

SUBJECT: Changing rules for ship traffic in Houston ship channel

COMMITTEE: Transportation — favorable, without amendment

VOTE: 12 ayes — Canales, Landgraf, Bernal, Y. Davis, Goldman, Hefner,
Krause, Leman, Ortega, Raney, Thierry, E. Thompson

0 nays

1 absent — Martinez

SENATE VOTE: On final passage, April 24 — 29-2 (Miles, Whitmire)

WITNESSES: *On House companion bill, HB 4445:*
For — Vince DiCosimo, Coalition for a Fair and Open Port; Helen Currie, ConocoPhillips; Dedrick Terveen, EOG Resources; Joe Bob Perkins, Targa Resources; (*Registered, but did not testify:* Lindsey Miller, Anadarko Petroleum; Matthew Thompson, Apache Corp; Daniel Womack, Dow; Delbert Fore, Enterprise Products; Caleb Troxclair, EOG Resources, Parsley Energy; Dave Conover, Kinder Morgan, Inc.; Amy Maxwell, Magellan Midstream Partners; Hugo Gutierrez, Marathon Oil Company; Christina Wisdom, Occidental Petroleum; Michael Lozano, Permian Basin Petroleum Association; Thure Cannon, Texas Pipeline Association; and eight individuals)

Against — Steve Sanders, International Longshoreman's Association-Local 24; Eloy Cortez, International Longshoreman's Association; Richard Campo and Roger Guenther, Port of Houston Authority; (*Registered, but did not testify:* Silverio Portillo, Aubrey Williams, Robert Embrey and Casey Horton, International Longshoreman's Association-Local 28; Brian Walker, International Longshoreman's Association-Local 24; Sharita Wade and Jacqueline Hill Murphy, International Longshoreman's Association-Local 1351; George Kelemen, Texas Retailers Association; Dan Shelley, West Gulf Maritime Association; and 17 individuals)

On — (*Registered, but did not testify*: Mark Mitchem, Houston Pilots; Robert Shearon, Texas State Pilots Association)

BACKGROUND: Special District Local Laws Code ch. 5007 establishes the Port of Houston Authority of Harris County, Texas. The authority is empowered to regulate the pilotage of ships in the Houston Ship Channel and to build and maintain port facilities with all associated infrastructure.

Transportation Code sec. 66.011 establishes that the board of pilot commissioners for the ports of Harris County is composed of the port commissioners of the Port of Houston Authority.

DIGEST: SB 2223 would change certain statutes governing the Port of Houston Authority of Harris County relating to commissioner training, navigational rulemaking, traffic, and ship length.

Navigational guidelines. The bill would allow the board of the Port of Houston Authority of Harris County to adopt rules pertaining to ship movement and navigation safety guidelines, provided they were recommended by 80 percent of pilots authorized to operate under the jurisdiction of the board of pilot commissioners of Harris County.

One-way traffic. The bill would require the board to adopt navigation guidelines for the transit of vehicles under its jurisdiction regarding one-way traffic, defined in the bill as a limitation on any part of the area where Galveston Bay reaches the Houston Ship Channel, including the channel immediately north of Morgan's Point, where the meeting, turnaround, and overtaking of any ships was prohibited. Those rules could not authorize:

- more than one vessel per week for which one-way traffic had been imposed to call on a port authority terminal at Bayport or Barbours Cut;
- more than one vessel for which one-way traffic had been imposed to call on or depart from a port authority terminal at Bayport or Barbours Cut on the same day; or
- the passage of a vessel calling on a port authority terminal at

Bayport or Barbours Cut that was not capable of turning around within the turning basin that serves the port authority terminal on which the vessel called.

The rules would not apply to one-way traffic governed by an authorization issued by the U.S. Coast Guard, a dredging vessel, or a vessel operated by military personnel or to one-way traffic that occurred between Morgan's Point and the Houston Turning Basin.

The executive director of the port authority could take any action necessary to carry out the above provisions. The provisions would expire August 31, 2021.

Efficient pilot service and maximum vessel length. The bill would specify that the duties of the board included minimizing interference with a two-way route, defined in the bill as a directional route within defined limits inside which two-way traffic was established, and which was intended to improve safety in waters where navigation was difficult.

The maximum overall length of a vessel that could be piloted in the board's jurisdiction would be set at 1,100 feet. The board could authorize a vessel of greater length if doing so would allow for efficient two-way traffic and routes. Before adopting such an authorization, the board would be required to hold at least two public hearings. These provisions would not apply to the adoption of rules governing vessel traffic between Morgan's Point and the Houston Turning Basin.

Training. The bill would repeal the requirement that port commissioners receive training regarding the duties of the commission as the board of pilot commissioners for Harris County ports.

The bill would take effect September 1, 2019. Provisions of the bill relating to training and two-way traffic would take effect September 1, 2021.

SUPPORTERS SB 2223 would address traffic issues due to exceptionally large ships that

SAY: require one-way traffic to safely navigate the Houston Ship Channel. The channel historically has accommodated two-way traffic without significant interruption, but recent developments in the shipping industry have resulted in increasingly larger vessels seeking access to the Port of Houston's container terminals. These vessels cannot access the port under two-way traffic conditions, which reduces the channel to one-way traffic and causes significant delays for other vessels. The bill would alleviate these issues by limiting the size of vessels that could operate in the Port of Houston Authority's jurisdiction and providing for navigation guidelines to ensure safe and efficient transit.

The ultimate impact of the bill on the Port of Houston would be small. The port's container terminals are thriving, and smaller container vessels make up a much bigger percentage of the port's volume of goods than the larger traffic that is causing blockages in the channel.

The port authority already has adopted a resolution limiting ship size and addressing one-way traffic; this bill would simply codify that resolution. The Legislature has precedent in setting statutory rules for traffic in the Houston Ship Channel. Ship channel traffic management has historically been left to the states to regulate. As there are existing state rules, new rules would not present a jurisdictional question. Furthermore, the bill's one-way traffic restrictions would expire on August 1, 2021, allowing the port authority time to develop rules that could facilitate two-way traffic even for larger ships.

OPPONENTS SAY: SB 2223 would be detrimental to the Port of Houston and the Texas economy by creating needless limits on large ship traffic. Should this bill pass, large container ships would call at other ports. The port authority is capable of managing traffic in such a way that both large container ships and smaller vessels can use it. While one-way traffic is inconvenient, it is a regular occurrence for reasons other than ship size, such as during inclement weather or during emergencies.

The Legislature should not be involved in traffic issues in the Houston Ship Channel. The port authority's resolution already addresses these

issues, and since the ship channel is under federal jurisdiction, the bill could present a conflict between state and federal law.