



GOVERNOR GREG ABBOTT

April 19, 2018

Lieutenant General Todd T. Semonite  
Commanding General and Chief of Engineers  
U.S. Army Corps of Engineers  
Headquarters, U.S. Army Corps of Engineers  
441 G Street NW  
Washington, D.C. 20314-1000

Dear General Semonite:

Thank you for your hard work to move U.S. Army Corps of Engineers (USACE) projects forward as Texas recovers from the devastating effects of Hurricane Harvey. These projects will save lives, protect our resources and ultimately save taxpayers from the continual repair of damage left behind from repetitive flooding. The hurricane laid bare the challenges we have before us, and with those challenges also come great opportunities. During a recent trip to India, the challenges our waterways and ports face became strikingly evident as India looks to import additional quantities of liquefied natural gas (LNG) and oil from the United States, and Texas in particular.

Texas water ports are responsible for approximately 21.3 percent of all U.S. port tonnage annually and three out of the top six ports in the country for tonnage. In addition to the current capacity moving through Texas ports, the global demand for LNG is projected to grow, and nearly a third of all future U.S. LNG export projects are planned to be in Texas. These Texas facilities have the potential to create more than 136,000 U.S. jobs and more than \$145 billion in total economic impact, which would propel the United States from the No. 16 exporter of LNG in 2016 to the world's second largest exporter of LNG by 2022.

Texas is home to several strategic energy waterways and both the nation's largest leading bulk liquid energy cargo tonnage ship channel and the nation's largest military port. Though all Texas ports are open, because of the hurricane and other natural factors, a majority of the ports and critical waterways, including all of the major ports, are operating with draft restrictions. The gains Texas has seen in our ports are in jeopardy because of a continued lack of New Start decisions to begin the construction of these vital ship channel improvements that are already fully authorized but not being advanced via USACE's internal budget. USACE must act now to

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change the course of our energy and economic security and dredge our energy waterways to authorized levels.

The benefit to our economic and national security is unrealized because of the bottleneck caused by ports unable to transport the very materials that promote national and energy security. We saw this firsthand in the hours and days after Hurricane Harvey. In the month following the storm, ports reported \$20 billion in lost revenue impact because of damage to the waterways and shoaling. Texas is grateful for USACE's quick action to reopen our ports to limited operation status, however, ports are still working at limited capacity, making it difficult to transport the tonnage needed to fully realize the benefits of increased exports. In fact, ships leaving energy dominant ports must short fill their vessels at the refineries and facilities then move offshore to get to capacity because the bulk carriers are unable to pass through Texas channels without dragging.

Investing in our waterways will help the United States continue to lead the way in energy dominance and strengthen our national and economic security. I look forward to working with USACE and federal partners to dredge our ports to the congressionally authorized levels.

Sincerely,

A handwritten signature in black ink that reads "Greg Abbott". The signature is written in a cursive, flowing style.

Greg Abbott  
Governor

GA:jsd