

I N D E X

PORT COMMISSION  
OF THE  
PORT OF HOUSTON AUTHORITY  
OF THE PORTS OF HARRIS COUNTY, TEXAS

November 13, 2018

Event/Action

**General**

Commissioner Kennedy convened the special meeting of the Port Commission and welcomed everyone

Commissioner Kennedy called for Item C1 on the agenda, "Update, discussion and possible action regarding state and federal legislative matters."

**Adjourn Meeting**

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

**Houston, Texas  
November 13, 2018**

A special meeting of the Port Commission of the Port of Houston Authority of Harris County, Texas was convened on November 13, 2018 at 10:15 a.m., at the Port of Houston Authority Executive Offices, Fourth Floor Boardroom, at 111 East Loop North, Houston, Texas 77029. The following Commissioners, staff and counsel were present:

John D. Kennedy, Chairman Pro Tem  
Theldon R. Branch, III, Commissioner  
Stephen H. DonCarlos, Commissioner  
Clyde E. Fitzgerald, Commissioner  
Roger Guenther, Executive Director  
Erik Eriksson, Chief Legal Officer  
Spencer Chambers, Director, Government Relations  
J. Kent Friedman, outside counsel

Commissioner Kennedy called the special meeting to order and announced that he had no opening remarks.

Commissioner Kennedy called for Item C1 on the agenda, "Update, discussion and possible actions regarding state and federal legislative matters."

Mr. Chambers introduced himself and advised that he would cover staff recommendations regarding state and federal policy matters. He also noted that he would discuss the dynamics of politics as well as possible courses of action in both Washington and Austin.

Mr. Chambers recognized his colleague Monica Glover and advised that they are part of the Legal Division headed by Erik Eriksson, who would tag team with him during the discussion.

Commissioner Kennedy interjected that currently the Port Commission has a quorum of four and noted that one of the commissioners had to depart at 10:30 a.m. He remarked that although there would no longer be a quorum, discussion would continue, and no action would be possible after that time. In response to Commissioner Branch's inquiry, Mr. Chambers advised that only discussions would take place; no action items were expected.

Mr. Chambers discussed the political dynamics facing the Port Authority in Washington and Austin and noted that the mid-term elections produced results that provided some challenges as well as opportunities. He added that the changes at the state level are less significant than what was occurring in Washington, as the White House viewed infrastructure as a priority. Mr. Chambers advised that both Democrats and Republicans were interested in infrastructure and added that the issue was significant to the

Port Authority and its business in Washington. He also advised that there seemed to be some interest in the House and Senate in working together in a bipartisan way and that the Port Authority would engage in those discussions, to take advantage of any opportunities that arose.

Mr. Chambers covered the impact of mid-term elections at the state level. He began by advising that there was significant support in the Texas House of Representatives for Representative Dennis Bonnen to become the next Speaker of the House. He observed that Representative Bonnen represented House District 25 which included parts of Brazoria County including Angleton and Freeport, and was very familiar with the Port Authority, as he was Chairman of the Sunset Advisory Committee during its review. Following Commissioner DonCarlos's inquiry, Mr. Chambers noted that Representative Bonnen was a big supporter of the Port of Freeport and added that an advantage to the Port Authority would be the large Houston legislative delegation to help rally behind its own port.

Mr. Eriksson observed that the Port Authority had been very close in most respects with the Port of Freeport on Port Authority initiatives, which would be helpful as the Port Authority was also aligned with the Port of Freeport in those matters. Commissioner Branch commented that the petrochemical community was more concentrated in Houston and Commissioner DonCarlos added that it is important to have a strong tie with industry partners moving forward.

Mr. Chambers pointed out that all the work the Port Authority was engaged in could be tied to its specific strategic objectives, such as infrastructure, relationships with stakeholders, and elected officials as well as industry partners.

Mr. Chambers moved on to recommendations and advised that he would discuss both Washington and Austin, noting as well some initiatives the Port Authority has been working on in Austin over multiple sessions. He advised that there was a significant amount of work to be conducted in Washington in preparation for the authorization of the ship channel Mega Study, which would be a big project with several moving pieces involving Congress and the White House, particularly in the era of no earmarks. In addition, the ongoing annual need for maintenance dredging was a continuing process in Washington.

Mr. Chambers pointed out very good success working as a coalition with sister ports across the country to find a permanent fix for the Harbor Maintenance Trust Fund issue. He advised there were big priorities on the horizon and recommended that concentrated effort be focused on Washington moving forward.

Mr. Eriksson commented that the Texas Port Association (TPA), under Mr. Guenther's leadership as President, had been very active this year, and most of the state

initiatives have been driven by those ports. He noted that even if the Port Authority did not concentrate its efforts in Austin during the session, other ports might address some of the issues identified at the state level. Mr. Chambers added that the TPA had never had staff but that under Mr. Guenther's leadership there had been a significant number of ports moving forward with a real interest in making the TPA a stronger tool for mutually-beneficial efforts, such as communicating the importance of ports in general and Texas ports in particular.

Following Commissioner Fitzgerald's inquiry regarding its funding, Mr. Chambers advised that the TPA collects dues from the approximately 17 ports that are members and added there were also opportunities for associate memberships, permitting companies and other entities to become members. Commissioner Fitzgerald asked Mr. Guenther if it was time for the TPA to have a staff to become more effective. Mr. Guenther explained that having staff would be ideal with more permanent advocacy for Texas ports, though without losing sight of the Port Authority interests.

In response to Commissioner DonCarlos, Mr. Guenther advised that the Port Authority did not have widening authorization at the federal level, and that it was time to start "waving the stick" for the Houston Ship Channel in Washington, in advance of the authorization for funding. Commissioner DonCarlos commented that it was already on the radar of Senator Cruz and Senator Cornyn as he had a chance to meet with them and their staff last September in Washington regarding two-way traffic and the importance of the widening of the channel. He noted that the issue was preliminarily teed up and encouraged the organization to start making "full court press" efforts towards pursuing it.

Mr. Chambers thanked Commissioner DonCarlos for speaking to the senators about the issue and commented that they were engaged on the issue during action on the last Water Resources Development Act (WRDA), noting that the dynamics emphasized flood control and not navigation. He also advised that staff had already started work on the issue of engagement with industry partners such as LyondellBasell and Dow Chemical. Both companies reached out to the Port Authority wanting to help assist on some of the issues. Commissioner DonCarlos commented that he thinks there were some opportunities with all these engagements and Mr. Eriksson reiterated that even though the state legislative session was coming up, staff's concentration would be on the federal side.

Commissioner Branch added that the petrochemical companies were geared up more than they ever have been to work with the Port Authority on the channel widening issue in Washington. Mr. Chambers commented that during his 10-year tenure at the Port Authority he had been working every year to engage the industry on channel issues, which had been challenging, and now with all the issues, companies were proactively contacting him seeking guidance on how they could help with two-way traffic. Commissioner DonCarlos emphasized that it was important to ensure the stakeholders were on the same


page as one unified unit to attain what was best for all Texas ports and the Houston Ship Channel. Mr. Chambers acknowledged this and noted that Mr. Guenther meets on a quarterly basis with the "Big 10" which were companies that represent the 10 largest users of vessel traffic on the channel.

At 10:33 a.m., Commissioner DonCarlos departed the meeting, and the meeting was adjourned because of the absence of a quorum.

The above is a correct copy of the Minutes of the November 13, 2018 special meeting of the Port Commission of the Port of Houston Authority.



John D. Kennedy, Chairman Pro Tem



Erik A. Eriksson, Secretary