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These are the minutes of the regular meeting of the Port Authority Advisory Committee (the committee) held on September 13, 2022, in Corpus Christi, Texas. The meeting was called to order at 9:02 a.m. by Chair Phyllis Saathoff, with the following committee members present:

Port Authority Advisory Committee:

Phyllis Saathoff	Chair, Port of Freeport, Upper Coast	In Person
Chris Fisher	Port of Beaumont, Upper Coast	In Person
Rodger Rees	Port of Galveston, Upper Coast	On-Line
Roger Guenther	Port of Houston	In Person
Ron Mills	Port of Mansfield, Lower Coast	Absent
Sean Strawbridge	Port of Corpus Christi, Lower Coast	In Person
Sean Stibich	Port of Victoria, Lower Coast	In Person
Michael Plank	Lt. Governor Appointee	Absent
Alan Ritter	Speaker of the House Appointee	Absent

A public notice of this meeting containing all items on the proposed agenda was filed in the Office of the Secretary of State at 2:13 p.m. on August 15, 2022, as required by Government Code, Chapter 551, referred to as "The Open Meetings Act."

ITEM 2. Introduction of committee members and TxDOT staff

Ms. Phyllis Saathoff, Chair, asked Mr. Geir Eilif Kalhagen, Director of the Maritime Division, to introduce the TxDOT staff that was present. All present PAAC members are listed above; three members were absent.

ITEM 3. Opening remarks

Mr. Sean Strawbridge welcomed everyone to the Ortiz Center and informed everyone about the safety protocols for fire, emergency, and active shooter.

ITEM 4. Approval of the June 21, 2022 meeting minutes (Action)

Mr. Roger Guenther made a motion to approve the meeting minutes with a second by Mr. Strawbridge. The Committee approved the minutes from June 21, 2022, meeting by a vote of 6-0.

ITEM 5. Nomination and election of the committee chairperson (Action)

Ms. Saathoff thanked everyone for allowing her to sit in this position. Ms. Saathoff, Chair, then asked for any nominations for the Committee Chairperson.

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Mr. Strawbridge nominated Mr. Chris Fisher, Port of Beaumont, with a second from Mr. Sean Stibich. The motion was carried with a vote of 6-0.

Ms. Saathoff recognized that TxDOT announced the newly appointed and reappointed members to the PAAC: Sean Stibich, Chris Fisher, Sean Strawbridge, and Roger Guenther. Congratulations, and thank you for serving on this committee.

ITEM 6. Approval of the 2024-2025 Texas Port Mission Plan (Action)

Mr. Chris Levitz of AECOM presented the final 2024- 2025 Port Mission Plan (PMP) for committee approval. The presentation summarizes the PMP, which covers Port Capital Investment, Ship Channel Improvement, and Port Connectivity. A copy of the PMP was provided to the PAAC members to review.

The Texas port system exhibited exponential growth from the 2022- 2023 PMP to the current 2024- 2025 iteration. The overall port facility needs, including inland port connectivity, port capital, and ship channel improvements, increased from \$3.9 billion to \$9.67 billion.

The Port Capital Investment (PCIR) participation went from eight ports with 31 projects to fifteen ports with 51 projects with an estimated total of \$1.67 billion of needs. During a previous meeting, the committee voted to recommend a legislative appropriations request (LAR) for \$150 million to support the identified PCIR projects. Projects are evaluated based on two of the five benefit categories: economic impact, operational impact, enhanced connectivity, improved safe and secure operations, and other benefits.

The second component of the PMP is Ship Channel Improvement, which identifies federally authorized ship channel improvements and feasibility studies totaling \$3.66 billion in federal and local funds. At a previous meeting, the committee voted to recommend a LAR to fund the Ship Channel Improvement Revolving Fund (SCIRF) for \$400 million, a fraction of the amount required to fully fund all eight eligible projects. New information has been added focusing on local port investment, operations and maintenance of these channels, and the significant investments ports are putting into it. Additionally, eight non-federal projects and feasibility studies were identified to capture more activities and efforts taken on at the local level.

The third component is Port Connectivity, partially funded through the Port Access Improvement Program, which has received \$140 million and funded 47 projects since 2015. The previous iteration identified 43 projects at \$258 million, increasing to 142 projects at \$4.34 billion.

Mr. Fisher asked whether the legislative appropriations request (LAR) for the \$150 million for the PCIR and the \$400 million for the SCIRF has already happened. Ms. Saathoff responded that the action had occurred previously.

Mr. Strawbridge followed up by asking if the LAR could be amended. Based on the PMP, the need is more significant than what was identified in the LAR. Mr. Guenther followed

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up by saying that Texas ports need better infrastructure to be equipped for high cargo volumes in the future, and he supports amending the LAR.

Ms. Kris Knoll, Maritime Division Program Coordinator, relayed that Trent Thomas, Director of Legislative Affairs, confirmed that the LAR had been submitted and could not be adjusted. However, the legislature can add more money if they choose.

Mr. Fisher asked that the committee go on record in support of increasing the LAR. Mr. Strawbridge followed up by saying that the Transportation Commission should be aware of the real-time needs of the Texas ports, requesting a motion to modify the PCIR to \$750 million and the SCIRF to \$1 billion.

Mr. Guenther supports the \$1.750 billion request but asked if the program funding breakdown should be evaluated. Ms. Saathoff and Mr. Strawbridge agreed to change the amounts to reflect \$1 billion for PCIR and \$750 million for SCIRF.

Mr. Strawbridge made a motion with a second from Chris Fisher to approve the Texas Port Mission Plan with the request to go back to the Texas Transportation Commission with a modified LAR requesting \$1 billion for the PCIR and \$750 million for the SCIRF. The motion was carried with a vote of 6-0.

Ms. Saathoff thanked all the ports for participating.

Please view presentation #6 for further information.

ITEM 7. Discussion on Port Capital Investment Report project evaluation methodology recommendations.

Mr. Kalhagen presented Maritime Division staff recommendations for the PCIR scoring and evaluation methodology moving forward. The legacy scoring matrix considered two criteria from the five categories: economic impact, operational impact, enhanced connectivity, improved safe and secure operations, and other benefits. Staff recommends considering all five categories. Previously, projects were scored by three individuals, and this year four scorers were used. The proposal is to use seven scorers, dropping the high and low scores for each project and utilizing subject matter experts in planning and engineering from agencies such as Texas A&M, Lamar University, the University of Houston, the U.S. Coast Guard, and Texas Economic Development. Maritime is interested to see how the committee feels about the proposal. This money would be dispersed to the ports and should align with the best value for the Texas taxpayer money and investments.

Mr. Guenther agreed with utilizing the five categories emphasizing economic value to show the economic return for the state. He disagreed with utilizing engineers as they may not be the best people to evaluate this program. The committee could even nominate folks within the ports to be on the selection team.

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Mr. Fisher asked if Maritime intended to follow up with a list of proposed entities for committee approval. Mr. Strawbridge reiterated that the value of projects and the economic impact should be considered and could use the Florida seaport council as a benchmark. Mr. Kalhagen responded that Maritime could create a rough outline with the staff recommendations, which the committee would have an opportunity to provide comments.

Mr. Rodger Rees commented that there is a need to find third parties that can be objective and politically motivated. Ms. Saathoff supports the concern and the need for a sound, fair, and impartial group with knowledge of the port industry.

Mr. Kalhagen clarified that the matrix would be structured, agreed upon, and defensible.

ITEM 8. Discussion on Ship Channel Improvement Revolving fund project evaluation methodology recommendations.

Mr. Kalhagen stated that this topic is similar to the PCIR from Item 7 and wanted them divided up on the agenda to allow for unique concerns for the SCIRF and ship channel.

Mr. Strawbridge requested evaluating the "federally authorized" requirement in the SCIRF language as the authorizations are challenging and time-consuming to complete the process. Mr. Guenther agreed that ports cannot rely on Army Corps to fund all the projects. The recommendations are a good start. Similar to the PCIR, further discussion on weighing is necessary.

Ms. Saathoff asked for feedback from the smaller ports on how they feel about utilizing a third-party panel to score projects. Mr. Stibich agreed that the plan should include economic impact for the region, not just the port itself.

Ms. Saathoff explained that any change to the SCIRF language would require legislative action and asked if the committee would like to make a motion to request TxDOT to revisit the language. Mr. Guenther agreed and recommended that the language not require federal authorization.

Ms. Saathoff asked that the record reflect that the committee recommends the SCIRF should omit language requiring the projects to be federally authorized.

ITEM 9. Presentation on the operations of the U.S. Army Corp of Engineers.

Mr. Robert (Bob) Koch, Chief of the Waterway Management Section of the Army Corps of Engineers Galveston District, discussed the data the Army Corps is capturing and responsible for maintaining. The three significant data captures are as follows:

- Operations dashboard-Ongoing/upcoming contracts are updated daily.

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- Placement Areas (PA)- data set (active/inactive) will be available for stakeholders. Drones are being used to collect data for placement area footprints, and PA sharing can copy and drop into any data set.
- Beneficial Use Sites-GIS Hub-5-year plans and will be updated quarterly.

The goal of the Waterways Management section is to continuously provide the public with the most up-to-date GIS data sets for planning purposes.

Mr. Strawbridge discussed concerns with background information on perpetual easements, which would help identify which easements could be disposed of. Mr. Koch replied that placement areas have high interest and regulator components. A big reason there have not been data sets like this so far is the robust information required and the maintenance involved. The group's mission is to provide the public with accurate data.

Mr. Eduardo Campirano, Port of Brownsville, addressed the committee, commenting that releasing easements is not perpetual. The port has been involved in the process and should become a standardized procedure in the future.

Please view presentation #9 for further information.

ITEM 10. Update on the 2023 Texas Freight Mobility Plan

Ms. Sherry Pifer, Freight Systems Branch Manager, TxDOT, presented details of the draft the freight mobility plan, Texas Delivers 2050. IJJA requires the Plan to be updated every four years instead of the previous five years. TxDOT is exceeding the requirements and includes the following:

- Safety analysis
- Resiliency case studies
- Detailed supply chain analysis
- Commodity flow forecast scenarios
- Modal profiles and analysis
- Supply chain working groups

Recommendations and strategies are geared towards sustaining the existing network and enhancing safety; stimulating and enhancing mobility, improving operations, ensuring resiliency, addressing equity, and expanding connectivity; transforming freight movements, enabling technology, reimagining gateways, and supporting alternative fuels.

The Freight Advisory Committee meeting is being held at the Greer Building on October 5, 2022.

The goal is to present the final plan at the Commission meeting on November 16, 2022, and open for the 30-day public comment period.

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Mr. Strawbridge asked if there would be any attempt to connect good value with the tonnage to this report. What is the value of the tonnage for the State of Texas compared to other states? According to a Forbes article, the Port of Houston topped the nation as a gateway for goods value, with the Port of Laredo second and the Port of Corpus Christi fifth.

Ms. Pifer will be taking this to the consultants to investigate.

Please view presentation #10 for further information.

ITEM 11. Update on the operations of the U.S. Maritime Administration

Mr. Brian Hill, Western Gulf Gateway Director, MARAD, provided an update on the U.S. Maritime Administration operations identifying the administrative leadership structure, strategic goals, and supporting tasks of the office of Ports and Waterways.

- The Deepwater Port (DWP) Licensing Program
- The Port Conveyance Program
- Port Infrastructure Development Program (PIDP)
 - PIDP Grant Program
 - Port Development & Intermodal Planning Program
 - America's Marine Highway Program (AMHP)
- Federal Assistance Education & Engagement
- Maritime Transportation System National Advisory Committee (MTSNAC)

Due to technical issues and time constraints, the presentation was cut short.

Please view presentation #11 for further information

ITEM 12. Update on federal programs and legislation from TxDOT Federal Affairs

Mr. Federico Rodriguez, Federal Legislative Affairs, TxDOT. It has been 311 days since President Biden signed the Infrastructure Investment and Jobs Act (IIJA) into law.

The Port Infrastructure Development Program and America's Marine Highway Program award announcement will be anticipated by the end of September.

TxDOT State Legislative Affairs will continue to monitor the Notice of Funding Opportunity (NOFO) of Promoting Resilient Operations for Transformative, Efficient, and Cost-Saving Transportation (Protect) program and NOFO on truck idling at ports.

Water Resources Development Act of 2022 (WRDA) - House version passed on June 8, 2022.
Texas Navigation Project for a Gulf Intracoastal Waterway (GIWW) - Channel to Palacios navigation project. Construction authorization for the Texas Coastal Spine.

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Energy & Water Development Appropriations TX Projects-Freeport and Sabine Neches Waterway are on House Bill only. Under Operations & Maintenance, there are 14 Texas navigation projects.

Recently passed-Inflation Reduction Act (IRA)-not a maritime or transportation bill but provides a provision with interest to Texas ports. Grant to reduce air pollution at ports. \$750 million of the \$3 billion is set aside for ports in areas that do not meet national ambient air quality standards.

TxDOT Federal Affairs will continue updating the ports on potential funding opportunities.

Please view presentation #12 for further information.

ITEM 13. Discussion on the Ocean Shipping Reform Act of 2022 and the implication for Texas Ports.

Per Mr. Sean Strawbridge, the Federal Maritime Commission is seeking comments which close today on making a declaration of an emergency order related to the ocean shipping reform of 2022 to solicit public comments on whether there is a supply chain emergency. If there is an emergency, the Federal Maritime Commission will mandate the sharing of cargo, throughput, and availability data, which has not been attained. The Port of Houston and the Port of Freeport are the ones that will be impacted.

Roger Guenther stated that the port is honored to be part of the discussion, weighed in as much as possible, and encouraged others to do the same.

ITEM 14. Discussion on the committee assisting in the development of policy recommendations regarding supply chains.

Geir Eilif Kalhagen stated that this committee represents the real-world depth of knowledge on issues, concerns, and impacts with the global supply chain within Texas and the nation. TxDOT Administration strongly desires to utilize that knowledge and engage the PAAC in formulating policy recommendations regarding the supply chain.

ITEM 15. Public Comment

There were no public comments.

Congratulations to Chris Fisher as the new vice person.

At a future agenda, the committee needs to elect a Vice Chair.

Reappointment positions will be at the end of February will be sending out nomination forms.

Phyllis Saathoff, Chair, adjourned the meeting, the meeting at 11:22 p.m.

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APPROVED:

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Phyllis Saathoff
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Phyllis Saathoff, Chair

Port Authority Advisory Committee