

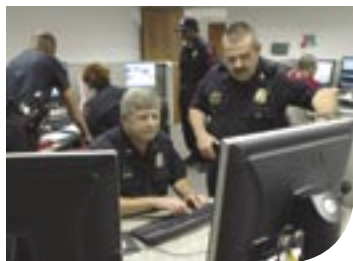
THE PORT REPORT



PORT OF HOUSTON AUTHORITY

JULY 2007

Texas Ports Enjoy Successful Legislative Year



Authorization for the creation of the Houston Ship Channel Security District highlighted a successful state legislative session for Texas ports this year, as all nine Texas Ports Association legislative measures passed. The security district legislation allows Harris County, after receiving a petition from the Houston Ship Channel industries, to create a district to assess ship channel-related facilities to pay for the operations and maintenance costs of grant-funded security infrastructure. Other port-friendly legislation that passed included the Jones Act Venue bill, HB 1602, which closes the loophole allowing lawyers to "venue shop" tort cases involving dredge companies; a validation bill, a procurement and surplus property cleanup bill, a bill to remove

the ports-only conflict disclosure law to put ports under the statewide law only, and a law that clarifies port police have the same police powers as other special district police forces. Also, Governor Rick Perry vetoed the eminent domain bill (HB 2006) after receiving a Texas Ports Association letter requesting the veto.

Kase Lawal Re-appointed to 5th Term as PHA Commissioner

Kase Lawal was unanimously re-appointed by Houston City Council to the Port Commission of the Port of Houston Authority for a fifth term. Initially appointed in June 1999, Lawal was the first vice chairman of the Port Commission. PHA commissioners serve two-year terms without pay.

Lawal is chairman of PHA's Small Business Development Task Force, a member of the PHA Pension Committee and a member of the International Business Development Task Force. Lawal is chairman and chief executive officer of CAMAC International Corporation and chairman of Allied Energy Corporation. A significant stakeholder in Unity National Bank, the only federally insured and licensed African-American-owned bank in Texas, he serves as vice chairman of its board of directors.



PHA Commissioner Kase L. Lawal

In 2003, Lawal established a \$1 million endowment at Texas Southern University's Jesse H. Jones School of Business for the Kase and Eileen Lawal Center for International Business Development. In 1992, he established a petroleum engineering endowment at the University of Houston's Cullen College of Engineering. The Lawals co-chair Unite for Children, United Against AIDS, a \$300-million UNICEF campaign.

PHA Applauds Delivery of \$33.5 Million for Houston Ship Channel



Through strong support of the Houston congressional delegation, the Port of Houston Authority, as the local government sponsor of the Houston-Galveston Navigational Ship Channel, received notice from Washington on June 29 that the Senate Finance Committee appropriated a total of \$33.5 million in funding for the Houston Ship Channel. The U.S. Army Corps of Engineers' Galveston District will receive \$16.3 million for general construction and \$17.2 million for operations and maintenance. Senator Kay Bailey Hutchison, an appropriator on the Energy and Water Development Subcommittee of the Senate Appropriations Committee, was key to getting the funding and increase above the President's budget.

Completed in 2005, the Houston Ship Channel deepening and widening project widened the channel from 400 feet to 530 feet and deepened the channel from 40 feet to 45 feet from the sea buoy to the Beltway 8 bridge. Dredge material from the project will be used to build 4,250 acres of tidal marsh and wetlands in Galveston Bay.

June Port Commission Highlights

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

- Authorized amendment of the PHA's professional services contract with Dannenbaum Engineering Corporation for Bayport Terminal Complex Phase I Wharf and Dredging Design, for an increase of \$480,891.
- Approved advertisement and receipt of competitive sealed proposals for Bayport Cruise Terminal shoreline stabilization at an estimated cost of \$180,000 to \$200,000.
- Approved advertisement and receipt of competitive sealed proposals for Bayport Marine Gate Expansion, Stage 2 – Civil and Electrical at an estimated amount of \$2 million to \$3.975 million.
- Approved advertisement and receipt of competitive sealed proposals for maintenance dredging of Woodhouse and Sims Bayou berthing areas in the estimated amount of \$1.1 million to \$1.6 million.
- Amended the professional engineering services contract with TSC Engineering for secured truck entrance at the Turning Basin, for the increased amount of \$34,875.
- Approved renewal and amendment of the PHA's subscription license agreement for AudienceCentral's Public Information & Emergency Response (PIER) System for Crisis Communications in the amount of \$36,000.



Port of Houston Authority Commissioners Steve Phelps and Jimmy Burke

Greater Houston Port Bureau's Captain Alistair M. Macnab Retires



Capt. Alistair Macnab

Capt. Alistair Macnab, president of the Greater Houston Port Bureau, retired in June. Since 1998, Macnab has directed the bureau's development into the true advocate that it is today for the Houston maritime community. The Port Bureau is a not-for-profit organization that facilitates domestic, intermodal and international commerce to promote economic growth through domestic Texas gulf seaports.

Under Macnab's tenure, the bureau took on the administrative management of a number of associations in the Houston maritime community, including the Houston Customhouse Brokers and Freight Forwarders Association, the International Animal Transportation Association and the U.S. Gulf International.

He was instrumental in helping Houston become the top-ranked port of trading new coffee to the New York Board of Trade while serving as executive director of the Greater Houston Coffee Association and the American Green Coffee Warehouse Association. A native of Glasgow, Scotland, Macnab apprenticed to the ocean shipping and trading company, Andrew Weir and Co., rising through the ranks to captain-in-command.

Customer Reception a Huge Success

The annual Port of Houston Authority Customer Reception, held June 25, was a huge success, port authority officials say, as more than 550 turned out at Houston's Petroleum Club for the event. It was the largest turnout for the event in several years.

Port commissioners, PHA executives, major customers, ship line representatives, and many sectors of the industry involved in global maritime trade were present. PHA Chairman Jim Edmonds welcomed the attendees and thanked them for making the PHA such a resounding success, acknowledging that the port authority could not have achieved back-to-back record results without their business. Next year's event will be held in June at the Bayport Cruise Complex.



PHA Chairman Jim Edmonds welcomed the attendees

Questions?

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