January/February 2007

The Port of Houston

Special Edition Celebrating

The Berth of Bayport Container and Cruise Terminal
RICHARDSON STEVEDORING & LOGISTICS

Offers Seamless Solutions
By consolidating multiple services associated with steel cargo discharge and material handling, we are pleased to offer a flexible Total Package concept.

- Stevedoring direct to truck/$barge/rail
- Transfer from ship to storage
- Transportation to customer door
- Delivery to processors of choice
- Foreign Trade Zones Port of Houston-Private Terminals
- Climate controlled warehouses for weather sensitive or processed steel
- Long term or temporary storage
- Barge/Rail/Truck Transloading
- U.S. – Mexico thru Bill of Ladings, covered warehouse space and rail terminal Laredo, Texas
- Pipe maintenance, cleaning, refurbishing, mechanical beveling

Customer needs and satisfaction are the number one priority.
Serving the Port of Houston and shipping industry since 1969.
The Nolan Richardson family business has the equipment and experienced personnel to handle and deliver your goods in a professional, safe and accountable manner.

Port of Houston
713-673-1110
Kelly Richardson
Chance Richardson

Port of Mobile
251-679-4901
Mike Richardson

Greensport
713-455-8802
Steve Richardson
Kelly Richardson

Port of Laredo
956-727-8323
Carlos Contreras

VP of International And Domestic Sales
Don Taylor

Truck Terminals
Houston_Laredo_Dallas,TX
Axis_Greenville_Mobile, AL.
Shattuck, OK

Corporate Relations Quality Control
Allen Eckhardt

Affiliated Companies
Richway Cartage • Richway Transportation Services • Robin International Truck Line - Custom Bonded
R Warehousing and Port Services • Rush On Trucking • Custom Transit • South Texas Tubular Services, LP
Contents

COVER STORY

Hundreds Turn Out to Witness the Berth of Bayport

FEATURES

36 What They’re Saying About Bayport

10 Bayport Cruise Terminal Construction Sails On

18 Environmentally Sensitive Going above and beyond

20 Optimistic About Bayport Job Opportunities Labor prepared

22 Bayport Security Protecting the Gulf Coast’s crown jewel

26 The Evolution of Bayport It’s one thing to build a terminal; shaping it brings in an entirely different dimension

30 How Bayport Got From There to Here

34 Bayport Technology

40 Managing Bayport — A Work in Progress

42 Bayport’s Primary Customers Excited About Terminal’s Potential

46 Bayport’s Contractors Make it Happen

IN EVERY ISSUE

4 A Message from the Executive Director H. Thomas Kornegay, P.E., P.P.M.

6 The Manifest PHA news highlights

9 Port People Delivering the Goods

To view The Port of Houston Magazine in Spanish, please visit www.portofhouston.com
THE PORT OF HOUSTON

Executive Office
Port of Houston Authority
111 East Loop North
P.O. Box 2562
Houston, TX 77252-2562
Phone: 713-670-2400
Fax: 713-670-2429

Executive Director
H. Thomas Kornegay

Managing Director
Wade M. Battles

Director of Trade Development
John P. Horan

General Counsel
Erik A. Eriksson

Director of Finance and Administration
James O. Eldridge

Director of Facilities
James B. Jackson

Director of Public Affairs
Argentina M. James

Director of Operations
Jimmy M. Jamison

Director of Planning and Environment
Charlie Jenkins

Director of Small Business Development
Gilda Ramirez

Harris County Auditor
Barbara J. Schott

Field Offices

New York
Jack Wojewnik
1650 Sycamore Avenue, Suite 23
Bohemia, NY 11716
Phone: 631-244-3677
Fax: 631-244-3757

South America
Arturo Gamez
Resd. Prado Royal P.H.
Ave. Ppl. Lomas de Prados del Este
Caracas 1080, Venezuela
Tel: 58-212-976-8813
Fax: 1-281-754-4047
E-mail: agamez@poha.com

John C. Cuttino (Brazil Representative)
Av. Brigadeiro Faria Lima, 3729, 5 andar
Sao Paulo, SP Brazil
CEP: 04538-905 Tel: 55 (11) 3323-5878
Tel. +55 (11) 3323-5878
Fax +55 (11) 3323-5916
Houston Access (832) 239-5076
email: jcuttino@poha.com

Port of Houston Magazine's editorial staff: Argentina James, director of public affairs • Felicia Griffin, communications department manager • Edwin Henry, publications specialist • David Bray, photographer • Chris Kuhlman, photographer • Esther de Ipolyi, freelance writer • Gilbreath Communications, Inc., design and production.

This publication is not copyrighted and permission is given for the reproduction or use of any original materials, provided credit is given to the Port of Houston Authority. Additional information, address changes, extra copies, or advertising specifications may be obtained by writing to the Port of Houston Magazine.

The Port of Houston Magazine is published by the Port of Houston Authority, P.O. Box 2562, Houston, Texas 77252-2562, and is distributed free to maritime, industrial and transportation interests in the United States and foreign countries.

Visit the Port of Houston online
www.portofhouston.com
GULF WINDS provides integrated logistics services including warehousing, transportation, distribution and consolidation to the shipping industry. We specialize in handling and storage of green coffee, tea, and other specialty food grade products.

- Local Container Drayage Services
- Nationwide Highway & Intermodal Services
- U.S. Customs Bonded Carrier
- Approved TABC Carrier
- Permitted by Texas DOT to haul Overweight Containers
- 24/7 Track & Trace Web Site
- U.S. Customs Bonded
- U.S. Customs Exam Station
- Food Grade Certified including USDA & AIB
- Approved TABC Facilities
- Served by UP, BNSF, & PTRA, Rail Siding
- Six Houston Area Locations
- Certified Weighing Services
- Interactive, Real-Time, EDI Capable Inventory Control & Logistics Support Software

411 Brisbane • Houston, Texas 77061
Tel: 713-747-4909 • Fax: 713-747-5330 • www.gwii.com

Warehousing • Transportation • Distribution • Consolidation

Tri Star Freight System

“Dependability in Worldwide Transportation”

Operations
20 years in the business
Committed, Professional Team
Ocean / Air Freight Forwarding

Trucking
Local, Regional, Long Haul, Container Drayage
US Customs Bonded Carrier
Van / Flatbed Divisions

Warehousing
US Customs Bonded Warehouse
Trans-Loading / Consolidation
Crating

Visit Our Web Site
www.tristarfreightsys.com

Houston, TX
Corporate Office
713-631-1095

Baltimore, MD
Charleston, SC
Savannah, GA
Jacksonville, FL
El Paso, TX
On February 8, 2007, the Port of Houston Authority officially heralded a new era as a leader in global containerization when the first dock at the Bayport Container Terminal opened for operations.

Bayport is the most modern container terminal along the U.S. Gulf Coast. At a cost of $400 million, the opening phase of the ultimate $1.45 billion Bayport facility includes the first berth and approximately 90 acres of the ultimate 1,043-acre facility. The CMA CGM steamship line is our first customer at Bayport. In the coming years, Bayport will have enough space for seven ships and a 378-acre container storage yard with a maximum capacity of about 2.3 million TEUs — a 200 percent increase over PHA’s current capacity.

The opening of Bayport follows closely another milestone in the maritime industry — the 50th anniversary of containerization. The world’s first container ship, the Ideal X, arrived in Houston from Port Elizabeth, New Jersey in 1956 carrying 58 so-called “containers,” and the world quickly embraced this innovative shipping concept. By 1970, more than half of the non-bulk freight on the North Atlantic was moving in containers.

This led the PHA to take a risk in 1970 with the decision to build the Barbours Cut Container Terminal, which opened in 1977 and quickly became the crown jewel of containerized shipping on the U.S. Gulf Coast. Although it has continued to achieve record increases in annual tonnages, TEUs, and revenues over the past few years, this facility has been operating beyond its design capacity.

Bayport will greatly alleviate these capacity challenges to meet growing marketplace demands while simultaneously delivering many tremendous benefits to the entire Houston region.

Bayport Delivers Jobs, Economic Prosperity

The direct jobs at Bayport will range from loading and unloading cargo on vessels, crane operations, and facility maintenance, to clerical, administrative, supervisory and management positions. Bayport will also generate numerous
jobs in ancillary industries such as tugboat operations, commercial trucking, banking, manufacturing and more.

In the first five years, Bayport is expected to generate more than 9,800 jobs with nearly $400 million in personal income, add $1.1 billion in business revenue, and generate $35.6 million in state and local tax revenues. At full build-out, the container and cruise terminal complex is projected to generate an economic impact totaling more than 32,000 jobs, $1.4 billion in personal income, $2.4 billion in business revenues, and $128 million in state and local tax revenues.

Bayport Delivers World-Class Customer Service
The Port of Houston Authority envisions Bayport to be as attractive as Barbours Cut to customers from around the world. Our major trading partners shipping containers in and out of Houston are presently based in countries in northern and southern Europe, the Mediterranean region, Mexico and Latin America, and western Africa. In recent years, growing amounts of Houston’s containerized cargo have been moving to and from China and East Asia.

Bayport Delivers Security
The security systems at Bayport employ the most advanced technologies and equipment available in the industry. In a world of threats and risks ranging from hurricanes to terrorist acts, the PHA maintains an unwavering commitment to security and safety. Our commitment relies first and foremost on continuous vigilance, open communication, and cooperative partnerships with the U.S. Coast Guard, U.S. Customs and Border Protection, and numerous other law enforcement and regulatory agencies at the federal, state, and local levels. The technology systems at Bayport greatly enhance these efforts.

Bayport Delivers Environmental Excellence
The Port of Houston Authority believes that Bayport is the most “green” container facility in the United States. Our design for the Bayport facility includes several mitigation measures to compensate for environmental impacts. For example, the PHA has implemented measures to protect and conserve 1,101 acres of wetlands and other invaluable habitats. That’s larger than Bayport’s ultimate full build-out footprint of 1,043 acres. Most of the 1,101 acres has been placed in conservation easements, including the Katy Prairie and Banana Bend sites.

The PHA’s Bayport plan also involves jurisdictional wetland replacement at a ratio of more than three to one, to increase habitat available for fish, waterfowl and other coastal wildlife. Additionally, the beneficial use of dredged material will create up to an additional 200 acres of intertidal marsh.

As another example of environmental mitigation, the use of cleaner fuels and improved engine technology at Bayport, will help reduce air emissions. Also, the three-mile-long buffer zone around the Bayport facility will include a landscaped sight and sound berm that will be 20 feet tall. The buffer zone also includes part of an extensive storm water collection system that will protect Galveston Bay. Lighting systems designed to use black light poles and specially designed fixtures will limit night-time impacts at the facility.

Air emissions reduction, solid waste recycling, energy conservation and storm water quality improvement are the key objectives of the PHA’s environmental management system. In 2002, the PHA became the first of any U.S. ports to implement an EMS that complies with ISO 14001, the global standard for environmental excellence. We are committed to following the necessary protocols to obtain ISO 14001 certification for Bayport within approximately one year.

Bayport Delivers Cruise
Recently, Norwegian Cruise Lines has been sailing from the existing PHA cruise terminal at Barbours Cut. The first phase of the Bayport Cruise Terminal is scheduled to be completed in late 2007 and available for cruise ships in 2008. We are working with several cruise lines on passenger vessel availabilities and itineraries.

The total cost of Bayport’s first cruise terminal is expected to be between $80 million and $90 million. The costs of any additional cruise terminal facilities at Bayport will be determined by future design and development plans.

It is truly gratifying to reflect on the Port of Houston Authority’s past, present and future as a pioneering leader in containerized cargo shipping and as a model cruise home port. Clearly, Bayport heralds the next progressive era of containerization, underscores the PHA’s steadfast commitment to good environmental stewardship, represents the height of excellence in cruise travel, and solidifies the stature of Houston and its port as world class leaders in delivering the goods.
ORCA’S BERTHING TESTS BAYPORT’S DOCKING, SECURITY PROCESS

In December, the Port of Houston Authority’s (PHA’s) Bayport Container Terminal was the site of a two-day test that included docking and security clearance of the first container ship to berth at the facility — CMA CGM’s marine vessel Orca.

Orca’s maiden voyage saw her dock on the morning of Dec. 6 at Bayport, where she spent the day being cleared by U.S. Coast Guard officers, and validating the integrity of Bayport docking procedures.

Fully loaded with shiny, dark blue CMA CGM containers, the ship left Bayport at 4 p.m. the next day, bound for the busiest container terminal on the Gulf Coast — PHA’s Barbours Cut Container Terminal — where it was offloaded through the weekend.

In November, PHA commissioners approved interim and long-term lease agreements with Terminal Link (Bayport) LLC — a CMA CGM subsidiary — for property at Bayport to be used as a depot for handling and storing empty containers. CMA CGM intends to provide weekly steamship line service to Bayport.

BAYPORT 2006 BULK TONNAGE TOPS 7 MILLION

The Bayport Industrial Complex recorded its highest tonnage in at least 11 years in 2006, moving 7,083,712 tons of petroleum products. That accounts for a 12-percent increase over the 6.333 million tons moved in 2005.

Tonnage figures for the Bayport Industrial Complex are supplied to the Port Authority by the private users of the Bayport facility.
PHA REACHES OUT TO BAYPORT COMMUNITIES

Community outreach and involvement — especially within the Bayport area communities of LaPorte, Pasadena, Deer Park, Morgan’s Point, Seabrook and Shoreacres — ranked high on the Port of Houston Authority’s agenda in 2006. PHA sponsored or participated in 36 community events held in those communities — most of them within the last six months of the year.

BAYPORT CRANES — BUILD THEM AND THEY WILL COME

Bayport’s massive ship-to-shore cranes were instrumental in helping two of the Port of Houston Authority’s biggest customers make the decision to call at the new facility. The ship-to-shore cranes weigh more than 3.1 million pounds, and travel on rails spaced 100 feet apart. The cranes can currently reach out 178 feet and can pick up a container weighing as much as 65 tons. Post-Panamax vessels are much larger than any going through the canal currently. Therefore, PHA officials expect current/prospective customers with these vessels will want to move to Bayport. PHA will operate the initial container terminal with four ship-to-shore cranes, and 12 rubber tired gantry cranes (RTGs).
PRINCIPALS BREAK GROUND ON PORT CROSSING PROJECT

The Port Crossing Commerce Center groundbreaking was held in LaPorte on January 23. Port Crossing Commerce Center, a planned $200-million, 295-acre commercial/industrial business park, will be situated in a prime location to serve the Port of Houston. This project will create 4 million square feet of state-of-the-art waterhouse space to serve users of one of the nation’s fastest-growing cargo ports.

The initial development of Port Crossing Commerce Center will include the construction of two buildings, a 203,500-sq.-ft. rail-served facility and a 427,500-sq.-ft. cross-dock. The park will also include a rail yard, which will consist of 22 rail tracks.

Port Crossing Commerce Center will be situated between the two primary container terminals for the Port of Houston — Barbours Cut Terminal and the new Bayport Terminal.

Baypoint

At full load, each ship-to-shore crane can draw more than 1.2 megawatts of power, and will consume as much energy as 800 homes.
A STORY OF CONTRASTS

We had a wonderful time touring the Port of Houston on January 7, 2007. During the 2:30 p.m. tour, a member of my party — Karen Thompson — took the attached picture. I think this work of art, “A Story of Contrasts,” depicts what the Port of Houston and the view from the deck of the M/V Sam Houston is about.

Thank you and keep the tour going.

Carlton Ricketts
Katy, Texas
BAYPORT CRUISE TERMINAL

CONSTRUCTION SAILS ON

As the sounds of construction fade at the Bayport Container Terminal, they echo at the other end of the shoreline where the $81 million cruise terminal is beginning to take shape.
The state-of-the-art facility, complete with 800 parking spaces, will be ready later this year. While construction proceeds, negotiations with four cruise lines continue.

“We remain very optimistic,” said Kay Adams, Port of Houston Authority cruise operations manager. “Cruise vessels could start calling here in April 2008 or even earlier.”

The port authority is aligning its strategy to match the changing focus of the cruise industry.

“We are targeting upscale cruise lines that attract seasoned cruisers,” emphasized Adams. “We’ve shown that we can attract first-time cruisers. Now we’re focused on the seasoned cruiser who pays attention to different details and responds to excellent infrastructure. Our approach is fresh and innovative, and the cruise industry has taken notice.”

Adams praises the strong support PHA is receiving from local organizations such as the Greater Houston and Bay Area Houston Convention and Visitors Bureaus. “We are negotiating terms with the cruise lines to ensure the best possible economic impact for the region.”

The foundation slab for the cruise terminal is complete and the steel framing has begun. Large 140-foot long steel trusses will be placed by equally enormous cranes able to do the job right. Most of the underground utilities are complete.

Dredging of the wharf area is also under way. “There is about a million cubic yards to be dredged for the cruise terminal,” explained Mark Vincent, PHA Bayport...
project engineer. "The dredging includes a portion of the turning basin and the berthing area in front of the cruise terminal."

Pile driving for the wharf is finished, and the concrete is going in for the bulkhead on the water side. "Paving of the top of the wharf will take place soon," said Vincent.

The cruise terminal is designed to eventually provide three berths. The remaining two berths will be built as business builds at the terminal. A unique way of protecting the shoreline has been devised by recycling materials.

"A riprap was very expensive when the contract was awarded. As a result, some of the shore protection in the cruise terminal area will be formed using the concrete removed during the realignment of Port Road," said Vincent.

"Once we build the remaining two wharves, the riprap concrete will be removed and used elsewhere on the site," pointed out Vincent.

As a part of the mobility improvements for Bayport, a section of Port Road was realigned into a straight two-lane road from Highway 146 almost to Todville Road. This project is being paid for by the port authority with some funding from Harris County.

During the next phase of improvements, Port Road will be expanded into a four-lane boulevard. Design of the expanded roadway has begun and construction will begin in the first quarter of 2008, with completion in January 2009.

The improvements also include a direct connector from Port Road to State Highway 146 that by-passes the railroad crossing and stoplight at 146. By adding this grade separation, traffic congestion and pollution from idling vehicles will be reduced and safety should be improved.

"The cost of completing the Port Road project to expand it to six lanes with an overpass is $18.5 million and we are working with our legislative delegation to secure a portion of the funding," said Scott Forbes, PHA government relations manager. The port authority pays a portion of the overall cost as the local matching funds that are required for federal projects.

"To date we have received $9.6 million from the federal Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users or SAFETEA-LU, and also $3.8 million from the Houston-Galveston Area Council," continued Forbes. "We are confident that we will secure the balance of the federal funding as it is needed for the project."

Eventually Port Road will be expanded to six lanes. The timing of this phase depends completely on how quickly business grows at the terminal. This construction project is 10 to 15 years down the road. ■
Port Crossing Commerce Center

Port Crossing Commerce Center is a world class 300-acre logistics and industrial warehousing park located in La Porte serving the Port of Houston. The business park is a state-of-the-art, multi-modal distribution complex designed to handle cargo from terminal to park and beyond with speed and efficiency.

Port Crossing Commerce Center is located within 3-miles of both the Barbour’s Cut and Bayport container terminals making it the closest industrial park to either terminal, with direct access to both terminals off of Highway 146. Additionally, plans for a direct rail connection to both terminals, which is unique to the park, will minimize travel time between the port and point of initial distribution.

The 22-track Union Pacific served rail yard is designed to support over 900 rail cars and will facilitate the movement of goods in and out of the park, as well as providing the ability for all tenants to transload cargo onto and off of railcars and trucks.

Fast access to the Interstate 45 North/South corridor and Interstate 10 East/West Corridor speeds the distribution of goods economically to the 60-million consumers that live within a 700-mile radius of Port Crossing Commerce Center. The park is served by more than 150 trucking lines providing routes to all of the United States, Canada, and Mexico; the Union Pacific and BNSF railroads serving thousands of miles of track and all Gulf ports and air freight services which are available through Bush Intercontinental Airport, Hobby Airport, and Ellington Field.

Port Crossing will ultimately encompass nearly 4,000,000 square feet of innovative industrial space with multiple building configurations, being built using all masonry construction with extended clear heights and truck aprons, all set in a planned environment dedicated to optimizing logistics.

Whether business is conducted locally, nationally or around the world, companies that use the Port of Houston will benefit from their cargo moving faster from port to customer by utilizing the distinctive set of features offered to tenants of Port Crossing Commerce Center. For information on how you can take advantage of leasing opportunities at Port Crossing Commerce Center, please contact:

Billy Gold of CB Richard Ellis at 713-840-6509
More than 800 people assembled near the western shores of Galveston Bay on February 8 to get a first-hand look at the future, in a real-time setting.

“The Berth of Bayport Container and Cruise Terminal” gave those in attendance the opportunity to see how the most technologically advanced container terminal on the U.S. Gulf Coast operates.

Deeming it a “glorious occasion,” PHA Chairman Emeritus Ned Holmes led a list of prominent speakers who gave insight into the many benefits Bayport will have to offer — sophisticated security systems, opportunities for jobs, a commitment to workplace safety and responsible environmental stewardship.

Bayport now joins its upstream sibling terminal at Barbours Cut on the crest of a global containerized cargo shipping market that has mushroomed over the past 1½ decades.

The Port of Houston Authority dominates the Gulf Coast containerized cargo market. Currently, PHA handles 64 percent of that market along the U.S. Gulf, and 94 percent of the waterborne containers moving through Texas. Most of that activity takes place at PHA’s Barbours Cut Container Terminal, which was built in the 1970s and is operating above designed capacity.

“Barbours Cut was an extraordinary gamble that the Port Commission made under the leadership of Chairman Fentress Bracewell,” PHA Executive Director Tom Kornegay says of the terminal that opened in 1977.
Bayport’s electronic gate operating system is designed to process trucks in and out of Bayport in 80% less time than would have been possible five years ago.

“Barbours Cut was a vision of where cargo handling trends were headed in the future. The gamble paid off, and Barbours Cut soon allowed us to dominate the container trade in the U.S. Gulf.”

If PHA officials rolled the dice with Barbours Cut, they banked on a sure bet with Bayport.

Container throughput at Houston’s port has risen at an average growth rate of more than 10 percent per year for the last 15 years. Studies conducted by the Texas Transportation Institute predict a continued worldwide container growth rate of 7.2 percent through 2010. The study also estimates annual growth rates as high as 13 percent along the Gulf of Mexico.

Conservative projections suggest Bayport will have a profound impact on the local economy. After five years of operation, the combined container and cruise terminal is projected to generate 9,825 jobs, $395.4 million in personal income, $1.1 billion in business revenue and $35.6 million in state and local taxes. At full buildout of the facility in 15 or more years, 32,163 jobs, $1.4 billion in personal income, $2.4 billion in business revenues and $128 million in state and local taxes will be produced from Bayport’s operations.

“Ultimately, this $1.4 billion facility will nearly triple the port authority’s container handling capacity,” PHA Chairman Jim Edmonds said. “When fully developed, the terminal will have a total of seven container berths with the capacity to handle 2.3 million TEUs (twenty-foot equivalent units) on a complex which includes a 376-acre container yard and a 123-acre intermodal facility.

By 2008, we will open the cruise terminal,” Edmonds said. “Ultimately, it will have three berths to accommodate as many as 1.7 million passengers with parking capacity for 2,000 cars. The cruise terminal will have over 40 acres of onsite co-development available.”

Edmonds also pointed out that it took the port authority 12 years, from 1987 to 1999, to go from a volume of 500,000 TEUs of containerized cargo, to one million. In 2005, he said, PHA passed the 1.5 million TEU mark and, with Bayport now online, PHA will soon reach 2 million TEUs.

The chairman applauded the environmental innovations being implemented at Bayport.

“Ultimately, this $1.4 billion facility will nearly triple the port authority’s container handling capacity,” PHA Chairman Jim Edmonds said. “When fully developed, the terminal will have a total of seven container berths with the capacity to handle 2.3 million TEUs (twenty-foot equivalent units) on a complex which includes a 376-acre container yard and a 123-acre intermodal facility.

By 2008, we will open the cruise terminal,” Edmonds said. “Ultimately, it will have three berths to accommodate as many as 1.7 million passengers with parking capacity for 2,000 cars. The cruise terminal will have over 40 acres of onsite co-development available.”

Edmonds also pointed out that it took the port authority 12 years, from 1987 to 1999, to go from a volume of 500,000 TEUs of containerized cargo, to one million. In 2005, he said, PHA passed the 1.5 million TEU mark and, with Bayport now online, PHA will soon reach 2 million TEUs.

The chairman applauded the environmental innovations being implemented at Bayport.

“I am especially proud of the proactive approach we took to this facility with regard to the environment,” Edmonds added. “As the nation’s first port to attain and also be recertified as meeting the world standard for environmental excellence, ISO 14001, Bayport is one of the greenest terminals in the world. Bayport demonstrates that business can be conducted in an environmentally responsible manner on the Houston Ship Channel and we are proud to set an example we hope others will follow.”

Frank Baragona, President of CMA CGM (America) Inc., spoke of his company’s pride in being Bayport’s first customer. He sees Bayport as playing a key role in CMA CGM’s global expansion plans.

“CMA CGM (America) Inc. is pleased to be the first tenant at Bayport and would like to thank the Port of Houston Authority, government officials, labor and all
those involved in the collaborative effort that brings us here today,” Baragona said. “We value the trust and respect that allowed the port authority to award Phase I of Bayport to CMA CGM. We are proud to partner with the Port of Houston Authority in positioning Bayport on the global stage.”

West Gulf Maritime Association President Walt Niemand and South Atlantic and Gulf Coast District President Clyde Fitzgerald drove home the significance of Bayport to local labor and commerce.

“A growing and thriving trade through this splendid new facility benefits all port industries,” Niemand said. “It shows the world the value of doing business here today and for many years to come.”

Fitzgerald, speaking on behalf of his rank-and-file members, expressed gratitude for Bayport’s expansion of job opportunities.

“Jobs at this port have been supporting families up and down the ship channel for generations,” Fitzgerald said. “It is the kind of work that tends to run in families, with fathers bringing their sons and daughters to the port for work as soon as they are old enough.

“We have worked closely with the port authority for many years to make sure that the port remains competitive.”

The ceremony was also marked by the christening of CMA CGM’s Blue Whale.

Annette Edmonds, wife of PHA’s chairman, served as honorary godmother to the shipping line’s newest vessel. The 5100-TEU (twenty foot equivalent unit) vessel is one of eight new super-sized container ships CMA CGM is adding to its fleet to call at Bayport.

Edmonds and Kornegay teamed up in the cab of one of the terminal’s giant ship to shore cranes to unload the first container from the newly christened vessel onto a truck, where it was driven and placed among hundreds of other units already in the yard.

Other notable speakers at the event included: William Diehl, commander and captain of The Port of Houston; Jeffrey Baldwin, field office director of the U.S. Customs and Border Protection; Captain Paul Brown, former presiding officer, Houston Pilots; Pasadena Mayor John Manlove, Houston City Council Member Carol Alvarado and Harris County Judge Robert Eckels. ■
From construction to operation, the Bayport Container Terminal demonstrates just how effectively one of the greenest ports in the world addresses business and environmental concerns.

The extraordinary mitigation features of the facility have been carefully developed using input from citizens and agencies who share the Port of Houston Authority’s goal of reducing the impact of the project on the environment.

“The terminal will be ISO 14001 certifiable due to the planning that has gone into ensuring that the best management practices are employed from day one,” said Aston Hinds, PHA environmental affairs manager.

Great care was taken to lessen the impact of the facility on surrounding communities during construction and now during its operation. A buffer zone separates the terminal from surrounding land uses. Three miles long, it includes a 20-foot tall landscaped sight and sound berm to shield the terminal.

The landscape design for the berm uses native deciduous trees, evergreens and shrubs typically found in the Galveston Bay area. The various species will blend to form a natural appearance and view from surrounding communities. Dredged material is used to construct the berm and also up to an additional 200 acres of intertidal marsh.

A 75-foot-wide strip of land between the vegetated berm and Pine Gully has been set aside for habitat purposes and will not be developed further. It will remain in its natural condition and maintain its water quality functions.

Traditional backup alarms on heavy equipment have been replaced with broadband alarms that cannot be heard in the surrounding neighborhoods. “The new alarms were tested at Barbours Cut Container Terminal and determined to be safe and less obtrusive,” explained Roxana Herrera, PHA program coordinator.
The lighting systems were developed to use black poles and specially designed fixtures that limit night-time impacts of glare, light spill, light trespass and light pollution from Bayport operations.

The cranes and other equipment for Bayport all have the cleanest-burning engines available. On-road diesel-grade fuel is being used in all off-road equipment to keep emissions at a minimum. Regular maintenance on all equipment ensures that emissions levels remain low. No detail has been overlooked in reducing the impact on the environment of port operations.

As a result, the PHA purchased and transformed 173.5 acres of land adjacent to the Armand Bayou Nature Center into 87.3 acres of wetlands and 86.2 acres of coastal prairie and upland habitat.

By working with the Katy Prairie Conservancy and resource agencies, 500 acres of contiguous coastal prairie was found and purchased. An additional 456.6 acres of varied habitats along the San Jacinto River at Banana Bend is now under the supervision of the Legacy Land Trust so that it can provide valuable wildlife habitat in perpetuity.

A sophisticated, four-part system collects all rainwater runoff to reduce potential material from the terminal reaching Galveston Bay. The first inch of rainfall from the facility is captured and diverted into a holding pond. The first flush pond traps suspended solids to decrease the discharge of sediments into the ship channel and bay.

The equipment and crane maintenance and equipment parking areas all have isolated drainage basins to reduce the impact to stormwater runoff in those areas. After removing any suspended solids, oil and grease, the stormwater is released into the first flush pond.

To further decrease the rate of stormwater discharge, a south terminal retention pond will be built. It will include a created wetland that acts as a filter to clean stormwater before discharging it into Pine Gully. The pond protects Pine Gully by capturing and holding stormwater, then releasing it slowly.

Spill prevention is emphasized. Containers that may be leaking potentially hazardous materials will be taken to designated leaking container stations strategically located at the terminal. These containment areas are intended to capture and hold the leaking materials until the materials can be pumped out and disposed of properly.

A waste minimization program takes advantage of recycling opportunities and reduces the amount of wastes generated.
Optimistic About Bayport

There was a time when the men and women who work the waterfront would have been fatalistic in their response to the opening of a terminal as technologically advanced as Bayport.
The advent of technology inevitably leads to a reduction in job positions. That is the conventional school of thought.

But, these are unconventional times in a maritime industry enjoying the most activity in its history and today’s longshoremen don’t necessarily embrace their fathers’ school of thought.

Sure, technology could eventually render some jobs obsolete. But, progressive thinking, enhanced training and proactive leadership have combined to create an optimistic outlook and tremendous opportunities for the labor force.

Local labor leaders say they have been ramping up for the opening of Bayport Container Terminal through increased hires and training over the past two years.

In addition, the West Gulf Maritime Association and the International Longshoreman’s Association recently obtained a $987,000 grant through the Texas Workforce Commission for training of ILA workers to provide a better skilled workforce. It is only the first of several, says Charles Montgomery, ILA Local No. 1351 president who handles clerks and checkers.

Montgomery predicts that the overall increase in cargo Bayport will bring will result in a net sum gain in workers over the long haul.

“Technology today is geared toward administrative needs,” Montgomery says. “That is on the front side (of the freight handling equation). In time, they will have the technology to unload ships and containers without manpower. That hasn’t become cost-effective in Houston. At this juncture, the overall job gain/loss in my craft would probably be a neutral. But, because of the volume we expect, it will probably increase on the vessel side of the equation. More frequent vessel arrivals will mean more work.”

Isbell anticipates the growth in demand for his gangs (an average 17-worker gang consists of two crane operators, one gang foremen, two dockmen, seven men on deck and five truckers) to increase relative to projected increases in cargo at Bayport. Additional workers are provided as needed.

“They say cargo will increase 10 to 15 percent per year and we expect the same (increase) in manpower,” Isbell says. “We hire as the work is available. We have an open hiring hall.”

Isbell says Bayport’s new computerized cranes present new challenges for his operators and, in anticipation of the opening, about 38 operators have undergone formal training on the cranes.

He sees the technology as a big plus for Bayport, Houston and his workers.

“It (Bayport’s technology) will be a draw to the Houston market and will draw more work to the area,” Isbell says. “It should bring in more ships and that means more work.

“These cranes have the capabilities of lifting heavier cargo; going faster; the ability to pick up two containers at one time,” Isbell says. “It will increase production, lowering overall unit costs.”
Since September 11, 2001, ports across the country have been identifying security weaknesses and hardening the defenses of their existing facilities. In contrast, the new Phase 1 Bayport Container Terminal has the advantage of being designed and built from the ground up, to include all the most modern and necessary security systems.
“Bayport gave us the opportunity to fully build in security systems and not go back and try to retrofit existing facilities,” said Russell Whitmarsh, chief of police for the Port of Houston Authority.

“It has been much easier to design and plan for security needs and not have to implement security systems after the fact.”

The U.S. Coast Guard has reviewed and approved the security plan PHA designed for Bayport.

Access controls at Bayport utilize the Smart Card system that is being implemented throughout all PHA facilities.

“The port authority has been issuing Smart Cards to all its employees, tenants and those people who come to the port on a regular basis,” said Whitmarsh.

“In the near future, the federal government will come out with a Transportation Workers Identification Credentials (TWIC) card that will be incorporated into our system,” Whitmarsh said.

Cameras installed at various locations at Bayport are integrated into the Port Coordination Center, where the images can be monitored.

Perimeter control fencing surrounds the completed portion of the container terminal and separates it from the cruise terminal that is still under construction.

Additional port security personnel have been hired and are on duty. Due to a key amendment to the Port Security Improvement Act of 2006 introduced by U.S. Senator Kay Bailey Hutchison from Texas, an increased number of Customs and Border Protection (CBP) officers will be sent to U.S. ports.

“This comes just in time for the expansion of PHA facilities with the opening of Bayport,” said Whitmarsh.
The Evolution of BAYPORT

It’s One Thing to Build a Terminal; Shaping it Brings on an Entirely Different Dimension
In 1964 the Port of Houston Authority (PHA) and Humble Oil & Refining Company began plans for the Bayport Industrial Complex with the development of the Bayport channel and by major property purchases. The two parties formed a joint agreement to develop an 8,000-acre industrial site and adjoining deepwater port.

In May of the next year, Houston city and county officials, Humble Oil executives and port commissioners and staff toured the then-$30 million undertaking. At that time, heavy-duty roads, bridges and railroad tracks were under construction, and a 100-foot wide channel was being dredged into Galveston Bay.

The May 1965 edition of the Port of Houston Magazine reported that:

Ultimately, the channel will be widened to 300 feet and dredged to a 36-foot depth, but that is in the later phases of the four-phase development outlined for

Rapidly changing market conditions, local initiatives, court battles and an unprecedented commitment to the environment have helped expand Bayport from being a major petrochemical shipping center to the premier container cargo terminal on the U.S. Gulf Coast as well.
completion over the next 20 years. Some $13.5 million will go into the building of the port, which by 1984 will be a complete facility with turning basin, and liquid and dry cargo barge and deep-sea vessel wharves.

Attending the tour were former Mayor Louie Welch and Harris County Judge Bill Elliott along with several city councilmen, Port Commission Chairman Howard Tellepsen and several port commissioners. They toured the facility aboard the M/V Sam Houston and helicopter. The aerial tour flew the group over the then-developing Clear Lake City and NASA projects:

Adjacent to the Bayport development is the $150 million-plus operation of the Manned Spacecraft Center of the National Aeronautics and Space Administration and the multi-million dollar Clear Lake City development, with fine homes, schools, a community center, a golf club and a shopping center, the magazine reported.

As the world around it grew and prospered over the next 34 years, Bayport quietly operated as well, annually moving millions of tons of liquid bulk product through the Houston Ship Channel.

However, an exploding global containerized cargo market would have a profound effect on the terminal’s future and thrust it into the local and international limelight against a stormy backdrop of politics, protests and litigation.

The May 1998 public release of the original Bayport Container and Cruise Terminal master plan was perceived by some residents of nearby communities as the harbinger of increased commercial truck traffic, construction and operations noise from the facility and possible negative impacts on the bay.

PHA hosted a series of public workshops and meetings over the next year to inform the public about the economic and environmental benefits Bayport would bring.

Those meetings grew into discussions about not only what Bayport was planned to be, but what it should be in the eyes of its residential neighbors.

The dialogue continued for four years, as PHA took strong measures to allay public concerns.

Even after being given the green light of approval in November 1999 by Harris County voters, who overwhelmingly approved a $387 million bond proposal to fund Phase I of Bayport, the port authority continued to sell the plan in its own back yard.

Much of its energy was directed toward concerns expressed by its neighboring communities.

Consistent with Addressing those Concerns:

• In December 1998 — 14 months after applying for a permit from the U.S. Army Corps of Engineers
to build Bayport, both PHA and the Corps opted to meet tougher standards by conducting an environmental impact study instead of the minimum required environmental assessment.
• PHA created and actively participated in the Citizen Advisory Group (CAG), which included port officials, citizens, local cities, community groups, environmental groups, labor organizations, maritime industry representatives and other interested groups. The CAG ultimately released a report with recommended changes to the Bayport master plan to address the concerns of citizens.

- Good faith negotiations between PHA and the city of Seabrook resulted in a proposed agreement for the PHA to provide capital improvements for the city near the Bayport facility, including a fire station and water treatment plant for the Seabrook City Council’s support of the Bayport project. However, in 1999, this agreement was set aside before a final vote could be taken, following a local council election. Still, the PHA continued to deliver on several of its promises, including the relocation of a truck entrance and the construction of a three-mile long, 130-foot wide, 20-foot tall sight and sound berm. The berm has been planted with native trees and shrubs to provide additional separation between the facility and the community.
- Following community input, the PHA made several star modifications to the Bayport master plan and the permit application, including:
  - Dedicating 12 percent of the property to buffer zones, providing a channel setback of 225 feet for navigational safety and providing tree planting on the north shore of the Bayport channel.
  - Agreeing to use dredge material to create up to 200 acres of new marsh in the bay, mitigate wetlands delineation by acquiring a 173.5-acre conservation easement, existing wetlands, forest and shrub upland on the easement and capture “first flush” stormwater to reduce total suspended solids.
  - Adding a south terminal retention pond, adding isolated inlet treatment units to treat stormwater from areas more likely to have oil and grease, pledging to use alternative fuels and equipment when available and adding an on-site HAZMAT team, fire department and police department.
  - Designing lighting systems to minimize glare, moving cruise ship traffic from Todville Road to Cruise Road, a new four-lane public thoroughfare inside the sight and sound berm, modifying Todville/Cruise/Port Road intersections to keep truck traffic out of the community and pledging to meet the Environmental Management System ISO 14001 standards at the facility.

Even after these modifications, which also included the promise of preserving 956 acres of coastal prairie habitat, the port authority would have to prevail in two crucial lawsuits before breaking ground on Bayport construction in June 2004.

“The port matured and learned through the Bayport process,” says PHA Planning and Environment Director Charlie Jenkins. “The port has always had a good neighbor policy — promises made; promises kept.

“We set the bar high with the Bayport program through that good neighbor commitment,” Jenkins continues. “As a result of the process, we’ve developed a better facility — one that balances economic, social and environmental issues.”
HOW BAYPORT GOT FROM THERE TO HERE

Benchmark events in the Bayport Container and Cruise Terminal’s development timeline include:

1964 — Port of Houston Authority purchases a major portion of the Bayport property, adjacent to the 7,200-acre Bayport Chemical Complex, south of the Bayport Channel and located on Port Road in the Pasadena Industrial District.

1993 — PHA purchases an additional 608 acres of land adjacent to the PHA’s Bayport property. The original plan was to use 500 acres for dredge material disposal and 100 acres as part of a future terminal. PHA modifies its plans and places the maintenance dredge material in another location.

May 1998 — The original Bayport Container and Cruise Terminal master plan is released to the public.

1998–1999 — The port authority sponsors public workshops and meetings on the Bayport master plan, resulting in multiple changes to the plan.

October 1998 — The port applies for permits from the U.S. Army Corps of Engineers.

December 1998 — The Army Corps of Engineers, with PHA’s concurrence, decides to obtain an environmental impact statement (EIS) instead of an environmental assessment.

September 1999 — The Corps conducts its scoping meeting for the EIS on the Bayport project at the Pasadena Convention Center. More than 1,000 people turn out for the meeting.

1998–2002 — The port creates and participates in the Citizen Advisory Group, which includes port officials, citizens, local cities, community groups, environmental groups, labor organizations, maritime industry representatives and other interested groups. The CAG ultimately releases a report with recommended changes to the Bayport master plan to address the concerns of citizens.

November 1999 — A $387 million bond issue for the first phase of the project is approved by Harris County voters, with 60 percent of voters in favor of the project.

October 2001 — The Environmental Protection Agency (EPA) approves the Houston State Implementation Plan on air quality attainment —Bayport is included in the SIP.

November 2001 — The Citizen Advisory Group releases a study showing residential property values near the port’s Barbours Cut container facility increased at a faster rate than the average for Harris County.

November 2001 — The Army Corps of Engineers releases the Draft Environmental Impact Statement. The Corps sets the original deadline for comments on Feb. 11, 2002 — double the amount of time required by law for a comment period. The comment period is later extended further to March 2002 — a full 120-day comment period.

February 2002 — The port makes further minor changes to the master plan to improve stormwater drainage, locate a three-mile long, 130-foot wide, 20-foot tall sight and sound berm within a 128-acre buffer zone, provide sound barriers on the north shore of the Bayport Channel, use high-tech spreader bars on the wharf cranes to reduce noise, and add a new 75-foot set aside between the vegetated berm and Pine Gully for water quality purposes.
May 2002 — Cruise terminal design changes to reduce the number of berths to three from five, to lessen the potential environmental impact. Mitigation was also changed to address the verified wetland delineation at Bayport. The conservation easement size was increased to 173.5 acres. The port also proposed to create 66.8 acres of freshwater wetlands, enhance 12 acres of existing wetlands, preserve 23.7 acres of forested and shrub uplands, and provide 71 acres of restored coastal prairie on the easement.

May 2003 — The Corps of Engineers releases its Final Environmental Impact Statement and opens a 30-day public review period before issuing a record of decision on the granting of a permit to the PHA. The Corps later extended the public comment period by an additional 30 days. The Corps' schedule calls for a record of decision on the permit for Bayport near the end of August.

January 2004 — PHA and the U.S. Army Corps of Engineers sign the permit for the Bayport project.

May 4, 2004 — U.S. District Court Judge Vanessa Gilmore issues a ruling on motions for summary judgment that had been filed by the U.S. Army Corps of Engineers, PHA and the opponents of the Bayport project. The court ruling grants the Corps' and PHA's motions and denied the opponents' motion, thereby dismissing the challenge to the Bayport permit. According to the court's ruling, “The court finds that the actions of the Corps fully considered and complied with the requirements of the National Environmental Policy Act and the Clean Water Act.”
Meurer issues a decision to dismiss a state lawsuit filed by the city of Shoreacres and other groups that challenged the PHA's permit for Bayport. The state court grants the PHA's motion to dismiss, finding that because the U.S. Army Corps of Engineers received the Texas Commission on Environmental Quality's certification before issuing its permit, it was not proper to now attack the U.S. Army Corps of Engineers' permit by alleging errors in the TCEQ process.

**June 21, 2004** — PHA celebrates the groundbreaking for Bayport with a special ceremony at the site located in the Bayport Industrial Complex.

**June 9, 2005** — The Texas Third Court of Appeals upholds the lower state court's decision dismissing the state lawsuit that challenged the PHA's Bayport Container and Cruise Terminal. The state appellate court's decision affirms Judge Meurer's decision.

**August 10, 2005** — The U.S. Court of Appeals for the Fifth Circuit affirms District Court Judge Vanessa Gilmore's ruling confirming the Federal permit.

**December 6, 2006** — CMA CGM vessel Orca arrives at Bayport, to become the first commercial container ship to berth at the facility. The ship was part of a PHA two-day test that included docking and security clearance exercises for the vessel and terminal.

**January 2007** — The opening phase of the Bayport container terminal becomes operational. Additional phases will be built incrementally in the coming years.
The elevated water storage tank holds 1 million gallons of water, and serves not only the terminal, but surrounding industrial plants and the community of El Jardin.

Bayport has its own electrical substation, constructed for $3.4 million, designed to power cranes, buildings, equipment, and in the future, ships at berth.

The Bayport ship channel has an authorized depth of 40 feet, and is 300 feet wide. The length of the channel, from turning basin to the Houston Ship Channel is about four miles.

Bayport Container Terminal and gate access system covers 93 total paved acres, or about the size of 75 football fields.

More than 8,000,000 pounds of reinforcing steel was used in the Bayport container yard pavement.

Bayport’s ship-to-shore cranes weigh more than 3.1 million pounds, and travel on rails spaced 100 feet apart.

More than 1 million cubic yards of material will be dredged or excavated for the initial terminal construction.

Planning, engineering and design, inspection, and testing of the initial terminal required about 280 work years of effort — or an average of 35 full-time professionals a year working since 1998 on the Bayport project.
Bayport was designed to be a high-volume facility with a state-of-the-art personality and that personality permeates, from operations to security, to environmental stewardship.

Its high-tech tool box includes a vast inventory — electronic entry/access gate systems; computerized cranes, state-of-the-art security/surveillance equipment, and even an environment-friendly stormwater containment and first-flush pond system designed to protect the delicate eco-balance of Galveston Bay.

“Bayport was built from scratch,” explains Port of Houston Authority Chairman Jim Edmonds. “It was a ‘blank slate’ project rather than an ‘expand and enhance’ project. In that sense, it has the best and most advanced technology built in, rather than layered atop legacy technology. Such deployment of advanced technology will enable Bayport to operate in the safest and most efficient manner possible; potentially more safely and more efficiently than any other U.S. port.”

Minimum wait time is crucial to the successful operation of any high volume terminal and Bayport’s gate systems are designed to reduce that wait time to a fraction of the time it currently takes for trucks to transfer their loads.

“One of the greatest strengths to us is the gate complex,” says PHA Container Operations Manager Jeff Davis. “I think it will be beneficial to truckers and to us. “It is state of the art and it will provide the trucking industry a lot of value as far as greater efficiencies.”
The gate system is confined to a single complex that will go through three phases over its life cycle, Davis says. The opening phase has eight inbound and four outbound lanes. The next phase will include an additional two inbound and outbound lanes each.

Truckers will be able to process their transactions through intercom communication and hand-held computers without leaving their trucks. A trucker can pull into any one of the lanes, have vital information verified and be directed into the yard in less than three minutes — one-fifth the time it currently takes.

“They can spin into the yard and our Konecranes will give them the best service anywhere in the country,” Davis says, “It’s very streamline, very efficient.”

The use of gate access systems is not new, says Roger Guenther, general manager of container terminals.

“We’ve been looking at these systems since the project was master planned 10 years ago,” Guenther says, “It is commonly used technology at container terminals around the country, especially on the east and west coasts.”

Environmentally, Bayport’s “first flush” capture and containment of stormwater is an industry-leading practice. On-site retention ponds “capture” the first inch of rainwater, containing any surface materials that might accumulate in the yard areas. Sediments accumulated in the retention ponds will be periodically removed to appropriate landfills. The container yard pond is also valved so it can provide another layer of spill protection.

Trench drains throughout the terminal can be isolated to contain a spill, and oil-water separators are located in special areas. A leaking container station area is isolated from the stormwater system.

Bayport’s four ship-to-shore and 12 rubber tired gantry (RTGs) cranes are high-tech tools requiring “trained personnel on the electrical and mechanical sides,” as well as operators who “have tremendous hand-eye coordination and the visual perception to operate the cranes,” PHA Operations Manager Jimmy Jamison says.

The ship-to-shore cranes have been set back from the face of the wharf 20 feet for safety and operational flexibility to meet industry standards. The cranes can currently reach out 178 feet and can pick up a container weighing as much as 65 tons. Even though they are heftier, the new cranes are 15 percent faster than anything in PHA’s existing inventory.

Trolley speed is 800 feet per minute and a trolley can hoist a rated load 250 feet per minute.

Summing it all up, the gate system, security, environmental and lifting equipment all conspire to make Bayport a model port for the future, Guenther says.

“It takes us from the era of vacuum tubes to paperless transaction.” Guenther says of the entry/access system.

“Our NAVIS (Web access booking, container and gate transactions) system gives a lot more access and visibility into the system.”

“We’ve purchased a vessel planning module allowing for more efficiencies on container handling in the yard,” Guenther says, “We’re putting stevedoring and terminal operations on the same system and we’re all singing from the same sheet of music. It enhances our ability to track equipment and containers in a real-time setting. This increases the efficiency of the terminal, as well as the stevedore’s productivity.

“The cranes technology we have today serves as a good platform for future technologies to enhance efficiencies,” Guenther adds, “It allows for upgrading, instead of replacing obsolete equipment. The more efficient we are, the more cargo we get and that means more jobs.”
Port of Houston Authority Commissioners, other public officials and leaders in the maritime industry and the private sector have collectively applauded the efforts that have brought the opening phase of Bayport to stage.

Here is what some of them have to say about the presence of the most technologically advanced container terminal on the U.S. Gulf Coast:
Robert Eckels, Harris County Judge
“Harris County voters have made a wise investment in the future of our economy. Congratulations to the Port of Houston Authority and the Port commissioners for a job very well done.”

Sylvia Garcia, Harris County Precinct 2 Commissioner
“Having grown up in a community near the Port of Houston and having been around people who went to work there every day, I know first-hand how important this port is in helping to make people’s lives better. Bayport does even more than that. With its high environmental standards, it is proof that industry can be environmentally responsible, while having sound business practices.”

Bill White, Mayor, City of Houston
“The Port of Houston continues to energize Houston’s economy and link us to the global marketplace. The opening of the new Bayport Terminal will keep the port on the cutting edge of international trade and shipping and will ensure more jobs and a stronger Houston.”

John Manlove, Mayor, City of Pasadena
“We hear a lot about state-of-the-art this, and state-of-the-art that, and we sometimes lose sight of what that all means. State-of-the-art means best in the world. There are a lot of terminals along the Port of Houston, but there is only one in the city of Pasadena and people, I’m here to tell you, this terminal is state-of-the-art!”

Jim Edmonds, Chairman, Port of Houston Authority
“It’s one of the most meaningful things that have happened to the port, ever, given the extraordinary worldwide growth in the area of containerization. In order to meet demand, we need this infrastructure. Also, it helps us to achieve our mandate of creating jobs for the local economy.”

Ned Holmes, Chairman Emeritus, Port of Houston Authority
“I had the great privilege of serving as chairman of the Port Commission from 1988 to 2000. Those were some very exciting years during which we secured congressional approval for the much needed project to deepen and widen the Houston Ship Channel, and also overwhelming voter approval in 1999 to fund this first phase of Bayport. This is a glorious day and I am proud to be here to see the climax of so many years of work to make Bayport a reality.”
Steve Phelps, Commissioner, Port of Houston Authority

“With the global containerization market at full swing, the Houston economy going strong and the dominant position the Port of Houston maintains on the U.S. Gulf Coast, startup operations at Bayport Container Terminal couldn’t have come at a more opportune time. Bayport represents the next major step in ensuring Houston’s diverse economy will continue to grow and prosper.”

Jim Fonteno, Commissioner, Port of Houston Authority

“The Port of Houston Authority continues to deliver on its promise to boost commerce and economic growth in our region. Bayport terminal is the latest example of that promise. With its technology, sensitivity to the environment, room for expansion and strategic location, Bayport will be a strong and synergistic catalyst for the entire region’s economy.”

Kase Lawal, Commissioner, Port of Houston Authority

“The new Bayport Container Terminal at the Port of Houston will have more capacity to handle container and ocean cruise ship traffic. As a result, the Houston-Harris County region will benefit from the increased economic and employment vitality and as well as from the marketplace expansion into Asia, Africa, Central and South America. Bayport is a welcome addition to the port’s 90-year history and a great step forward in the port’s leadership role in the international shipping industry.”

Jimmy Burke, Commissioner, Port of Houston Authority

“Our quality of life starts with good jobs. Few things affect our lives more than jobs. In the grand scheme, that’s what Bayport does — it creates jobs and provides for job growth. It has indeed been a pleasure to work with Chairman Edmonds and my fellow commissioners on such an impacting project as the Bayport facility.”

Janiece Longoria, Commissioner, Port of Houston Authority

“Bayport brings to fruition visionary plans that will enhance the port’s presence in the global marketplace and strengthen our local and regional economies. Strategically positioned to play a critical role in international maritime commerce, Bayport establishes the necessary infrastructure to attract increased container traffic, while remaining sensitive to environmental quality.”

Elyse Lanier, Commissioner, Port of Houston Authority

“Just over seven years ago, then-Chairman Ned Homes, today’s Chairman Jim Edmonds, Commissioners Steve Phelps, James Fonteno Jr. and Kase Lawal along with Executive Director Tom Kornegay and former port commissioners asked voters to allow construction of Bayport. The people responded with a resounding yes. It took a lot of hard work to get it done, and I believe that those involved are true heroes of public service. They did the right thing building Bayport. Their reward is all around, and they deserve our thanks.

The opening of the Bayport terminal is an important and exciting milestone for Harris County. Bayport is a
great example of how our port is the economic engine that drives this region. It will have a huge economic impact — increasing our combined cargo and cruise business revenue significantly. Thank you to all of you.”

**Tom Kornegay, Executive Director, Port of Houston Authority**

“The Bayport terminal will result in the creation of thousands of new jobs and will add hundreds of millions of dollars to the region’s economy. The terminal’s modern facilities will enable the PHA to provide efficient services to its existing and future customers. Bayport is the recognition that Houston can continue to be a global business center by continuing to service the international trade that provides so many goods to the enormous consumer base served by the port.”

**Wade Battles, Managing Director, Port of Houston Authority**

“Bayport stands as a model for the shipping industry. It was planned, designed and built to address present and future market demands, with an emphasis on efficiency, productivity, and environmental stewardship. The state-of-the-art security, environmental and noise-light mitigation features integrated into its design and operation represent the things 21st Century industries should strive for — to be productive, cost-effective and responsible industrial neighbors.”

**Charlie Jenkins, Director of Planning and Environment, Port of Houston Authority**

“In designing Bayport, the port authority listened to our customers, resource agencies and the public to balance Bayport’s design. And the terminal will be better because of their input.”

**Jeffrey Baldwin, U.S. Customs and Border Protection Field Office Director**

“CBP (Customs and Border Protection) has had a distinct advantage with Bayport. From its initial proposal to final design, CBP and the PHA have worked together to integrate CBP technology into the facility plan. This is different from having to adjust and adapt technology to existing port structures. For example, the Port of Houston Authority has incorporated the radiation portal monitors into their design and exit gate at Bayport. Each operational phase will add security measures.”

**Captain Robert Thompson, Presiding Officer, Houston Pilots**

“We are grateful to the Port of Houston Authority for its efforts in making the ship channel the safest it has ever been in its navigational history. Those efforts to successfully obtain funding for much needed deepening and widening of the ship channel will enable us to handle the bigger, wider vessels of the future. I want to thank you all and to tell you we look forward to bringing ships to Bayport for many years to come.”

**Frank Baragona, President, CMA CGM (America) Inc.**

“We value the trust and respect that allowed the Port Authority to award Phase I of Bayport to CMA CGM. We are proud to partner with the Port of Houston Authority in positioning Bayport on the global stage.”

**Walt Niemand, President-CEO, West Gulf Maritime Association**

“The Port Authority has always done what it takes to keep business coming to this port. Bayport, like Barbours Cut Terminal before it, will once again transform the Port of Houston.”

**Clyde Fitzgerald, President, South Atlantic and Gulf Coast District, International Longshoremen’s Association**

“We have worked closely with the port authority for many years to make sure that the port remains competitive and can keep growing. Bayport lets the ILA workers know that there is a future for them, and their children, and their children’s children.”

Port of Houston Authority | JANUARY/FEBRUARY 2007
Bayport will have an immediate impact on the local containerized cargo market, say those responsible for managing it, but it takes hard work to turn it into a full-service, turnkey operation.

The initial challenge will be to maximize the new terminal’s current resources and find the best fit to relieve the pressures felt by a very busy sibling terminal at Barbours Cut.

What does it take to manage the most modern container terminal on the U.S. Gulf Coast? A cohesive group of professionals with the ability to see the big picture.

Bayport will have an immediate impact on the local containerized cargo market, say those responsible for managing it, but it takes hard work to turn it into a full-service, turnkey operation.

The initial challenge will be to maximize the new terminal’s current resources and find the best fit to relieve the pressures felt by a very busy sibling terminal at Barbours Cut.
Bayport

What you don’t see: Bayport wharf is supported by more than 1,300 concrete shafts, three feet in diameter, each as long as 120 feet.

Barbours Cut Terminal Manager Roger Guenther, who also oversees operations at Bayport, says the fledgling terminal will have its own management team, but that oversight will take place from Barbours Cut.

“In the very beginning, we will take on tasks with centralized management of both terminals, so we can benefit from the synergies of both operations and ensure they are operating efficiently,” Guenther says.

“We will have dedicated operations and maintenance managers at both locations,” he says. “However, we don’t want to duplicate certain management functions.”

Regarding intermodal and storage development, Guenther says, “Plans are under way to start looking at development of warehouse, permanent maintenance facilities, administration buildings and other amenities. Guenther, who has been in the business nearly 20 years, says he is “absolutely excited” about Bayport and its potential.

“The challenges are greater every day,” he says. “Having been on the master planning team and seeing plans on a drawing board come to fruition is the most exciting thing about it.

“There are a lot of people from all areas of the port authority, that have contributed to Bayport,” says Guenther. “We have a great group of people who are forward thinking and who have challenged themselves on a daily basis to bring this terminal to reality.”

Despite its high tech bells and whistles, an expansive footprint that allows room for growth and an arsenal of modern container handling equipment, Bayport is still a relative babe in arms as it grows toward realizing its full potential.

“This is just the opening phase at Bayport,” says Port of Houston Authority Operations Director Jimmy Jamison. “During this opening phase, there will be constant growth. Initially, we will be looking at our businesses and trying to match up our resources with customer needs. Some of its strengths include its location to the marketplace and being built as part of a master-planned development.

“Barbours Cut is fully built out with all the amenities — rail, warehousing, etc.,” Jamison continues. “Some services require a full complement of amenities like we have at Barbours Cut. At Bayport, right now, we are primarily focusing on accommodating the quick throughput — service to those customers that don’t require warehousing and rail.”

Bayport’s biggest assets are its big cranes and its slick, automated access/entry gate system. Powered by state-of-the-art computer drive systems, Bayport’s four ship-to-shore and 12 rubber tired gantry cranes (RTGs) are designed to meet the growing demand for moving cargo faster and more efficiently — a necessity when shipping lines are increasingly updating their fleets and in an arena where time is money.
Bayport Container Terminal’s first two shipping line customers are excited about the role the new terminal will play in their respective plans for the Houston market.

CMA CGM and Mediterranean Shipping Company (MSC) will be the dominant steamship lines calling at Bayport for the foreseeable future.

Officials from both lines say Bayport fits neatly into their future plans, given its state-of-the-art facilities and strategic location.

CMA CGM has already begun calling at Bayport and MSC plans to begin service to Bayport in November.
“Bayport will provide a more efficient and cost-effective operation,” says Frank J. Baragona, president of CMA CGM (America) Inc. “Our customers and truckers will see an improved turn time through the facility.

“CMA CGM, the third-largest container shipping group in the world, has actively invested in terminal operations in the world’s ports to ensure high-quality, reliable terminal operations for its ships,” Baragona says. “Today, this strategy has become even more important with the arrival of the new giant carriers.”

John Mullaney, senior vice president of operations for Mediterranean, is excited about the new terminal’s potential and its role in his company’s future operations in Houston.

“We’re ecstatic over the (terminal’s) opening,” says Mullaney. “Obviously, our vessels have outgrown the current operation. We are operating post-Panamax vessels and Bayport is the answer to our immediate needs.”

Last year, Terminal Link S. A., a subsidiary of CMA CGM, formed Terminal Link Texas LLC, a joint venture with Marine Terminals Corporation East, that will provide stevedoring, terminal operations and maintenance and repair functions at Bayport.

“It is very important to CMA CGM to look beyond the short-term fix and focus on a long-term solution that confirms our commitment to our customers and supports the company’s strategy to develop complimentary lines of business to ocean shipping,” Baragona says. “CMA CGM has a proven record of accomplishment for operating terminals and providing stevedoring services in Europe. It is from this foundation that we progressed from becoming a tenant to signing a long-term lease with the PHA for empty containers and chassis operations to forming Terminal Link Texas LLC.”

“We’re ecstatic over the (terminal’s) opening. Obviously, our vessels have outgrown the current operation. We are operating post-Panamax vessels and Bayport is the answer to our immediate needs.”
PHA has agreed to lease up to 25 acres within the Bayport Terminal Complex for development and operation as an empty container chassis operation.

MSC will also have an empty container storage facility on the complex.

“By the time we go in there, they will have added an additional 50 acres of (developed) land and two more cranes,” Mullaney says. “Between us and CMA, there will be enough cranes to satisfy our vessel needs. Obviously, there are a lot of things we need to do in order to perform operations down there. We’ve elected to have our own empty container yards inside the terminal facility.

“It will have an enormous impact on truckers and shippers as far as speedy turnaround,” Mullaney continues. “At the present time, we’re talking about 20–25 acres of land for storage of empty containers.”

CMA CGM currently offers two services into Houston — one of its Pacific Express Services operating to and from Asia via the Panama Canal, and its Victory Bridge Service to and from the Atlantic.

Eight new 5100 twenty-foot equivalent units (TEUs) vessels will be introduced into the Pacific Express Service as they are built to provide service by the end of 2007. The Victory Bridge has five ships that currently call Barbours Cut, and CMA CGM will evaluate a transfer to Bayport.

Bayport’s location, Mullaney says, is ideal for MSC’s operations in the Caribbean.

“Right now, we have three weekly services calling (at Houston),” Mullaney says. “Our European, Mediterranean, and East Coast of South America markets operate as feeder vessels for our international operations because of the crossover of vessels in the Caribbean. Bayport is strategically located in a great position for (servicing) the Gulf.”
Both executives gave Houston high marks for its strategic location, growth potential and overall role in the U.S. commercial maritime picture.

“Houston is the fourth most populous city in the U.S behind New York, LA, and Chicago and is a major consuming market on its own,” Baragona says. “Many of our major customers are locating distribution centers in the Gulf area because it is an accessible central location to distribute shipments to the East, Midwest and yes, the Western areas.

“Having the Malcolm Baldridge Foreign Trade Zone is also convenient for our international import customers,” Baragona says. “The continued demand for exports of chemicals, petroleum products, cotton, and wastepaper that moves through the Gulf area requires that we upgrade the size of our vessels to support customer demand.”

Mullaney’s assessment is even bolder.

“MSC and CMA have the potential to blow Bayport out of the market for the next five years and never see another carrier come in there,” he says. “Right now, Houston is a huge and growing market. We’re moving cargo to the market.

“Houston has suffered from a lack of (maritime) development,” Mullaney says. There are a lot of businesses that want to come to Houston, but can’t because of the absence of infrastructure. There is a real waiting list of companies that want to come down there.

“No question about it. You could use another Bayport already,” Mullaney says.

“Bayport will provide a more efficient and cost-effective operation. Our customers and truckers will see an improved turn time through the facility.”
BAYPORT’S CONTRACTORS MAKE IT HAPPEN

A-1 Hydro Mulching of Texas
ABSG Consulting, Inc.
Advancech Systems 2, Inc.*
Advance Fire Protection
Advanced Weigh Technologies*
Aggregate Technologies*
Air Communications Co., Inc.
Aleco, Inc.
Andy L. Helms*
A & N Consulting*
ATI
Atser, LLC.*
Aviles Engineering Corp.*
B & E Reprographics*
Ben C. Gerwick, Inc.
Borco of Texas
Bovay Engineering
BRH-Garver Construction, LP
Busby & Associates, Inc.*
C3S, Inc.*
Cajun Constructors
Cash & Associates
CB & I Constructors, Inc.
Centerpoint Energy
Central Delivery Service*
CH2M-HILL, Inc.
Cherry Moving Co., Inc.
City Sprint*
Coleman Contracting Group, Inc.
Continental Materials Services*
Corrigan Consulting*
CRA, Inc.
Crouch Environmental Services, Inc.*
D’Ambra Steel Services*
Dabney Engineering*
Dannenbaum Engineering Corp.
Dashiell Corporation
DMJM+Harris
Doran Steel, Inc.*
E2 Consulting Engineers*
EDH Plumbing Contractors*
Emerald Standard Services, Inc.*
Engineering Projects, Inc.*
Environmental Consultants and Management Services*
Farmer Foundation Drilling, LC.*
Fire Protection Services
Fireproof Contractors, Inc.
Forde Construction Co., Inc.*
Foster Fence Corp.
Frank J. Dillard & Associates
Frederic R. Harris, Inc.
Fugro Consultants, LP
GBB International
Gee & Jenson Engineers & Architects-Planners, Inc.
George Hedge Contractors*
Geotech Engineering & Testing*
Geotest Engineering, Inc.*
Gottlieb, Barnett & Bridges, LLC.
Great Bear Construction*
Greenway Services
Griesenbeck Architectural Systems, Inc.
Gulf States Protective Coatings, Inc.*
Han-Padron Associates
Hayden Paving, Inc.*
Haynes Whaley Associates, Inc.
HBC/Terracon
Hermes Architects
Hi-Tech Electric, Inc.
HTS, Inc.*
HVJ Engineering & Associates*
Independent Steel Erectors

Baypoint

Over the past two years, Bayport has had an average of over 300 contractor personnel working on site each day.
PHA will operate the initial container terminal with four ship-to-shore cranes and 12 RTGs (yard cranes).
The Port of Houston is expanding and your company could be a part of this growth in 2007! With the Bayport terminal opening, the Port of Houston will become one of the fastest-growing cargo and cruise ports in the world. The *Port of Houston Magazine* is a perfect marketing venue to capture your segment in this growing market.

**Targeted Circulation 15,000**

With a targeted circulation of 15,000 readers for the *Port of Houston Magazine*, you can be assured that the subscribers are actively doing business within the Port of Houston community. This is a well read publication that will showcase your company and deliver your message to market.

Who frequents numerous trade conferences, exhibitions and community events. For extended reach and circulation, *The Port of Houston Magazine* is also published online at www.portofhouston.com.

Capitalize on this invaluable branding resource and you’re sure to reach your ultimate decision-makers throughout the year.

**Print Advertising Rates and Specifications**

<table>
<thead>
<tr>
<th>Display Ads</th>
<th>1x rate/issue</th>
<th>3x rate/issue</th>
<th>6x rate/issue</th>
<th>Full Print Program Package – 7x rate/issue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full Page 4 Color</td>
<td>$2,950</td>
<td>$2,650</td>
<td>$2,500</td>
<td>$2,375</td>
</tr>
<tr>
<td>Full Page B&amp;W</td>
<td>$2,490</td>
<td>$2,190</td>
<td>$2,025</td>
<td>$1,925</td>
</tr>
<tr>
<td>1/2 Page 4 Color</td>
<td>$1,950</td>
<td>$1,700</td>
<td>$1,650</td>
<td>$1,575</td>
</tr>
<tr>
<td>1/2 Page B&amp;W</td>
<td>$1,490</td>
<td>$1,290</td>
<td>$1,240</td>
<td>$1,175</td>
</tr>
<tr>
<td>1/4 Page 4 Color</td>
<td>$995</td>
<td>$895</td>
<td>$850</td>
<td>$800</td>
</tr>
<tr>
<td>1/4 Page B&amp;W</td>
<td>$535</td>
<td>$450</td>
<td>$400</td>
<td>$275</td>
</tr>
</tbody>
</table>

---

Jan/Feb 07 PHA Magazine Ad Close Jan 15; Materials due Feb 1
Mar/April 07 PHA Magazine Ad Close Mar 15; Materials due April 1
May/June 07 PHA Magazine Ad Close May 15; Materials due June 1
July/Aug 07 PHA Magazine Ad Close July 15th; Materials due Aug 1
Sept/Oct 07 PHA Magazine Ad Close Sept 15th; Materials due Oct 1
Nov/Dec 07 PHA Magazine Ad Close Nov 15th; Materials due Dec 1

**Special request ad positioning** — add 15% to gross rate.

Additional charges for ad production will be incurred when ads are not submitted to specifications and/or require rework by publisher to attain required specifications.

**Mechanical Requirements**

- Full pg trim: 8” w x 10.5” h
- Full pg bleed: 8.25” w x 10.75” h
- Full pg live matter: 7” w x 9.5” h
- 1/2 pg horizontal: 7.5” w x 4.75” h
- 1/4 pg standard: 3.625” w x 4.75” h

**To Reserve Your Ad Space, or for Additional Information, Please Contact:**

Alli McEntyre • Journal of Commerce Shipper Group • Phone: 225-686-1726 • Fax: 504.285.1998 • E-Mail: amcentyre@joc.com • Web site: seaportinfo.com
April 27 through May 4, 2007  
Hilton Americas – Houston • Houston, Texas U.S.A.

The Port of Houston Authority looks forward to hosting Simply the Best International Association of Ports and Harbors World Ports Conference in Houston. The 2007 world conference will unite world port leaders to discuss issues of immediate and long-term interest and concern of the industry. State-of-the-art maritime technology will be showcased at the conference exhibitions, and many social activities are planned to showcase the best in entertainment and cultural activities Houston has to offer!

Highlights of the working sessions include:

• Globalization of World Economy and Its Impacts onPorts
• Port Security and Risk Management
• Challenges to Port Environment
• Ports Adapting to Future Business Development Opportunities
• Logistics Infrastructure and Port Strategies
• New Technological Innovations for Port Operations

Each registration includes:

• Admission to the plenary and working sessions
• Admission to the exhibit hall
• Technical tour of the Bayport Container Terminal
• Admission to all social programs
• Conference breakfasts, breaks and lunches
• One Accompanying Person registration
• Simultaneous interpretation: English, Chinese, French and Japanese

Register today!
IAPH Member: $2,250 USD
IAPH Non-member: $2,600 USD

Visit www.iaph2007.com
for more information or to register!
Gen. III and Gen. IV
Obsessed with getting it right.

David Cooper, Jr.; David Cooper, Sr.; Angus Cooper II; Angus Cooper III; Scott Cooper

Cooper/T. Smith
Corporation

Generation 3 and 4 at the helm of Cooper/T. Smith speaks volumes about stability and progressive vision. We treat our customers like kings and have for 100 years. We are committed to the next hundred, too.

Stevedoring • Logistics • Tugboats • Midstream Transfers • Insurance ...

www.coopertsmith.com