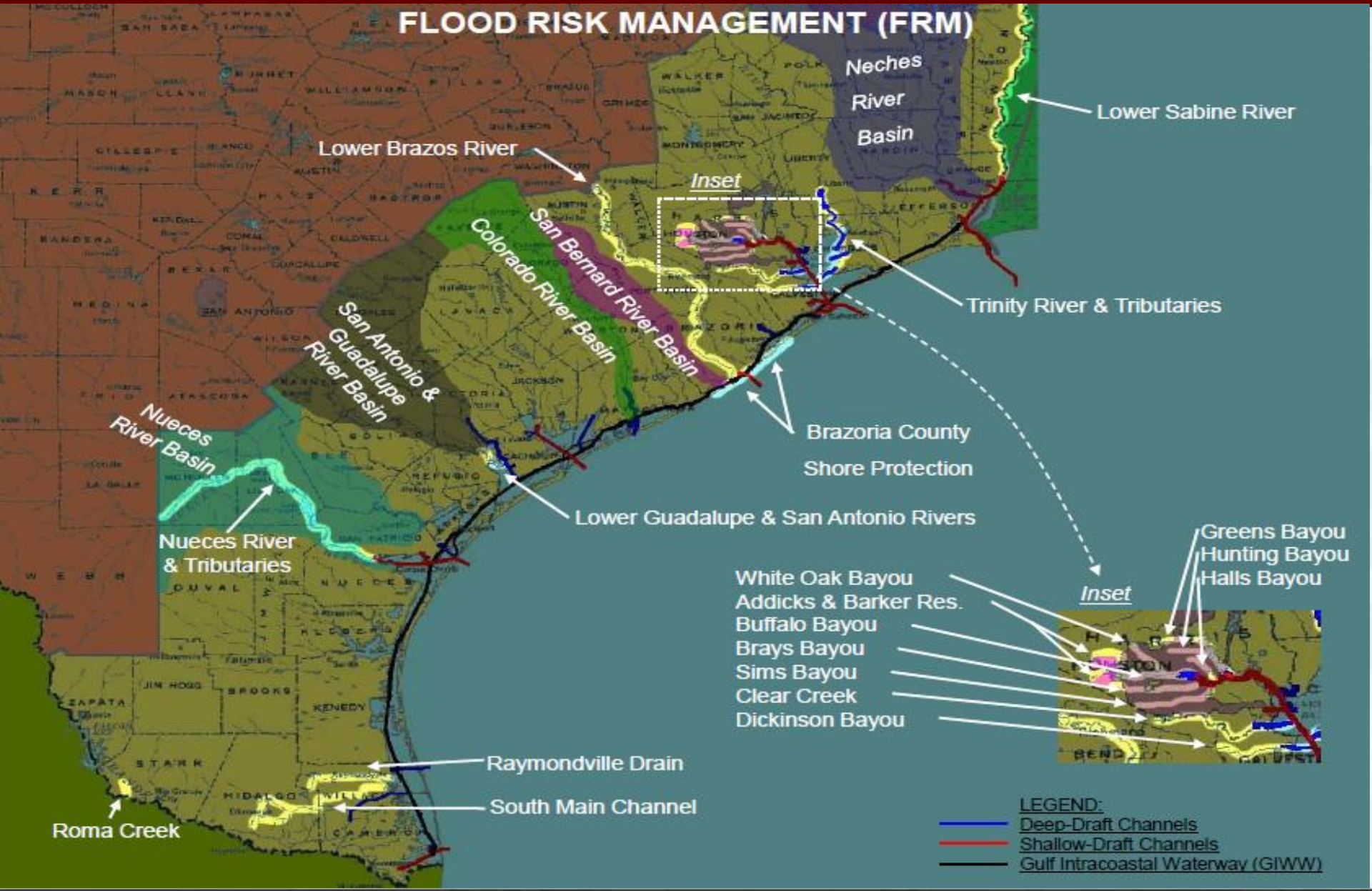


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# FLOOD RISK MANAGEMENT





# HIGH PRIORITY FRM PROJECTS

- Addicks and Barker DSM report
- Sim's Bayou Construction
- Bray's Bayou Construction (211.f)
- Green's Bayou Construction
- Clear Creek LRR
- White Oak Bayou study (211.f)
- Hunting Bayou study (211.f)
- Sabine Pass to Galveston- Coastal study
- Inspection of seven federally constructed Hurricane protection systems







# ECOSYSTEM RESTORATION







# HIGH PRIORITY ESR PROJECTS

- HSC Mitigation- Galveston Bay
- South Padre Island- Beach Restoration
- Half Moon Reef- TNC oyster project
- Aransas NMF- Construction of marsh cells
- SNWW- Tom Jackson Marsh
- Bolivar Peninsula beach restoration
- Sabine Pass to Galveston- Coastal study



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# REGULATORY







# HIGH PRIORITY REGULATORY PERMITS

- Baryonyx offshore wind farm and EIS
- Luce Bayou water supply project
- Bayport Ship Channel deepening- Houston
- Barbour's Terminal deepening- Houston
- Seaway pipeline (pending)
- TransCanada Gulf Coast pipeline
- Grand Parkway Segment E, F, I and G
- LNG expansions x3 (Freeport, Cheniere, Golden Pass) pending







# EMERGENCY MANAGEMENT





# EMERGENCY MANAGEMENT PRIORITIES

- PGL 84-99 levy inspections
- Prepare Commodities team
- Prepare pax for OCO deployment
- Hurricane protection and recovery plans
- Maintain district COOP site at A/B
- Coordinate flood fight operations with local officials



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# MILITARY CONSTRUCTION

USACE Galveston provides contract and construction management services to projects within our geographic footprint and in support of the region's efforts.

## Current Projects

- Woodlands Army Reserve Center – Houston
- Laredo Army Reserve Center- (pending)
- Robstown Road Army Reserve maintenance facility - Corpus Christi
- SRM work at Corpus Christi Army Depot



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# HIGH PRIORITY IIS PROJECTS

- Kingsville BP station - construction
- Corpus Christi BP station - construction
- Freer BP station - construction in FY13
- Port Isabel ICE detention facility
- Falfurrias BP check point
- Border Fence
- Border Towers - real estate FY13



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