

Texas House Committee on International Relations & Economic Development
Interim Charges

Recommendations Submitted By



BACKGROUND

The Port of Corpus Christi is the number one port in total revenue tonnage in the United States, and the third-largest port in total waterway tonnage handling over 122.2 million cargo tons in 2019. The Port of Corpus Christi has a \$150 billion economic impact on the U.S. and a \$19 billion economic impact on Texas. In the Coastal Bend, the port accounts for nearly 100,000 jobs from port-related activities and is responsible for \$6.2 billion in personal income for Texas. Significant infrastructure investments made by both the port and private industry, totaling more than \$54 million of capital investment, will support the energy export market and our Texas oil and gas industry. As economic activity continues to grow on a state and national level, new businesses, additional jobs, and new partnerships will sustain the recovery of our state.

SEAPORTS

Interim Charge 3: Study the state's seaport infrastructure and the infrastructure at land ports of entry to facilitate international trade and economic growth. Examine seaport infrastructure and the auxiliary rail and roadway needs connected to each port as well as the port's ability to keep pace with oil and gas production. Make recommendations to maximize the economic flow of goods and products to and from seaports and study the feasibility and economic impact of dredging and widening Texas ports in order to remain competitive in international trade. Examine the infrastructure at international border ports of entry in Texas and identify transportation-related impediments to international trade that negatively impact the state. Make recommendations to reduce border wait times, facilitate economic growth, and expedite trade. (Joint charge with the House Committee on Transportation)

1. Recommendation: Provide Funding for the Port Capital Program

The Port Capital Program is a statewide maritime plan that takes a comprehensive view of infrastructure needs at Texas ports. Through the Texas Department of Transportation (TXDOT), the Port Authority Advisory Commission (PAAC) evaluates and prioritizes all projects in the plan. The PAAC recommended that TXDOT submit a 2022-2023

Legislative Appropriations Request of **\$130 million** to help fund projects in the plan that will improve port infrastructure, safety and enhance multi-modal connectivity to support the efficient movement of cargo. Ports are willing to provide at least a 25% project match.

For the last several years, Texas has led the U.S. in the movement of waterborne commerce through its ports and ranks number one in exports. Many states have created robust port funding programs to develop the infrastructure and facilities needed to attract maritime commerce to their shores. Texas does not have a dedicated maritime funding source to ensure our state's ports remain competitive. The Texas Legislature's investment in port infrastructure would grow the state's economy by further developing our valuable seaports and related commerce.

2. Recommendation: Enact Tools to Assist Ports in Facilitating International Trade and Economic Development

The Texas maritime system continues to be a critical gateway to international trade and is vital to our state's economy. Texas ports play a key role in ensuring American goods and commodities reach global markets. Keeping our ports competitive is an important goal for Texas as new trade policies and trade shifts develop. Ports today and in the future will require deeper channels to handle larger vessels, improved berths, and state-of-the-art docks to keep our state and national economies moving forward.

Currently, ports have the authority to develop port property for industrial uses only. Legislative changes that allow ports to develop property for commercial, light industrial, recreation, and tourism spaces would stimulate the economy and create additional jobs for the Coastal Bend area and Texas. A priority for the Port of Corpus Christi is the development of the right-of-way portion for the Harbor Bridge project that will revert to the port once the bridge is decommissioned. Collaboration on future development plans for this property is ongoing with area leaders. Ports can aid in COVID-19 economic recovery and help refuel the workforce if economic development tools are provided.

3. Recommendation: Work with Federal Partners to Streamline U.S. Army Corps of Engineers' Permitting Process and Increase Federal Appropriations

The U.S. Army Corps of Engineers (USACE) is responsible for maintaining the nation's navigation channels that bring ships to ports and are key to importing and exporting goods efficiently. Local, state, and federal partners must work together to ensure our nation's waterborne infrastructure remains in a position to help put our nation's economy back on track. This requires streamlining the permitting process and eliminating redundant reviews while ensuring environmental safety.

We applaud the USACE for their work but also recognize their limited resources and heavy workload in dealing with navigation projects and natural disasters. Delegating authority to the state and the non-federal sponsor (port) would allow for a more efficient and expedited project delivery process in constructing critical infrastructure such as the

Corpus Christi Ship Channel Improvement project. Burdensome permitting reviews and delayed funding lead to a backlog of port projects with large cost increases. The federal government's appropriations to the USACE's budget for operation and maintenance and construction are insufficient to meet Texas ports' needs.

The Port of Corpus Christi Ship Channel Improvement Project's estimated cost is now more than three times larger than the initial \$190 million estimate calculated several years before the project began in May 2019. The channel improvement project is estimated to add nearly \$35 billion annually in additional export value and provide over \$100 million in annual transportation cost savings.