

Texas Senate Committee on Transportation

Testimony by Mr. Sean Strawbridge  
Chief Executive Officer  
Port of Corpus Christi Authority



**PORTCORPUSCHRISTI**

February 21, 2018

Mr. Chairman, Members of the Committee, thank you for the opportunity to address you today. My name is Sean Strawbridge and I am the Chief Executive Officer of the Port of Corpus Christi Authority. As the Nation's 4<sup>th</sup> largest seaport in total tonnage, moving over 100 million tons in 2017, the Port of Corpus Christi is an economic engine for the South Texas Coastal Bend, the State of Texas, and the Nation. Seaport cargo activity accounts for 26 percent of U.S. GDP, over 23 million American jobs, and generates over \$320 billion annually in federal, state and local tax revenues. The twelve Texas public Port Authorities represent over 5 million jobs, nearly 235 billion in personal income, and over \$1.1 trillion in annual economic output.

Since the export ban on U.S. produced crude oil was repealed in December 2015, the Port of Corpus Christi has exported over \$6 billion of crude oil to global trading partners, and currently is the largest export port of U.S. produced energy in the Nation. The Port is one of two National Strategic Military Seaports in Texas in support of the U.S. warfighter overseas. As a major economic engine, the Port of Corpus Christi supports over 80,000 direct jobs in the Coastal Bend alone and over one million indirect and induced jobs nationwide, with over \$150 billion in economic output annually for the United States.

Over the past decade the Port of Corpus Christi has attracted over \$50 billion in privately funded industrial investment to the Coastal Bend, more investment than some entire states. These large-scale, job-creating projects include significant foreign direct investment, as well as American companies placing their hard-earned capital in South Texas. They made their investment decisions based on a winning formula for success, a formula that includes close proximity to the soon-to-be 54' deep draft Corpus Christi Ship Channel, the lifeblood of the Port; the availability of abundant, competitive energy supplies; the availability of low-cost land for development; and the fact that the Coastal Bend still enjoys its air attainment status. Our clean air saves these companies millions of dollars a year in credits.

The 2015 lifting of the U.S. crude export ban continues to bring many other industrial projects to South Texas. Just this past week, the U.S. Energy Information Administration ([eia.gov](http://eia.gov)) announced the United States is on pace to become a net energy exporter by 2022. This is an historic achievement for the United States. The last time the United States was a net exporter of its energy production was 1953, nearly 70 years ago. The Port of Corpus Christi is at the forefront of this energy renaissance as more oil and gas production from the Permian Basin must find a clear path to the consumer markets overseas. Our focus is on moving America's energy, safely and competitively.

Make no mistake, Texas is in competition with other states for more business investment, and we are not immune from today's funding challenges facing the Nation's infrastructure project. While other seaports in the Country benefit from state funding to carry out infrastructure improvement projects, Texas does not provide a recurring state funding source to aid in the development of our valuable seaports. In turn, seaports in Texas are disadvantaged when

competing for new business opportunities. Goods movement is about fluidity and optionality, and Shippers will select a transportation routing based in part on the economics of their supply chain. Ports with deeper channels, sufficient dockside infrastructure and improved road and rail connections typically thrive over those with insufficient capabilities.

The Port of Corpus Christi is not immune from these funding shortfalls, and we are at a time when the need for infrastructure investment has never been higher. Every four years, American Society of Civil Engineers (ASCE) provides a comprehensive assessment of the nation's infrastructure, and American infrastructure as a whole just received a D+ in the 2017 report card. Ports received a C+, and they are in serious need of investment. ACSE notes, "The United States' 926 ports are essential to the nation's competitiveness, serving as the gateway through which 99 percent of overseas trade passes.

Texas Ports have worked hard to promote the importance of our ports to Texas and the national economy. During the 84th and 85th Sessions, the Legislature made Texas Mobility Funds available to improve port connectivity to public roadways. Thank you for recognizing our seaports and for your support of these funds. Projects considered for funding must meet the criteria outlined in Chapter 55 of the Texas Transportation Code, and we do our part by ensuring that each high-value project submitted for funding includes a local match from the seaport. Senate Bill 28 established a revolving loan program to finance deepening and widening projects for navigation districts. Although no funding was provided, such a loan program to improve infrastructure within Texas ports would help us remain competitive.

As you consider the general appropriations bill and transportation funding priorities for the next legislative session, I ask for your support to increase funding to help our ports make the necessary infrastructure improvements that will attract and retain new businesses from all over the world. Projects that keep our ship channels properly dredged and maintained and projects that improve first and last mile connectors, such as road and rail, are necessary to handle increased capacity and congestion over the next decade. These types of projects bring other benefits to our state, such as reduced traffic congestion, improved air quality, and safety enhancements.

Our role at the Port of Corpus Christi Authority, as the national gateway to the global energy markets, is more critical than ever to support American energy, economic growth and global competitiveness. I look forward to being a partner with the Texas Legislature and am committed to working with this committee to explore opportunities.

I thank you for your time and consideration today and would be pleased to address any questions you may have.