



PORTCORPUSCHRISTI

January 29, 2018

President Donald Trump
The White House
1600 Pennsylvania Avenue, N.W.
Washington, DC 20500

Dear Mr. President:

We are collectively writing to express our unequivocal support for Port of Corpus Christi Ship Channel Improvement Project (CIP) and ask that you include \$60 million for this project in your Fiscal Year 2019 Presidential Budget to begin Federal participation in its construction. This critical construction project has been authorized by Congress on two separate occasions – the Water Resources Development Act of 2007 (WRDA 07) and the Water Resources Reform and Development Act of 2014 (WRRDA 14). In addition to the Congressional authorizations, the CIP has gone through the U.S. Army Corps of Engineers' (USACE) rigorous benefit-to-cost analysis, which concluded this project has national benefits of \$2.65 cents for every \$1 dollar invested at the 7% discount rate. To better position this project to receive federal construction dollars, officials from the Port of Corpus Christi negotiated and executed the required Project Partnership Agreement with the USACE in September 2017¹, which included \$32 million in accelerated funding from the port authority.

Currently, the Port of Corpus Christi (Port) is our nation's 4th largest seaport by tonnage and the largest export port for U.S. produced crude oil and is on pace to become one of the largest exporters of liquefied natural gas by 2020. Since the first shipment of American crude abroad in 2015, Corpus Christi now exports 61 percent of the 478 million barrels sold by the United States. Completion of the CIP would allow Very Large Crude Carriers (VLCC) to navigate the channel allowing larger shipments of exported oil and gas to trading partners in the global marketplace.

The Port generates approximately \$20 billion in economic activity for the state of Texas, including nearly \$5 billion in personal income, as well as \$353 million in state and local taxes and 80,000 in port-related jobs. The Texas Congressional Delegation supports the CIP and on August 4, 2017² and December 18, 2017³, members of the delegation wrote to the Acting Assistant Secretary of the Army (Civil Works), Douglas Lamont, and USACE Chief of Engineers, Lieutenant General Todd Semonite, and requesting assistance in the Fiscal Year 2019 Presidential Budget.

¹ <http://portofcc.com/press-release-port-of-corpus-christi-approves-project-partnership-agreement-with-the-u-s-army-corps-of-engineers-for-deepening-widening-of-the-corpus-christi-ship-channel/>

² August 4, 2017 letter to USACE from Texas Congressional Delegation

³ December 18, 2017 letter to USACE from U.S. Sens. Cornyn (R-TX), Cruz (R-TX) and Inhofe (R-OK)



The 2015 lifting of the U.S. crude oil export ban allowed our companies to invest nearly \$50 billion in industrial projects underway in South Texas that rely on the Corpus Christi Ship Channel to move our products, creating tens of thousands of jobs and billions in additional economic output. Many of those new industrial projects include announced pipelines from Permian Basin to the Port of Corpus Christi designed to handle significant increases in U.S. oil and gas production, which will enhance U.S. energy dominance and our allies' energy security well into the future. Considered alongside the shipments of 5.6 million barrels of liquefied petroleum gas and 101 million barrels of petroleum products each year, our companies have helped the port become a net exporter of oil and gas, positioning it as a national gateway for global energy trade.

Our monthly trade deficit currently exceeds \$65.3 billion and continues to grow. Critically, the Port of Corpus Christi CIP project can play a role in reducing the trade deficit. Many other U.S. ports continue importing record amounts of containerized cargo from countries like China. In 2017, the Port alone exported more than \$6 billion of crude oil to U.S. trading partners.

Funding the CIP is an opportunity to invest in a national transportation asset that would allow our U.S. companies and the port to significantly increase our export capacity and help solidify the U.S. as a world energy leader. Thank you for your personal attention to this matter of importance to people and businesses of Corpus Christi, TX, and the United States.

Sincerely,



Vicki Hollub
President & CEO, Occidental Petroleum
Corporation



Bradley Barron
CEO, NuStar Energy L.P.



Clark C. Smith
Chairman, President & CEO
Buckeye Partners, L.P.



Mike Howard
CEO, Howard Energy Partners



Greg Armstrong
CEO, Plains All American Pipeline



Jack A. Fusco
President & CEO, Cheniere Energy, Inc.