

These are the minutes of the regular meeting of the Port Authority Advisory Committee (the committee) held on February 14th, 2023, in Austin, Texas. The meeting was called to order at 9:00 a.m. by Chair Chris Fisher, with the following committee members present:

Port Authority Advisory Committee:

Chris Fisher	Chair, Port of Beaumont - In person
Roger Guenther	Port of Houston - Online
Ron Mills	Port of Mansfield - Absent
Sean Stibich	Vice Chair, Port of Victoria - Online
Sean Strawbridge	Port of Corpus Christi - Absent
Phyllis Saathoff	Port of Freeport - Online
Rodger Rees	Port of Galveston - Online
Zach Johnson	Speaker of the House Appointee – In person
Vacant	Lt. Governor Appointee

A public notice of this meeting containing all items on the proposed agenda was filed in the Office of the Secretary of State at 4:16 p.m. on January 17th, 2023, as required by Government Code, Chapter 551, referred to as "The Open Meetings Act."

ITEM 2. Introduction of committee members and TxDOT staff

Mr. Chris Fisher, Chair, asked everyone to introduce themselves. All committee members are listed above; two members were absent, and there is one vacant position.

ITEM 3. Opening Remarks

Mr. Fisher welcomed newly appointed committee member Zach Johnson with the Sabine River Authority.

ITEM 4. Approval of the December 13th, 2022, meeting minutes. (Action)

Ms. Phyllis Saathoff made a motion to approve the meeting minutes, with a second by Mr. Roger Guenther. The committee approved the minutes from December 13th, 2022, meeting by a vote of 6-0.

ITEM 5. Discussion and approval of proposed Port Capital Investment Report project evaluation methodology recommendations (Action)

Mr. Geir Kalhagen, Director of the Maritime Division for TxDOT, provided an update on Maritime's efforts coordinating agencies willing to score the Port Capital projects listed in the Port Mission Plan, which includes representatives from three universities.

Mr. Guenther opposed using academia as a significant role in scoring outside of TTI. Economic development and industry groups were his preference instead.

Ms. Saathoff voiced concerns about multiple representatives from the same agency as scorers.

Mr. Kalhagen acknowledged the concerns. Unfortunately, there is not much willingness to take on scoring 50 projects with no compensation. The agencies were selected as industry specialists rather than their academic affiliations. The list with multiple representatives from the same agency stems from the lack of responses from other agencies. The goal was to have three industry representatives and two Maritime staff for a total of five scorers.

Mr. Rodger Rees requested the background on using outside scorers, whether it was a directive or something the PAAC discussed.

Mr. Kalhagen explained that the matrix was developed to ensure transparency in the distribution of funds and would be defensible. Initially, the PAAC conducted the program scoring, but it was decided that a scoring team was better for optics. Coastal engineers performed the past two evaluations, and it was agreed that the process should evolve.

Mr. Fisher agreed with Ms. Saathoff that one representative should be per institution and liked Mr. Guenther's recommendation of just using TTI. There should be a stipulation that the scores' results are recommendations, not project selections. Mr. Fisher asked if the PAAC was interested in reviewing the projects the old way for final selection, utilizing the two PAAC members not affiliated with ports.

Mr. Guenther agreed that the optics of the PAAC scoring projects were unfavorable and asked for clarification on the final project selection.

Mr. Fisher noted that the legislation states that the PAAC makes the final recommendation of projects. The scorers would provide the PAAC scores for the projects, and the PAAC uses expertise to select the funded projects.

Mr. Kalhagen concurred that a scored list would be provided, and the PAAC could determine the recommended projects based on the value applied to the categories of the scoring criteria.

Mr. Travis Milner, Maritime Planning and Strategy Director for TxDOT, concurred that it is the role of the PAAC to make project recommendations to the Transportation Commission, which will approve the funding.

Mr. Kalhagen continued to explain that the scoring information would not be forwarded to the Commission. The PAAC has the ability to prioritize the list aligned with the group ideology.

Mr. Milner conveyed the request for anonymity in the scoring to protect their business from being adversely damaged by scoring projects.

Mr. Rees is concerned with the politics involved in the scoring process.

Mr. Sean Stibich showed concern with the transparency associated with anonymity requested by the third-party institutions.

Mr. Milner clarified that the scorers would be available to Maritime but not the public so that everyone could speak and report freely.

Mr. Guenther recommended TTI as the single source for scoring. Mr. Fisher and Mr. Stibich agreed that it would streamline the process.

Mr. Kalhagen reminded everyone that the PAAC requested a broad spectrum of scoring for diversity. The current recommendation does not follow the model, which initially included nine scorers and ended at five, so the variety was still considered. A single entity deviates significantly.

Mr. Guenther agreed, following up that TTI is not seen as an independent research agency and not regional as others like Houston and Lamar. Ms. Saathoff asked Maritime to engage in the TTI scoring process through facilitation and oversight.

Mr. Milner recommended utilizing TTI as one scorer and four Maritime staff members, with efforts still focused on securing someone from the Texas Economic Development team who could replace a Maritime staffer. Mr. Stibich expressed interest in utilizing this method to see the feedback from each entity while also providing an additional layer of flexibility.

Mr. Jim Kruse, Director of the Center for Ports and Waterways with Texas A&M Transportation Institute (TTI), explained that the agency is not an independent foundation but part of the A&M school system and the State.

Ms. Kris Knoll, Maritime Program Coordinator, relayed the difficulties in receiving responses from the Texas Economic Development employees, making their participation in this process unlikely.

Mr. Fisher proposed moving forward with the academic institution approach and adding a southern institution to the list of scorers for equal coastal representation.

Mr. Guenther asked if a cost was associated with using TTI as the sole scoring source. Mr. Kruse noted that since the terms had changed, he would need to discuss the process with the TTI administration, but TxDOT was clear that there was no budget for the service being asked of them.

Mr. Guenther made a motion to use TTI to provide an academic evaluation of the projects, Maritime Division will conduct a review, and the PAAC will determine a recommended project list. Ms. Saathoff seconded the motion. The motion was carried with a vote of 6-0.

ITEM 6. Discussion and approval of proposed Ship Channel Improvement Revolving Fund project evaluation methodology recommendations (Action)

Mr. Milner presented two enhancements to the scoring matrix for the Ship Channel Improvement Revolving Fund (SCIRF). Quantifiable brackets were added to the project economics category, and the anticipated payback period was added to the project funding category.

Mr. Rees expressed concern about smaller ports' ability to pay back funds slower than larger ports. Mr. Kalhagen expressed his understanding of the concern, but the addition was guidance from administration.

Mr. Rees motioned to adopt the updated language and use TTI to provide an academic evaluation of the projects. Maritime Division will review, and the PAAC will determine a recommended project list. Ms. Saathoff seconded the motion. The motion was carried with a vote of 6-0.

Mr. Guenther noted that the projects listed in the Port Mission Plan (PMP) are outdated after a year and asked what the project submission process would look like for the funding. Mr. Fisher agreed and asked that an application process be set up.

Mr. Milner noted that the initial conversation with TTI was specific to the 51 PMP Port Capital Investment Report projects. Additionally, if the programs are funded, it is suggested by administration that there is a project list ready. Modifying the list now will cause a delay in determining the project list.

Mr. Gunther suggested a new deadline to allow new project submissions. Mr. Fisher agreed that other entities, such as the Texas Port Association lobbying for funding on behalf of ports, should open the door for the inclusivity of different projects.

Mr. Kalhagen requested that the PAAC identify the process and a timeline so efficiency and the ability to spend the funds are not compromised.

Ms. Emily Knaub, State Relations Representative for TxDOT, noted that the funds could be available in September if it stays in the appropriations bill.

Mr. Fisher recommended adding an agenda item to the May 9th meeting addressing the new projects making June 1st the deadline.

ITEM 7. Presentation on the functions of the TxDOT Freight & International Trade Section

Mr. Juan Flores, Freight & International Trade Director for TxDOT, provided an overview of the agency's freight, international trade, and connectivity section, focusing on freight systems planning, corridor planning, and international trade and border planning.

Please view presentation 7 for further information.

ITEM 8. Update on state legislation from TxDOT State Legislative Affairs

Ms. Knaub presented an overview of State Legislative Affairs (SLA) initiatives, including:

- Overseeing relationships with the Texas Legislature, Governor's Office, and other statewide elected officials

- Tracking legislation, creating bill analyses, committee presentations, hearing reports, and constituent casework
- Tracking and implementation of legislation and reporting

The 2023 session timeline starts January 8th and ends May 29th, with the last day for the Governor to sign or veto bills on June 18th.

Please view presentation 8 for further information.

ITEM 9. Update on federal programs and legislation from TxDOT Federal Affairs

Ms. Elisa Greenberg, Federal Relations Representative for TxDOT, provided background on the Federal Affairs section of the Government Affairs Division, identifying key focus, which includes:

- Maximizing Texas federal funding for transportation
- Providing a presence in Washington DC
- Providing updates on congressional activity and legislation
- Interpreting legislative language
- Providing federal grant support

Ms. Greenberg included program updates for the Infrastructure Investment and Jobs Act and Water Resources Development Act FY22.

Please view presentation 9 for further information.

ITEM 10. Presentation on maritime long-range economic forecasts

Ms. Erika Kunkel, Maritime Program Coordinator for TxDOT, introduced the Maritime Long-Range Economic Forecast. The project aims to inform the public of the importance of Texas ports' value, income, and employment by developing maritime forecasts for inclusion into the State Long Range Transportation Plan.

Please view presentation 10 for further information.

ITEM 11. Presentation on maritime educational videos

Ms. Emily Hampton, Maritime Program Coordinator for TxDOT, unveiled two Maritime videos produced to educate the public on Texas Seaports and Commerce and invest in Texas Ports.

Videos can be found on the TxDOT website under Maritime videos. at <https://www.txdot.gov/projects/planning/maritime-port-planning.html>

ITEM 12. Public comment

None

ITEM 13. Adjourn

Ms. Saathoff motioned to adjourn, with a second by Zach Johnson. The motion was carried with a vote of 6-0.

Mr. Chris Fisher adjourned the meeting, the meeting at 11:26 a.m.

APPROVED:

Chris Fisher

Chris Fisher, Chair
Port Authority Advisory Committee