



## PORT OF HOUSTON AUTHORITY

### **Testimony**

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Good morning, Mr. Chairman and Members. Thank you for this opportunity to appear before your panel to talk about how security and emergency preparedness is handled at the Port of Houston. I believe that we have a good story to tell. As you may know, the Port of Houston is one of the busiest ports in the country and is home to the second largest petrochemical complex in the world. There are more than 150 distinct maritime entities along the upper Houston Ship Channel, including the port authority, and each of us has different business models and security risks. But I am proud to say that when it comes to security and emergency preparedness, the industrial community at the Port of Houston has a strong tradition of effective collaboration and communication. I hope that my participation, along with my colleagues here on this panel, that you will have a better understanding of our challenges and successes.

Before talking about security, it is important to provide you with an overview of the Port of Houston. Specifically, how the port is organized and its various pieces will provide the fundamental understanding of how security is handled. There is a saying that if you have seen one port, you have seen one port. The Port of Houston is a 25-mile-long complex comprised of these 150-plus private companies, as well as the public facilities operated by the Port of Houston Authority.

The port authority, which I represent, is the public entity along the ship channel and it owns or operates eight terminals. While the port authority does have the overall responsibility as the local partner with the federal government in maintaining the Houston Ship Channel, in practical terms, we are one of many players that make up the greater Port of Houston.

As you may know, the federal government has the primary authority at the port regarding security and emergency response. We have several federal partners, but it is primarily the U.S. Coast Guard that

would provide direction and coordination in any all-hazard event. The Coast Guard's mission is also to protect the waterway and regulate the security of vessels and maritime facilities.

While the federal government provides the overall guidance and authority on large incidents, each of us along the Houston Ship Channel has developed emergency response plans that conform to standards in federal law. I can speak, of course, to the port authority's plan for our eight terminals. Our plan is an ongoing, coordinated effort by the Port Security and Emergency Operations Department to respond to any security or emergency situation. On a regular basis, the port authority works closely with the U.S. Coast Guard, Harris County Sheriff's Office, Houston Police Department, federal and local agencies as well as a broad spectrum of external industry stakeholders to provide a coordinated response to security situations.

The port authority has an internal committee that meets regularly to review and revise our Emergency Operations plan, which includes National Incident Management System (NIMS) procedures. We also are the first port in the United States to be certified as obtaining the International Organization of Standardization (ISO) 28000:2007 security standard, and were just recertified in March, 2011, for another three years.

Our Port Security and Emergency Operations Team is led by Captain Marcus Woodring, who joined the Port Authority team in July after retiring from 28 years of service in the U.S. Coast Guard, the last five years here in Houston as both the Captain of the Port and Deputy Commander. He is a Certified Emergency Manager and oversees our Port Police and Marine Departments, encompassing approximately 150 professional responders. He is here with me today, and has the responsibility of directing and monitoring the port authority's security and emergency program while meeting federal, state, U.S. Coast Guard and other regulatory requirements.

As you can see, there are many players involved in security at the Port of Houston. There is the port authority, 150 private industries, as well as partners or authorities at the federal, state and local levels. It is a complex mix. And the stakes are high. Altogether, the Port of Houston is a significant economic engine. According to a third-party economic impact study, marine cargo activity at the public and private terminals of the Port of Houston and along the Houston Ship Channel generates nearly \$118 billion in economic activity in the state of Texas. This activity produces \$3.7 billion in tax revenue and is responsible for more than 785,000 direct and indirect jobs. In 2010, there were 7,800 vessel calls at the Port of Houston and over 150,000 barge movements. This activity makes our overall port the largest in the nation in foreign waterborne tonnage and second in total tonnage.

This port is also critical to our nation's energy security. As I mentioned earlier, Port is also home to the largest petrochemical complex in the United States. The Port of Houston is ranked as largest importer and exporter of petroleum and petroleum products in the United States. The country's largest refinery, with a refining capacity of 567,000 barrels a day, is located on the channel. From Houston, refined energy products are delivered over the infrastructure that transports them to every market east of the Rocky Mountains through the networks of roads, rails, and pipelines originating in Houston. This includes the 5519-mile Colonial Pipeline system, which is the largest petroleum product pipeline system in the nation and is a vital energy artery for the South and East Coast.

But, despite the inherent challenges of this many people and interests, the Port of Houston has demonstrated that we effectively collaborate on security issues. Our successes have been recognized in that we have been called a model for the nation. A quote from a 2009 report by the U.S. Coast Guard on Port Interagency Information Sharing states:

*"Port partnerships are predictably strongest, most collegial and most proactive where major calamities have necessitated life-and-death relationships of trust. This was most evident in the partner interviews in Sectors New York and Houston..."*

One of the significant efforts that helped us earn this accolade is an initiative that was passed by the Texas Legislature. The state of Texas provided great leadership and foresight in the creation of the Houston Ship Channel Security District. Captain Bill Diehl, who is also a part of your panel will speak more about the district and its role in more detail, but I want to spend a few moments and highlight the importance of this recently formed entity. The security district was created to complement the federal port security programs. The federal dollars given to ports for security allowed for great improvements through purchasing equipment or supporting training exercises, but it did not include money for operation and maintenance, personnel or any matching requirement. Harris County, the port authority, and private industry worked together with the legislature to create a management district around the port. The district assesses the industries within its boundaries and these funds will be used in concert with the federal funds to implement regional and port wide security solutions.

Thank you for the opportunity to host your committee hearing here today. I'm happy to answer any questions you may have.