



THE PORT REPORT

PORT OF HOUSTON AUTHORITY

SEPTEMBER 2008



Passengers from Carnival's *Conquest* at the Bayport Cruise Terminal, slated for completion in late fall 2008.

PHA's Bayport Cruise Terminal Helps Keep Cruises Operating in Texas

With the Port of Galveston's Cruise Terminal temporarily inoperable due to Hurricane Ike, Carnival Cruise Lines asked the Port of Houston Authority to receive cruise ships at its new Bayport Cruise Terminal.

To keep the cruise business in the Texas region operating, PHA returned passengers who were on cruises for disembarkation in Houston Sept. 18-19 and operated Carnival's *Conquest* and *Ecstasy* cruise ships Sept. 20-21. For now, PHA will continue to accommodate Carnival Cruise Lines passengers as long as needed while Galveston recovery efforts continue.

"We are pleased to continue our Texas operations from the Port of Houston, which will be a convenient option for guests who have already made travel arrangements for previously scheduled Galveston departures," said Gerry Cahill, Carnival president and CEO. "We are especially grateful to the Port of Houston for their responsiveness. Many of their personnel involved in making this happen were dealing with the aftermath of Hurricane Ike but set that aside to work with us on very short notice to assure that these vessels would continue to have a Texas homeport and with minimal disruption to our guests," he added.



For more information, please go to the PHA Web site, www.portofhouston.com, or Carnival Cruise Lines' Web site, www.carnival.com.

Hurricane Preparedness Plans in Place, PHA Survives Ike

In the aftermath of Hurricane Ike, the Port of Houston Authority resumed normal operations on a limited basis on Sept. 18, one day after the U.S. Coast Guard Captain of the Port for Houston-Galveston opened the Houston Ship Channel with restrictions.

"Overall, the port authority facilities and property had minimal negative impact due to Hurricane Ike," said PHA Executive Director Tom Kornegay. "The welfare of PHA's employees, customers and neighbors was its first concern and PHA continued to operate with a limited staff for five days after the storm."

PHA is currently working with the U.S. Army Corps of Engineers and local members of Congress in assessing damages and identifying the amount of federal funds needed to restore the Houston Ship Channel to its full depth and width. The PHA is also working with all of the ports in the Texas Gulf region, including Corpus Christi, Beaumont, Brownsville, Freeport, Galveston, Houston, Port Arthur, Texas City, as well as ports in Louisiana. Based on preliminary assessments, the damages to navigation projects in the Texas Gulf region as a result of Hurricane Ike and other storms in 2008 could be more than \$1 billion.



PHA Executive Director Tom Kornegay and other executive staff meet at the PHA's Executive Office Building to discuss recovery efforts for the PHA the day before Hurricane Ike hit.

August Port Commission Highlights

At its August 26 meeting, the Port Commission of the Port of Houston Authority:

- Approved advertising and receipt of proposals for three dockside electric container cranes for Bayport Terminal at \$33 to \$34.5 million.
- Approved awarding a \$1.05 million consulting services contract to Lockwood, Andrews & Newnam, Inc. for preparation of the Terminal Next Site Selection Study for a future container terminal.
- Approved a professional services contract for air quality consulting services to Starcrest Consulting Group, LLC, for a term of two years and totaling \$225,000.
- Approved advertising and receipt of bids for an oil, gas and mineral lease in a 730.6-acre tract out of the Lost Lake property in Harris County.
- Approved sponsorship of the 4th Annual Houston Port Region Coffee Symposium, to be held Nov. 17, 2008, in Houston, for \$50,000.



PHA Commissioners Jimmy Burke and Elyse Lanier.



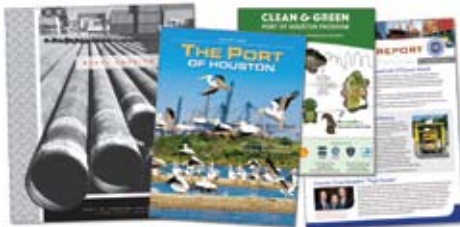
Aston Hinds, PHA manager of environmental affairs, accepts the award on behalf of the PHA.

PHA Among Best Workplaces for Commuters

Commute Solutions named the Port of Houston Authority among local businesses as 2008 Best Workplaces for Commuters (BWC). The BWC list recognizes companies that offer excellent commuter benefits to their employees and spotlights employers in the greater Houston area that are committed to improving quality of life for commuters while also reducing traffic and air pollution. Listed employers offer employees commuting benefits such as transit passes, vanpool subsidies, bike commuter facilities, onsite day care, and telework programs.

Under a program co-sponsored by the Metropolitan Transportation Authority of Harris County and the Houston-Galveston Area Council, PHA currently leases 11 vans for employee vanpools. More than 80 employees, or about 14 percent, currently participate in the program.

PHA's Public Affairs Delivers Winning Communications



The American Association of Port Authorities (AAPA) and the Public Relations Society of America (PRSA)-Houston have honored the Port of Houston Authority's Public Affairs Division with a total of four awards in their annual competitions.

At AAPA's 2008 Annual Convention in Anchorage, Alaska, the PHA

received an Award of Excellence for the Port Report, under Periodicals. Honorable Mentions recognized the Port of Houston magazine under Periodicals and the "Clean & Green Program Kickoff" under Special Events.

PHA also received a Silver Excalibur Award from the PRSA-Houston Chapter for its 2006 Annual Report and Environmental Report.

The new 2007 Annual Report and Environmental Reports are now available on the PHA Web site, www.portofhouston.com.



CLEAN & GREEN PORT OF HOUSTON PROGRAM

It was a busy month for the Clean & Green Program. A total of almost 136 cubic yards of stormwater trash was collected in August, the Clean & Green grand total to 1,981 cubic yards collected since the program's inception. It would take 79 garbage trucks to haul all that trash away.

Questions?

Please direct all inquiries and comments to:

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