



MARITIME DIVISION

The Navigator

Volume 2, Issue I

April 16, 2015

Upcoming Events

- Transportation Commission meeting April 30, 2015, Greer Building, Austin
- Port Authority Advisory Committee meeting Friday May 15, 2015
- National Maritime Day, Friday May 22, 2015
- Transportation Commission meeting May 28, 2015, Greer Building, Austin
- 84th Texas Legislative Session ends June 1, 2015

Port Mansfield Harbor Channel Dredged

Port Mansfield is open to marine traffic once again. By dredging the channel from the Gulf Intracoastal Waterway (GIWW) to the Port Mansfield Turning Basin to a depth of twelve feet, Port Mansfield now has the capability to accommodate commercial barges and larger fishing and sail boats. This channel had not been dredged since 2011 and had shoaled to the point that access was limited only to small recreational crafts.

The dredging project was the result of a contract modification to the U.S. Army Corps of Engineers (USACE) maintenance dredging of the Harlingen Channel. Orion Marine Inc. dredged

approximately one mile of channel to twelve feet.

“The channel has shoaled to the extent there is only two feet of water for vessels to utilize,” said Seth Jones, USACE Galveston District Operations Manager. “This maintenance dredging will allow the port to continue operations and to further their economic development plan to revitalize the port.”

This project is expected to provide a great economic benefit for Port Mansfield and Willacy County. Additionally, revenue from commercial traffic may help the navigation district fund future dredging projects to maintain the channel.

84th Texas Legislature Update

The 84th Texas Legislative Session is underway! Numerous bills related to the maritime field have been filed in the Texas Senate and House of Representatives. Below are three significant bills currently under consideration.

HB 3314 - Authority of Transportation Commission to Fund GIWW Projects

HB 3314 would allow the Texas Transportation Commission to use



state funding to assist the U.S. Army Corps of Engineers with the costs of maintenance and supplemental dredging activities for the Gulf Intracoastal Waterway (GIWW). The Commission would also be allowed to fund capital projects to repair, improve, or replace infrastructure facilities along the GIWW, and fund studies to determine the feasibility of capital projects.

HB 3061—Movement of Vehicles Transporting Ocean Cargo Shipping Containers

HB 3061 would authorize the Texas Department of Motor Vehicles to issue an annual permit for the movement of ocean cargo shipping containers on a trailer with three axles, with the gross weight not exceeding 97,000 pounds. The fee for the annual permit would cost \$1000.

General Appropriations Bill

The Senate version of the budget, passed out of the full Senate on April 14th, includes a rider that would appropriate \$12.6 million in General Revenue and up to \$7.4 million in Texas Mobility Funds for the 2016-2017 biennium to provide funding for port capital improvement projects nominated by the PAAC and approved by the Texas Transportation Commission. This is a first step towards funding port infrastructure at the State-level. However, the budget must still be finalized and approved by a Conference Committee composed of both houses of the legislature and receive final approval from the governor. The budget for the 2016-2017 biennium will be finalized by late-spring of 2015.

Maritime Division

Houston Office:
7600 Washington Ave.
Houston, Texas 77007
(713) 802-5781

Austin Office:
118 E. Riverside Dr.
Austin, Texas 78704
(512) 486-5127

Dan Harmon, Director
Sarah Bagwell, Planning & Strategy Director
Matthew Mahoney, Waterway Coordinator
Stephanie Cribbs, Port Coordinator
Roger Schiller, Program Coordinator
Arielle Carchidi, Special Projects
Carolyn Reyna, Executive Assistant

Request for Proposals for the Brazos River Floodgates Feasibility Study

The Texas Department of Transportation (TxDOT) is in the process of procuring engineering services to conduct a U.S. Army Corps of Engineers (USACE) level Feasibility Study of the Brazos River Floodgates. The Floodgates at the Brazos River are old, outdated and are considered by industry as the single greatest challenge in terms of safety and efficiency anywhere on the Gulf Intracoastal Waterway (GIWW). The GIWW is an essential component of the state's transportation network. Cargo carried on the GIWW reduces congestion on the highway and rail systems, decreasing maintenance costs and extending the life of these systems. TxDOT is partnering with the USACE to conduct a feasibility study on the potential replacement or reconfiguration of the gates. The Request for Proposals will be posted May 5, 2015 with Statement of Qualifications due around May 26, 2015.

New Commissioners Appointed to the Texas Transportation Commission

On March 17, 2015, the Texas State Senate confirmed the nominations of Judge Tyron Lewis and J. Bruce Bugg, Jr. to the Texas Transportation Commission to replace Chairman Ted Houghton and Commissioner Fred Underwood. The following day, Governor Greg Abbott named Judge Lewis as the new chairman for the commission.

Chairman Lewis of Odessa served as a State Representative for Texas' 81st district from 2008 to 2015. He practiced law from 1973 to 1984 and held office as state district judge from 1985 until 2006 before returning to law. He is a partner at Atkins, Hollmann Jones, Peacock. Lewis & Lyon Law Firm.

Commissioner Bugg served as chairman and president of the Texas Economic Development Corporation and was a senior adviser to Governor Rick Perry from 2012 to 2014. He is currently chairman, president and CEO of Southwest Bancshares, Inc.; chairman of The Bank of San Antonio; chairman, president, and CEO of Texas Hill Country Bancshares, Inc., and the chairman and CEO of Argyle Investment Co., LLC.



Chairman Lewis



Commissioner Bugg

The Maritime Division extends a warm welcome to our new commissioners!

LNG Projects Moving Forward on Texas Gulf Coast

The Texas Gulf Coast has become a desirable location for new LNG projects. Approved and proposed projects in Freeport, Corpus Christi, Port Arthur and Brownsville can provide great benefit to the Texas economy.

In March, Freeport LNG awarded a contract to build its third LNG train. Construction on the Freeport LNG facility started in November 2014. Upon completion, the facility will have an export capacity of 13.2 million tons per year.

Cheniere Energy Inc. received final approval on March 17, 2015 to build the first LNG export terminal in the Port of Corpus Christi. Construction may begin within the next two months. The LNG plant will have three liquefaction trains with

the production capacity of up to 13.5 million tons per year. The plant may be on-line within three years.

Sempra Energy has started the pre-filing process with the Federal Energy Regulatory Commission (FERC) to build an LNG plant and export facility in Port Arthur. The LNG plant will have two liquefaction trains capable of producing 10 million tons per year. Sempra has requested permission from the Department of Energy (DOE) to export to countries with free trade agreements (FTA) with the United States and plans to request permission to export to non-FTA countries.

Three LNG projects in Brownsville have started the pre-filing process with FERC: Rio Grande LNG, Texas LNG and Annova LNG. NextDecade

LLC submitted a pre-filing request on March 20, 2015 for its Rio Grande LNG project. Rio Grande LNG will have up to six liquefaction trains, with a production capacity of up to 4.5 million tons per train per year.

Texas LNG started the pre-filing process on March 9, 2015. Texas LNG plans to have two liquefaction trains that will be installed in two phases. Texas LNG has already received FTA export approval in June 2014.

Annova LNG, LLC filed its request on March 11, 2015. The Annova LNG plant would have six liquefaction trains. The DOE recently granted permission to Annova LNG to export to FTA nations.