



FOR IMMEDIATE RELEASE

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STATE OF THE PORT 2013

FREEPORT, TX (February 19, 2014) – The past year of 2013 was fast and furious. First, I would like to thank the community, various civic organizations, our Commissioners and employees at Port Freeport for such a warm welcome that my wife and I received. We are enjoying being back in Texas and living in the area. We have both been impressed by the involvement of so many people in our community.

Change is always difficult. Over the last 18 months, several individuals left this organization, and other staff members were given new opportunities for leadership. It is my responsibility to ensure they receive my support and the support of our Port Commission, so that they may continue to be successful in their new positions. They are learning quickly and have demonstrated their capabilities in their new assignments.

Looking back over 2013, let's briefly recap what was accomplished. In January, the US Army Corps of Engineers (USACE) and Port Freeport completed an eleven year, \$11 million Feasibility Study, with the signing of the "Chief's Report" by the Secretary of the Army. Port Freeport is working with all of the channel navigation users, Velasco Drainage District, Galveston District for the USACE, USACE's Regional office as well as Headquarters in DC to define the stages of work that must take place to continue our efforts to provide safe navigation, proper levee protection, and continued growth to support the tremendous capital investments that are taking place in the petro chemical industry. In order to create new jobs and continue to support jobs, it is paramount that our efforts are focused on this critical issue. In creating new jobs, Port Freeport completed a long term agreement with Tenaris, supporting Matagorda County's efforts to bring Tenaris Pipe Manufacturing to the region. We have already handled some pipe imports for Tenaris, with additional project cargo due later in 2014 for the installation of machinery at the new mill's site. We expect to see continuing imports of pipe while the new facility is built and significant volumes of cargo will be handled at Port Freeport supporting the daily production in Bay City.

The rebuilding of Berth 7 was completed in June of 2013, and now provides additional berth space for our port and new revenue opportunities. We have also reached a settlement relating to the reconstruction of the berth, freeing our staff from this time consuming process. We can now fully direct our efforts to bringing new business to Port Freeport and the region. To help facilitate this effort, we have purchased 2 "ship to shore" container

PORT COMMISSION

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cranes that will be delivered to Port Freeport in June of 2014. This is another example of Port Freeport investing in our future, as there are significant opportunities to work with the petro chemical industry so that these companies may take advantage of our port for their export needs and save inland expense by not having to use other ports in the area. This will reduce their supply chain cost and enable them to be more cost competitive in the global market place. Through legislative action, the port established “heavy lift” corridors that will provide additional savings to the export community. By utilizing Port Freeport, significant numbers of truck trips will be eliminated from our highways.

What are our plans for 2014? We are currently working on a new “Master Plan” that will carry forward over the next 20 years. This plan will provide a roadmap for future terminal expansion and capital investment, both internally as well as externally. Supporting the growth of our regional industry will be a key objective of this plan. The \$25+ billion capital investments in the region will provide great cargo opportunities for Port Freeport, as project cargo begins to arrive for the expansion of various area facilities. We are preparing for this surge in cargo by ensuring we have sufficient lay down area for oversized cargo, such as machinery. We are working with a “heavy lift” company to enable the port to handle specialized pieces of project cargo, some of which weigh in excess of 400 tons. We must also continue to work with our channel users and the USACE to enhance our current channel, allowing larger vessels to enter our port, day or night.

Finally, as I stated early, there are great opportunities to work with the exporting community in reducing their costs by utilizing our port. Whether it is using a container on barge operation between Port Freeport and the containers terminals in Houston or a direct vessel call connecting to global services via a Caribbean relay port, taking trucks and their containers off the roads, increases safety for all users, reduces emissions, saves road repair cost and is the right thing to do! 2014 will definitely be as fast and furious as 2013.

Glenn A. Carlson

Executive Port Director/CEO

Port Freeport is committed to keeping the local community informed of our operations and results. If you have questions or comments about this article, please email or call Glenn Carlson, Executive Port Director/CEO at carlson@portfreeport.com or 979-233-2667.

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