



August 4, 2017

Municipal Securities Rulemaking Board

**Ratings Disclosure for posting on the EMMA system**

Port of Houston Authority of Harris County, Texas (“Port Houston”) was recently informed that Fitch Ratings lowered the rating on approximately \$658 million of its outstanding unlimited ad valorem tax bonds to ‘AA’ from ‘AAA’.

Under their revised “U.S. Tax-Supported Rating Criteria,” Fitch caps property tax-supported bonds at the Issuer Default Rating (“IDR”) unless it determines there is a reasonable basis to consider the issuer’s pledged revenues to be “special revenues” under Section 902(2)(E) of the U.S. Bankruptcy Code. Fitch considers various elements that must be present to sufficiently reduce the incentive to challenge a bond’s special revenue status in a bankruptcy.

After a review of Port Houston’s pledged tax revenues, Fitch decided to cap the rating on Port Houston’s tax bonds at its IDR of ‘AA’ with a Stable Outlook.

Public information requests may be directed to Port Houston via fax (713-670-2611) or email ([publicinformationrequest@poha.com](mailto:publicinformationrequest@poha.com)).

Sincerely yours,

*Ramon Yi*

Ramon Yi  
Senior Director, Treasury