

86th Legislature, Interim Charge 4, Request for Information

House Committee on Transportation

September 18, 2020

Interim Charge 4

Study the state's seaport infrastructure and the infrastructure at land ports of entry to facilitate international trade and economic growth. Examine seaport infrastructure and the auxiliary rail and roadway needs connected to each port as well as the port's ability to keep pace with oil and gas production. Make recommendations to maximize the economic flow of goods and products to and from seaports and study the feasibility and economic impact of dredging and widening Texas ports in order to remain competitive in international trade. Examine the infrastructure at international border ports of entry in Texas and identify transportation-related impediments to international trade that negatively impact the state. Make recommendations to reduce border wait times, facilitate economic growth, and expedite trade (Joint charge with the House Committee on International Relations and Economic Development).

Seaports

Section 51.007, Texas Transportation Code, and Chapter 55.008, Texas Transportation Code, require the Texas Department of Transportation (TxDOT) to biennially submit reports on the Gulf Intracoastal Waterway and a Maritime Port Mission Plan. These reports are required to be submitted to the Texas Legislature in advance of each regular legislative session. The Port Mission Plan outlinestrends and issues impacting Texas ports at a system-wide level, identifies key challenges and opportunities for Texas ports, and provides critical strategies that the state and the ports must pursue to improve their competitive position. The 2022-2023 Texas Port Mission Plan comprises three distinct sections focused on different types of port infrastructure:

- 1. The Port Capital Program;
- 2. Ship Channel Improvements; and
- 3. Port Connectivity Improvements.

The Port Capital Program section of the Texas Port Mission Plan provides a listing of high priority port projects of statewide significance recommended for funding if funding from an eligible source becomes available. All public maritime ports and navigation districts in Texas are eligible to apply to include projects in the Port Capital Program. The Port Capital Program section identifies the state's maritime needs by outlining capital projects, plans, and studies that:

- Enhance international trade;
- Promote cargo growth and cruise passenger movement;
- Enhance security;
- Increase maritime port revenues;
- Provide an economic benefit to the state; and
- Connect maritime ports to other transportation modes.

The ship channel improvement section of the Texas Port Mission Plan identifies and summarizes projects and feasibility studies that have been authorized by the United States Congress and are therefore also eligible for the funding, should funding become available, from the state Ship Channel Improvement Revolving Fund. Project details include current and proposed channel depths, channel improvement features (e.g., widening and turning basins), design vessels and key commodities targeted by improvements, and project benefits. This section also includes an overview of Texas ship channels, how Texas ship channels impact the Texas economy, and the process of obtaining authorization and funding for making improvements along the ship channels.

The port connectivity section of the Texas Port Mission Plan aims to develop a more comprehensive understanding of all port connectivity needs, including both waterside connections within the port and landside connections such as roadway, railway, airport, and pipeline that extend outside of the ports. The section documents existing port connections, assesses system demand, and identifies mobility needs and opportunities to improve multimodal port connectivity. It also identifies potential funding and financing options, such as state funding and federal grant or loan opportunities, for connectivity projects included in different port's plans.

The information in the Maritime Port Mission Plan and the Gulf Intracoastal Waterway Report directly addresses the committee's charge related to Texas seaports and the related transportation facilities and systems connected to Texas seaports. While the updated final reports for the 87th (2021) Legislature will not be finalized and submitted until December 2020 (at which time TxDOT will submit the reports to the committee), to address the committee's request for information, TxDOT submits the following reports from 2019 at this time.

The reports listed and hyperlinked below were submitted to the Legislature in December 2018, in advance of the 86th Regular Legislative Session (2019). As a result of the passage of Senate Bill 1959 (86R, 2019), TxDOT will be merging all reports previously required in Chapter 55, Texas Transportation Code, into one Maritime Port Mission Plan. As stated above, the updated reports will be submitted in December 2020.¹

- Gulf Intracoastal Waterway Report (Chapter 51, Texas Transportation Code)
- <u>Texas Port Mission Plan: Investment Strategy (Chapter 55, Texas Transportation Code)</u>
- Texas Port Mission Plan: Port Capital Program (Chapter 55, Texas Transportation Code)
- Texas Port Mission Plan: Port Connectivity (Chapter 55, Texas Transportation Code)
- Texas Port Mission Plan: Ship Channel Improvement (Chapter 55, Texas Transportation Code)

TxDOT stands ready to respond to the committee with any follow-ups or specific questions on the above reports that may assist the committee in preparing its interim report.

Border Points of Entry

Transportation infrastructure in Texas plays an important role in facilitating the nation's trade with Mexico. Given the current and projected travel demand, improving the existing multimodal infrastructure capacity and operations is critical to alleviate traffic congestion, facilitate international trade, reduce environmental impacts, and improve the quality of life for residents in the border region.

¹ <u>https://www.txdot.gov/inside-txdot/division/maritime.html</u>

TxDOT, in collaboration and partnership with the <u>Border Trade Advisory Committee</u>, is currently working with U.S. and Mexican agencies and stakeholders to develop and finalize the 2020 Border Transportation Master Plan (BTMP).² The master plan will identify the cross-border challenges of moving people and goods and include an analysis of existing transportation systems-roadway, transit, pedestrian, pipeline, airport, maritime, and rail. The plan will analyze current and future transportation with a prioritized list of transportation investment strategies that support binational, state, regional, and local economic competitiveness and improve cross-border trade and transportation impacts.

TxDOT believes that the information that will be in the Border Transportation Master Plan directly and comprehensively address the committee's charge as it relates to Texas border points of entry and the related transportation facilities and systems connected to the Texas border points of entry. While the 2020 Border Transportation Master Plan is not planned to be presented for consideration and adoption by the Texas Transportation Commission until December 2020 (at which time TxDOT will submit the reports to the committee), to address the committee's request for information, TxDOT submits the following relevant reports at this time³:

- 2019 Border District Trade Transportation Report; and
- 2018 International Trade Corridor Plan.

2019 Border District Trade Transportation Report

Rider 14(a), TxDOT Bill Pattern, General Appropriations Act, requires TxDOT to report on TxDOT's trade transportation activities in its three border districts annually. TxDOT's three border districts—El Paso, Laredo, and Pharr—are responsible for and have been working to identify transportation needs and developing strategies and investments that support the safe and efficient movement of United States (U.S.) and Texas trade with Mexico.

2018 International Trade Corridor Plan

The International Trade Corridor Plan report is a biennial report required by Sections 201.114 and 201.6011, Texas Transportation Code. Section 201.6011 states (1): "(a) To the extent possible, the department shall coordinate with appropriate entities to develop an integrated international trade corridor plan. The plan must: (1) include strategies and projects to aid the exchange of international trade using the system of multiple transportation modes in this state; (2) assign priorities based on the amount of international trade, measured by weight and value, using the transportation systems of this state [...]; (3) address implementation of the recommendations of the Border Trade Advisory Committee [...]. In compliance with the requirements set out in the Texas Transportation Code, this document includes information on: Texas' global trade, including information on the state's major commodities traded and major trading partners. Texas' trade with its top five trading partners, Texas' infrastructure facilitating trade, including an overview of Texas' major trade corridors and Texas' gateways (e.g., commercial vehicle and rail border crossings, marine ports, and inland ports).

² http://www.dot.state.tx.us/move-texas-freight/committees/border/default.htm

³ https://www.txdot.gov/inside-txdot/forms-publications/publications/international-relations.html

Planned investments in major highway trade corridors that facilitate trade and Non-highway investments that facilitate trade.

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