



**“We’ve Got the Ability
and Space to Grow”**



Jim Edmonds
Chairman, Port of Houston Authority

Texas transportation supports vital trade links

Billions of dollars’ worth of goods pass in and out of the U.S. each day, and a significant portion of them pass through the Port of Houston, ranked first in the U.S. for foreign tonnage and second for overall tonnage.

In 2007, the port moved more than 225 million tons of cargo. According to the Port of Houston Authority (PHA), it generates a total economic benefit within the state of \$117.6 billion, including \$3.7 billion in annual state and local taxes. The port’s burgeoning growth garnered it a national award, the 2007 President’s “E Star” Award for export service, in recognition of its continuing support of export growth in the U.S. business community for at least five years. PHA was among only four U.S. organizations to receive the award in 2008.

PHA Chairman Jim Edmonds says Texas’ strong transportation infrastructure help position the port for continued growth.

“We have a good freeway system here in that it allows us to move truck traffic in and out of the port,” he says. “We have excellent rail service in and out of Houston.”

The award reflects another trend — for the first time, the Port of Houston is handling more exports than imports, Edmonds says.

Halfway to Anywhere: Texas Transportation

With a massive transportation network and its central location in the continent, Texas is superbly positioned for its role as the nation’s No.1 state for foreign trade. Each day, hundreds of millions of dollars’ worth of goods and raw materials flow in and out of the state on wings, rails and wheels.

Over the past century, Texas has created a transportation system with few rivals.

- Texas leads all other states in total road and street mileage (300,000 miles).
- According to the U.S. Bureau of Transportation, Texas has seven of the top 50 water ports (in terms of total tonnage) in the U.S.
- Texas has more than 10,000 miles of railroad tracks, more than any other state. In 2002 (most recent data available), Texas rail lines conveyed about 271 million tons of freight, or 12.5 percent of the national total.
- In addition, the Dallas-Fort Worth metroplex and the city of Houston both maintain light rail systems, Dallas Area Rapid Transit (DART) and the Metropolitan Transit Authority (METRO) of Harris County.
- Texas has 303 public-use airports and 23 commercial service airports, with hundreds more private airports and airstrips. More than 61,000 Texans work in aviation, earning about \$2.5 billion in annual salaries. Aviation generates nearly \$8.7 billion in the Texas economy each year.
- More than 91 percent of the state’s population lives within 50 miles of a commercial airport. In 2005, commercial carriers had more than 66.4 million enplanements in the state (that is, persons boarding a plane in Texas).
- Dallas/Fort Worth International Airport (DFW) and Houston George Bush Intercontinental Airport handle most of the air cargo in Texas. DFW handles almost 65 percent of all international air cargo in the state. In 2006, 281,486 tons of air cargo moved through DFW.
- Texas ports provide shipping access to international destinations such as Mexico and Central and South America as well as Europe, Asia and Africa. According to the Federal Reserve Bank of Dallas, Texas’ port activity rose more than twice as fast as the nation’s between 1997 and 2006.
- Texas has 28 seaports, of which three — Houston, Beaumont and Corpus Christi — ranked among the top ten U.S. ports for total cargo tonnage in 2006.

“There is more and more Texas product being shipped abroad, partly because of the dollar and partly because of needs around the world,” he says. “We’re now 60-40 export-imports. It’s a compliment to Texas and to producers as well as to the Port.”

Several factors help position Houston as the new delivery door to the U.S. for importers.

“Our geography is excellent. Texas is a big marketplace with 23 million people,” Edmonds says. “We’re strategically located to be able to ship to the Texas marketplace and to the world. We’re seeing big-box retail put in large distribution centers in and around the port. Over the next 20 years, there’s going to be more throughput into a larger marketplace than just Texas, which is very much what you see in the ports in Savannah (Georgia) and Long Beach (California).”

Texas’ port also has advantages over ports along the West Coast, says Edmonds.

“We’ve got the ability and space to grow,” he says. “If you look at the West Coast, with the environmental issues they have a lack of space to grow. We don’t have all those problems in Texas. We’ve got a lot of growth opportunity here.”

Work is also progressing on PHA’s planned \$1.4 billion Bayport Container Terminal, which will have a maximum capacity of about 2.3 million TEUs (one TEU is equal to 20 linear feet of a shipping container), a 200 percent increase from PHA’s current container-handling capacity. The terminal will be built out in phases over 15 to 20 years to meet demand.

“My expectation would be that we’ll build out Bayport about as fast as we can physically build it,” Edmonds says. “I think there will be enough pressure from our customer base to build it as quickly as we can.”



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- In 2005, Texas ranked first among states in the total tonnage of products imported by waterway or seaport, with about 500 million tons of cargo or about 20 percent of the U.S. total.
- According to the Texas Ports Association, Texas’ marine and intermodal transportation (transportation of goods from ports to their eventual destinations) generates nearly \$65 billion in economic activity annually, equivalent to 10 percent of the gross state product. Each year, Texas ports generate almost \$5 billion in local and state tax revenue and support nearly a million jobs.
- The Port of Houston is the Gulf Coast’s largest container port (that is, standardized containers that can be transferred directly from ships to trucks or trains). In addition, Texas ports generate \$9 billion in federal import tax revenues each year.
- The Gulf Intercoastal Waterway (GIWW) connects Texas ports with the rest of the U.S. In Texas, the GIWW moves more than 73 million tons of cargo each year. This cargo is carried on about 40,000 barges with capacity equivalent to more than 3 million large trucks or 570,000 rail cars.

Gateways to the World

Texas is home to nine of the nation’s largest “trade gateways”— ports, airports and border crossings that provide access for imported or exported goods. Nearly \$331 billion in goods flowed through these locations in 2005.

Texas’ Largest Foreign Trade Freight Gateways, 2005

Gateway	Transport Mode	U.S. Ranking	Exports (\$ billions)	Imports (\$ billions)	Total
Laredo	Land transport	6	\$40.9	\$52.8	\$93.7
Houston	Seaport	7	33.8	52.3	86.1
El Paso	Land transport	14	18.9	24.1	43
Dallas-Fort Worth	Airport	17	15.4	19.7	35.1
Hidalgo	Land transport	33	7.6	10.7	18.3
Beaumont	Seaport	34	1.2	15.8	17
Corpus Christi	Seaport	38	2.2	13.3	15.5
Brownsville	Land transport	46	6.3	5.1	11.4
Texas City	Seaport	47	1.6	9.2	10.8
TOTAL			\$127.9	\$203.0	\$330.9

Source: U.S. Bureau of Transportation Statistics.