



PORT HOUSTON
THE INTERNATIONAL PORT OF TEXASSM

HSC-ECIP or “Project 11”

USACE Stakeholder Partnering Forum

February 13, 2020



SUCCESS REQUIRES PARTNERSHIPS AND COLLABORATION



Industry

Community



State and Federal Agencies



Port



Corps

DRIVING ECONOMIC IMPACTS

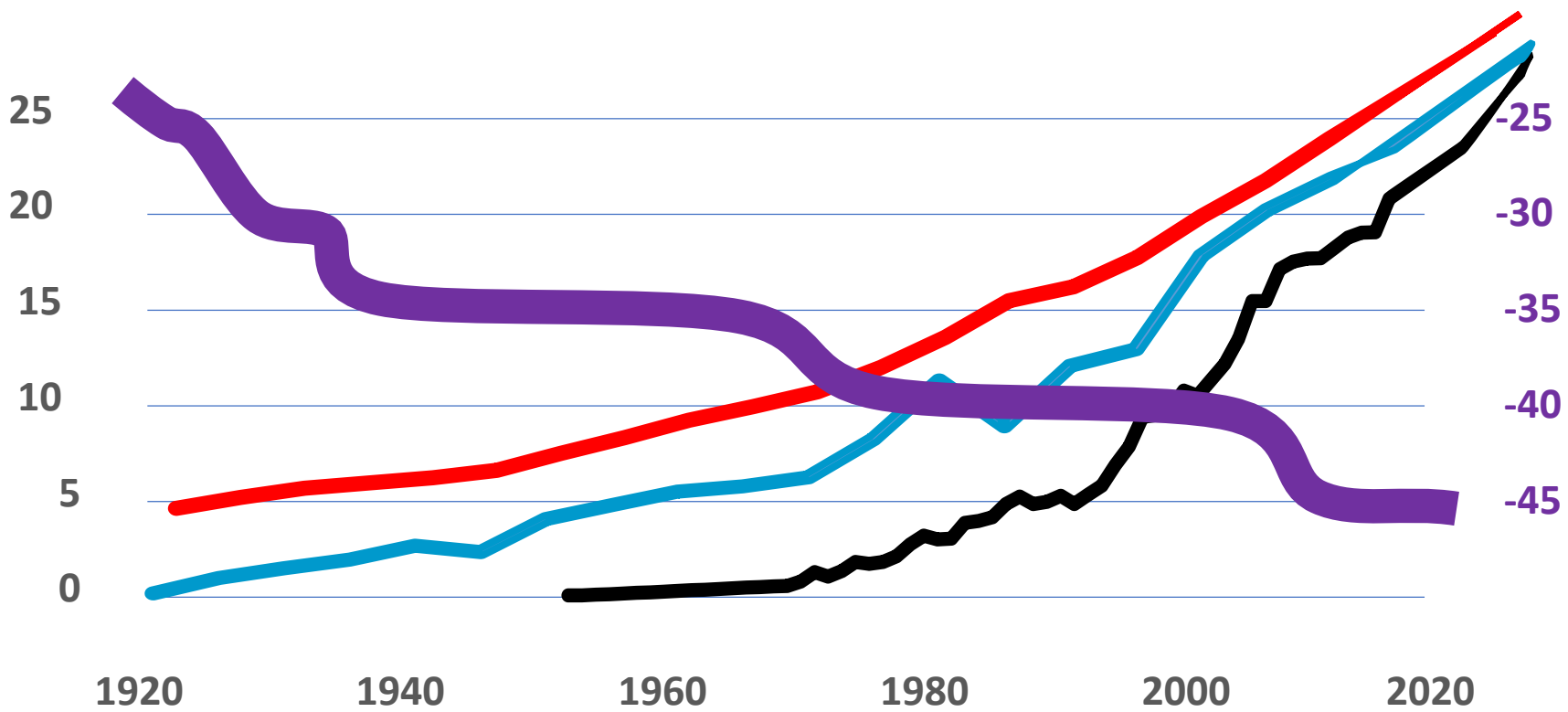


	PORT OF HOUSTON	HOUSTON % OF TX PORTS
<u>United States</u>		
JOBS	3.2 MILLION	53%
ECONOMIC VALUE	\$801 BILLION	57%
<u>Texas</u>		
JOBS	1.35 MILLION	75%
ECONOMIC VALUE	\$339 BILLION	72%

CURRENT PROJECT IS THE 11TH MAJOR IMPROVEMENT

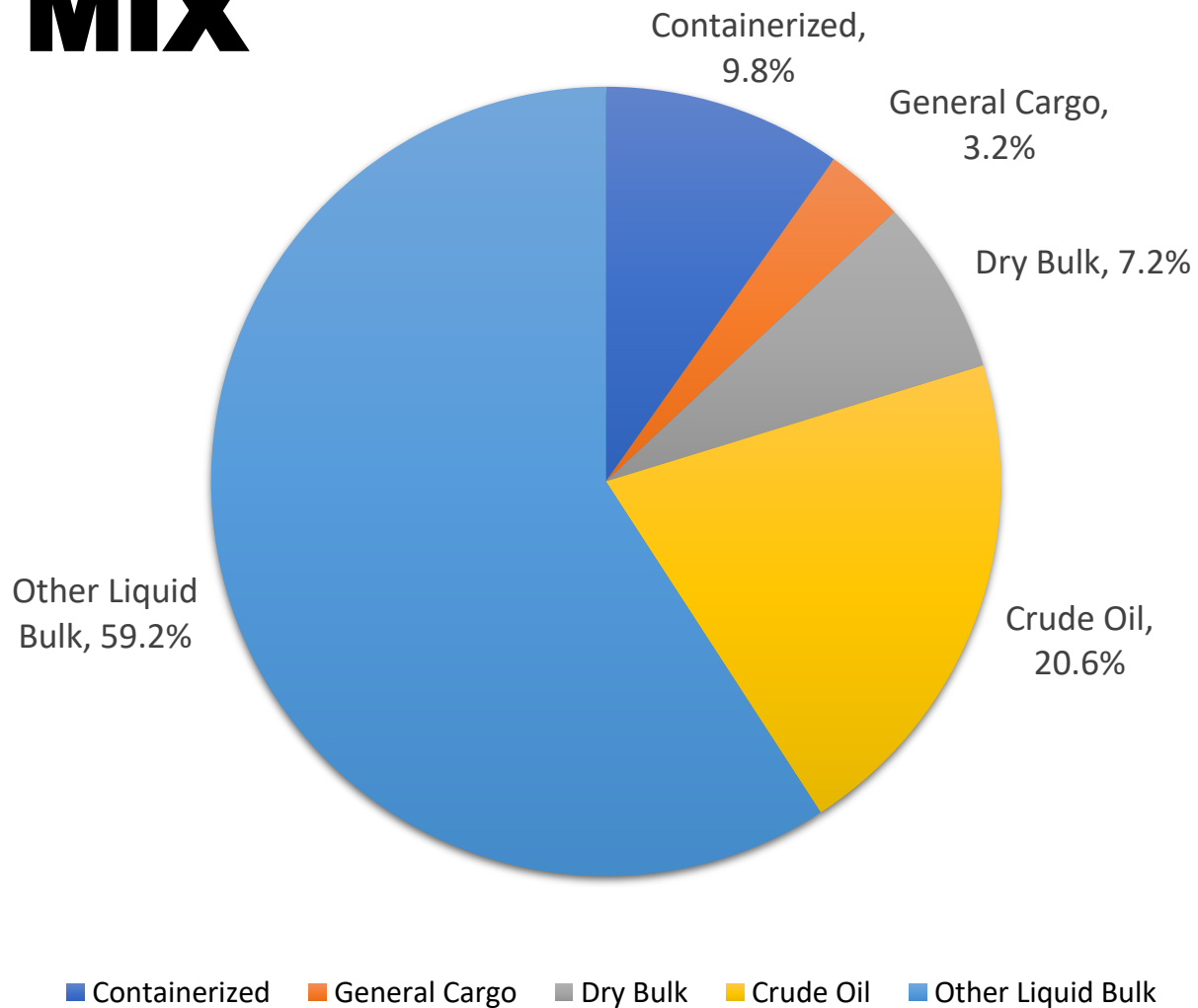
1853	1 st Buffalo Bayou improvements	1935	Widen to 400' Deepen to 32'
1870	Widen to 70 Feet	1948	Deepen to 36'
1873	Galveston Bay 14.5 Feet Deep	1958	Deepen to 40'
1876	Houston Galveston 9' x 120' (Tolled)	2005	Widen to 530' Deepen to 46.5'
1908	Federal Project 18' Deep by 150' Wide	TODAY	Widen to 700' and Deepen upper channel areas
1914	Federal Channel 25' Deep by 125' Wide		

CHANNEL IMPROVEMENTS ARE CRITICAL



- Texas Population, Millions (left axis)
- Total POH Cargo x 10 Millions (left axis)
- Container TEU's x 100,000's (left Axis)
- Ship Channel Depth, feet (right axis)

DIVERSE CARGO MIX



2018: Over 270 MM Tons

PROJECT 11

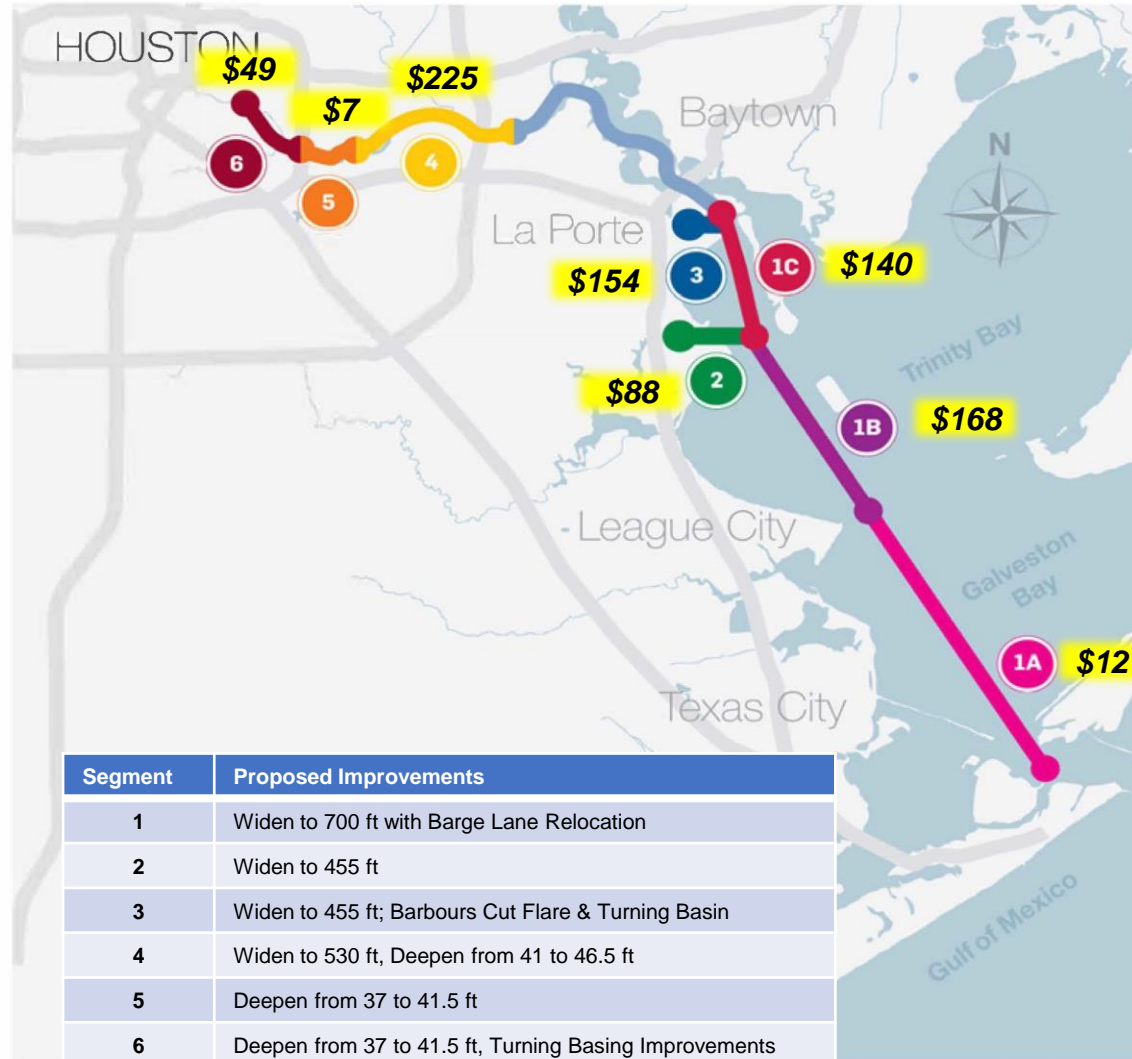
Major objectives (from original chartering meetings - 2014):

- **Accommodate bigger tankers, bulkers, container ships**
- **Extend 45' depth upstream for petrochemical industries**
- **Improve upstream channel—widening to the Washburn tunnel and deepening to the Turning Basin**
- **General improvements for navigation safety**
- **Optimize for operations, economics, and safety**

PROJECT SEGMENTS



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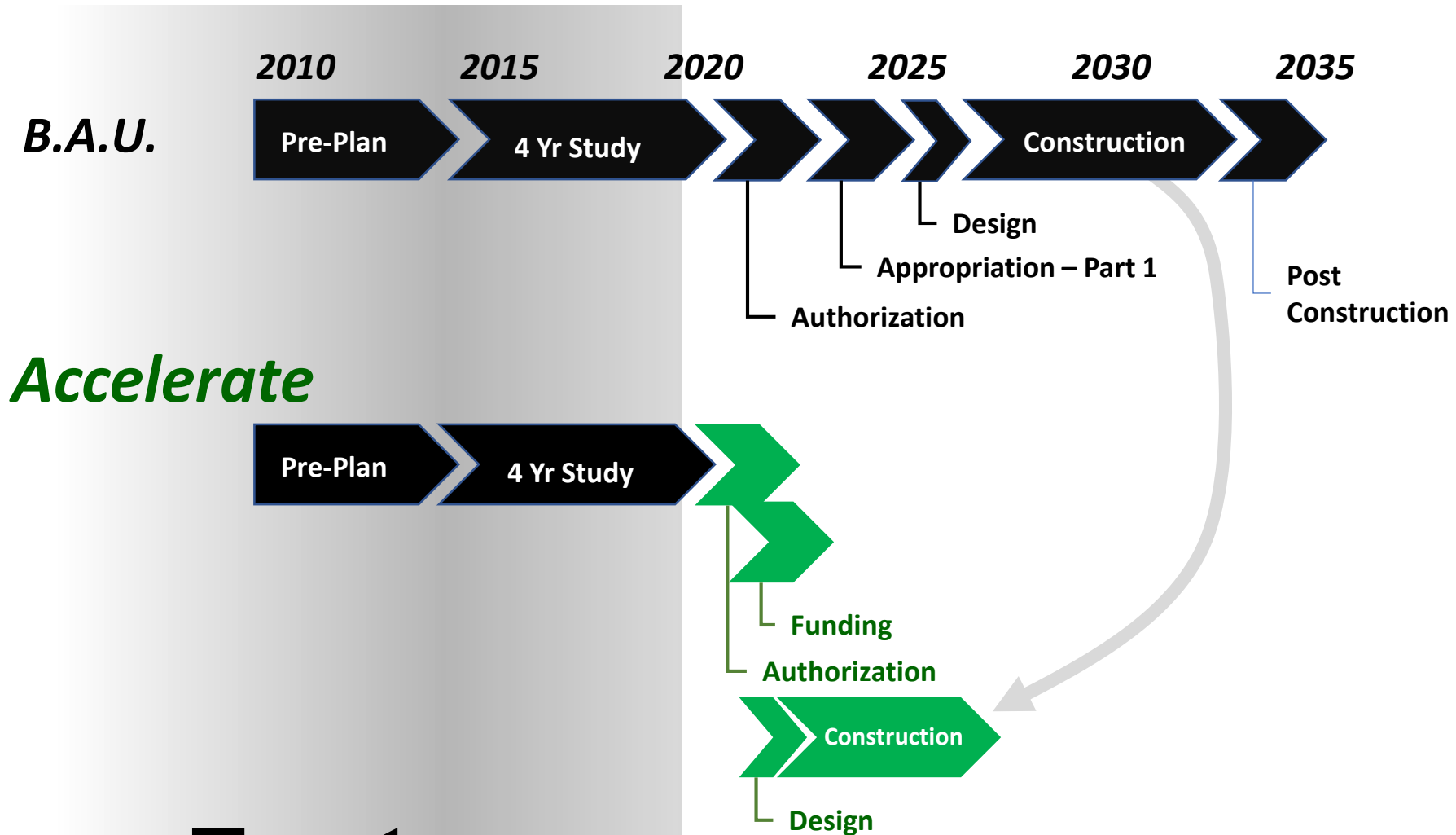
Approx. Construction Costs in \$MM's
Total Estimate Subject to Change: \$960MM

PROJECT 11 - KEY DATES

- ✓ 2010- Project proposed to Corps
- ✓ 2012 - Corps determination of federal interest in a study
- ✓ 2014 - Reconnaissance study funded, Corps authorized to continue to feasibility.
- ✓ 2015 - Parties signed the cost share agreement, officially start of the “mega-study”.
 - \$10.6 Million 50/50 cost share
- ✓ 2018 - Project limits set By Corps at Agency Decision Milestone (ADM)
- ✓ 5/2019 - Agreed to LPP for Construction (not AOM)
- ✓ 12/2019 –Final Feasibility Report submitted to HQ
- ✓ 2020 – PED New Investment Decision (2.11.2020)
 - \$1.13 M 2020 workplan
 - 2019-2020 Chiefs Report (regulatory authority)
 - Chief of Engineers signs (April 2020)
 - ASA sign Record of Decision (May 2020)
 - 2020 Project Authorization (WRDA 2020)
 - 2021 Construction New Start (Energy and Water 2021)

“Gaining Momentum”

WHY WAIT...?



WHY WAIT...? (Continued)

- USACE Feasibility Report shows the project's NED benefits to be \$80.3M/yr
 - \$80.3 M x 4 years faster = \$321 M in additional project benefits
 - Plus interest savings during construction of \$23M
 - Total \$344M additional NED Benefits
- Industry has pledged to contribute 50/50 with Port to accelerate the project
 - $\$960\text{M}/2 = \$480\text{M}/4$ year acceleration = \$120M per year or \$10M per month
 - Does not include their profit...

CHARTING A NEW COURSE

- ERDC Service Agreement (in development)
- PED New Start Investment Decision (\$1.13M 2.11.2020)
- 221 WIK Credit (Ready to execute)
- PMP (in development)
- Design Agreement (in development)
- PED Contributed Funds Agreement (Q2/2020)
- Construction Agreement (in development)
- PPA (in development)



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THANK YOU

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Questions?

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