

I N D E X

PORT COMMISSION
OF THE
PORT OF HOUSTON AUTHORITY
OF THE PORTS OF HARRIS COUNTY, TEXAS
April 16, 2019

Event/Action

Chairman Campo convened the Port Commission meeting

Continued deliberation, public comment, and possible actions regarding Port Commission, Houston Pilots Association, and legislative measures to address one-way traffic impacts on the Houston Ship Channel, including possible action to amend the Port Commission resolution adopted April 8, 2019 imposing limitations on ships calling Port Authority container terminals

Recess Open Meeting and Convene Executive Session

Reconvene Open Meeting

Discuss Proposed Legislation

Adjourn Meeting

**Port of Houston Authority
Special Port Commission Public Meeting**

**Houston, Texas
April 16, 2019**

A special public meeting of the Port Commission of the Port of Houston Authority of Harris County, Texas was convened on April 16, 2019 at 10:03 a.m., at the Port of Houston Authority Executive Office, Fourth Floor Boardroom, at 111 East Loop North, Houston, Texas 77029. The following Commissioners and staff were present:

Ric Campo, Chairman
Theldon R. Branch, III, Commissioner
Stephen H. DonCarlos, Commissioner
Clyde E. Fitzgerald, Commissioner
John D. Kennedy, Commissioner
Roy D. Mease, Commissioner
Roger Guenther, Executive Director
Tom Heidt, Chief Operating Officer
Erik Eriksson, Chief Legal Officer

Chairman Campo convened the meeting of the Port Commission and welcomed everyone.

Chairman Campo announced that the special meeting was called to discuss certain bills pending in the Texas Legislature. He stated that the Coalition for a Fair and Open Port (“Coalition”) believed it needed the legislation to ensure the resolution adopted at the last Port Commission meeting was codified and could not be changed by the Port Authority. The bills currently being considered in the legislature cover one-way traffic and separating the Pilot Board from the Port Authority.

Chairman Campo asked if there were any appearances. There were none.

Chairman Campo called for Item D on the agenda “Continued deliberation, public comment, and possible actions regarding Port Commission, Houston Pilots Association, and legislative measures to address one-way traffic impacts on the Houston Ship Channel, including possible action to amend the Port Commission resolution adopted April 8, 2019 imposing limitations on ships calling Port Authority container terminals.”

Commissioner DonCarlos requested this matter be discussed in Executive Session as indicated on the agenda.

At 10:05 a.m., Chairman Campo instructed Mr. Eriksson to make the following announcement:

It is now 10:05 a.m. The Port Commission of the Port of Houston Authority of Harris County, Texas will now convene in a closed meeting, as permitted by the Texas Open Meetings Act and Government Code to conduct a private

Consultation with Attorneys (*Section 551.071, Texas Open Meetings Act*), including consultations regarding limitations on ships calling at Port Authority container terminals. The Port Commission will reconvene in public session after the closed meeting is adjourned.

Immediately thereafter the Port Commission retired into closed session.

At 10:53 a.m., Chairman Campo reconvened the open meeting at the Port of Houston Authority Executive Office Boardroom, at 111 East Loop North, Houston, Texas 77029, with the following Commissioners and staff in attendance:

Ric Campo, Chairman
Theldon R. Branch, III, Commissioner
Stephen H. DonCarlos, Commissioner
Clyde E. Fitzgerald, Commissioner
John D. Kennedy, Commissioner
Roy D. Mease, Commissioner
Roger Guenther, Executive Director
Tom Heidt, Chief Operating Officer
Erik Eriksson, Chief Legal Officer

Commissioner Fitzgerald moved that the Port Authority use all their efforts to oppose all legislation in Austin with reference to one-way traffic and the Pilot Board, seconded by Commissioner Branch.

Chairman Campo asked if there were any questions; there were none.

Chairman Campo, and Commissioners Branch, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. MOTION PASSED.

Chairman Campo requested that Mr. Eriksson review those bills and advise of the issues and challenges.

Mr. Eriksson addressed Senate Bill 2223. He began by explaining that the legislation did not recognize last week's changed circumstances, illustrating some of the difficulty in putting in the kinds of limitations that are in the bill.

- On April 8, 2019, the Port Commission passed a resolution addressing the issue of one-way traffic, in order to reach an agreement with the Coalition.
- On April 10, the Houston Pilots met and addressed the safety guidelines that they had previously put in place, on which the resolution was premised. The Pilots eased

the restriction regarding one-way traffic and opened opportunities for two-way traffic meeting certain types of vessels. As specified in Captain Mitchem's communication, that rule will take effect at the end of April.

Mr. Eriksson noted that Captain Mitchem had given a presentation at a previous Pilot Board meeting explaining that over the years tanker sizes had increased, and with that increase came new rules. But as the Pilots became more accustomed to handling the larger tankers, the rules were modified.

This was the issue today as well. The Pilots put the one-way rule in place, but after having experience with ten very large container carriers, they have become more comfortable with them and have eased the rules regarding one-way traffic for certain vessels. However, the current legislation restricts the Pilots from obtaining the experience necessary to be able to navigate these very large container carriers.

Mr. Eriksson also noted that there were numerous other restrictions on the channel; for example, depending on the combined beam width of two vessels, if the widths exceeded the safety guideline rule, there resulted one-way traffic.

In conclusion, Mr. Eriksson stated that in his opinion the bill as written reified the status quo currently in place. Although it attempted to address changing circumstances, he did not feel that it did so sufficiently, adding that the state had thrived on light-handed regulation, and this bill was the exact opposite of that. It was problematic when legislation was proposed without thinking through all the consequences, how it would affect traffic management, and the continued growth and success in place over the last 100 years without the necessity of legislation regarding one-way traffic.

Commissioner Mease commented to Mr. Guenther that he thought there were more than one hundred one-way traffic calls within the lower end of the channel, and Mr. Guenther explained that there were one-way traffic restrictions frequently. He stated that above the Beltway 8 Bridge, there were approximately 1,500 ships that caused one-way traffic in 2018. In addition, because of the combined length rule from Bayport to Boggy Bayou, there were 122 ships; mostly tankers, with beam widths that caused one-way traffic, so it was not only the container ships coming thorough the bay every day.

Chairman Campo asked Captain Mitchem to comment. Captain Mitchem stated that any vessel with a 106-foot beam, regardless of the type of vessel, was one-way traffic above Shell Boggy Bayou. Approximately 40% of the traffic in Houston goes above the Beltway 8 Bridge and approximately half of that traffic was 106-foot beam ships; and as beam sizes have grown the Pilots have managed one-way traffic in the upper part of the channel, which would cause delays for other vessels; this had always been the case. Special

dispensation was made for the car ships: they sail at first light and last light, and this had been done for years. There were also special circumstances for other larger vessels.

Chairman Campo asked if the legislation mistakenly tried to eliminate one-way traffic in the upper channel. Captain Mitchem stated that the way the legislation was currently written, only one vessel could come in per week. This would mean that after the car ship came in, no other one-way vessels could go to Port Authority terminals, which is obviously something that the Pilots did not want.

Mr. Guenther noted that the Port Authority would be the only agency self-limiting one-way traffic. Mr. Eriksson also noted that Enterprise Products Partners L.P has a lease at a Port Authority terminal, and the rule would also impact it.

Commissioner Fitzgerald asked Captain Mitchem whether there was one-way traffic when large tankers go to Texas City. Captain Mitchem advised that there was a one-mile section that was one-way traffic since they were in an 800-foot channel which trimmed down to 400 feet. A category 2 VTS request was filed for a channel closure to align for its arrival.

Chairman Campo asked if there were any more questions for Captain Mitchem, there were none.

Commissioner Mease commented that the legislation could impact everybody and cause many more problems. Commissioner Branch noted that as stated before, the legislation was put together hastily, without thinking through the consequences, and could be totally catastrophic for all parties concerned. Commissioner Branch stated that this was not what the Coalition was ultimately trying to achieve and that the Port Authority wanted to work with all parties concerned and needed to ascertain how to make that happen.

Chairman Campo asked if there was a motion to allow Port Authority staff to work with the Legislature to try to modify some of the provisions in the current legislation that could be a problem for everyone in the channel, including the Coalition.

Commissioner Mease made the motion, seconded by Commissioner Branch, Chairman Campo, and Commissioners Branch, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. MOTION PASSED.

Commissioner Fitzgerald addressed Chairman Campo, advising him that all commissioners would welcome the opportunity to have the industry come back and sit down with the Port Authority and other users to find a way to all work together. Chairman Campo concurred and stated whether legislation passes or not, or is fixed so that it does

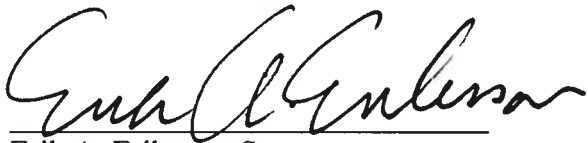
not have a negative effect or an unintended consequence, we all had to work together, and would continue to work together for the greater good of the region.

At 11:09 a.m., Chairman Campo adjourned the Port Commission meeting.

The above is a correct copy of the Minutes of the April 16, 2019 special meeting of the Port Commission of the Port of Houston Authority.



Ric Campo, Chairman



Erik A. Eriksson, Secretary