

*Statement of*

**Michel Bechtel**

**Mayor, City of Morgan's Point, Texas**

**Board President, Gulf Coast Protection District**

**3200 Southwest Fwy #2600**

**Houston, TX 77027**

*Before the*

**Committee on Transportation and Infrastructure**

**Subcommittee on Water Resources and Environment**

**United States House of Representatives**

*Hearing on*

**“Proposals for a Water Resources Development Act of 2022: Stakeholder Priorities”**

**February 8, 2022**

Chairman DeFazio, Chairwoman Napolitano, Ranking Member Graves, Ranking Member Rouzer, and distinguished members of the Subcommittee, thank you for the opportunity to testify before you today to discuss stakeholder priorities for the proposed Water Resources Development Act (WRDA) of 2022.

My name is Michel Bechtel. I am Mayor of the City of Morgan's Point, Texas and the President of the Gulf Coast Protection District. In 2021, the Texas Legislature created the Gulf Coast Protection District (the District) to serve as the non-federal sponsor for the storm surge protection system described in the Coastal Texas Resiliency Improvement Plan identified in the US Army Corps of Engineers (USACE) Coastal Texas Protection and Restoration Chief's Report (Coastal Texas Chief's Report), signed on September 16, 2021. The District's five county territory: Chambers, Galveston, Harris, Jefferson, and Orange, is home to over 5.5 million residents, eight ports, and nine congressional districts. The District will also be the non-federal sponsor of the Sabine Pass to Galveston Bay Texas Coastal Risk Management (S2G) projects located in this territory and was fully funded in the Bipartisan Budget Act of 2018.

The Coastal Texas Chief's Report presents a plan that will safeguard the upper Texas coast against hurricane storm surge arising from the Gulf of Mexico and Galveston Bay. Gulf defenses include a gate system and a nature-based beach and dune stem coupled with Bay defense systems involving a Galveston Island ring barrier system and gates and pump station systems on the mainland coast. These multiple lines of defense provide a delicately balanced approach to protecting essential human and economic infrastructure that contributes significantly to the nation's economy while preserving the beaches and unique ecosystems on the Texas coast.

This project is not only important to the safety of upper Texas Coast residents but provides vital protections for the economies of the states you represent, and the nation. During 2021, we witnessed the fragility of supply chains that resulted in monumental and catastrophic economic disruptions. Understanding supply chain perspectives when major hurricane disasters hit the upper Texas coast is important for recognizing the considerable national benefits of a Texas coastal storm surge protection system.

Following major weather events, supply chains are affected by storm damage to structural and human infrastructure. Reduced worker capacity impedes recovery work at facilities thus exacerbating supply chain disruptions. Truck driver shortages, a key component of this human infrastructure, intensify following storms. Trucks move the supply chain for the top 10 commodities including electronics, grocery and convenient store goods, hardware, gravel, grains, and gasoline. Agriculture is impacted by supply chains supporting fertilizer, seed, crop protection products, and machinery parts.

In 2020, the U.S. exported over \$1.171 trillion in manufactured goods, with small businesses comprising ninety-six (96) percent of all exporters in the U.S. The Houston Port Houston region is home to the largest petrochemical complex and export port in the United States, providing \$801.9 billion in national economic value. With sequential major hurricanes hitting the Houston Ship Channel and direct hits 12 miles apart (similar to Louisiana in 2020), critical economic activity in the Port Houston Ship Channel could be shut down for an extended period. This means no port activity, no cargo, no commerce, and no jobs.

Staggeringly, approximately ninety-six (96) percent of all manufactured goods are directly touched by the business of chemistry. Roughly, eighty (80) percent of all primary petrochemicals are produced

in Texas and Louisiana, with Texas being the largest chemistry producing state in the nation.

Approximately, forty-two (42) percent of the nation's specialty chemical stock is required in a wide range of everyday products used by consumers and industry. The business of converting these basic chemicals into textiles, food packaging, automotive parts and safety glass, home furnishings, construction and roofing materials, paints and coatings, pharmaceuticals, and fertilizers occurs in other states, many of which are represented on this subcommittee.

With over seventy (70) percent of the nation's freight by weight moved by trucking and (60) percent of the aviation fuel produced in the upper Texas Gulf Coast affecting air freight, major storms impacting petrochemical and port infrastructure would significantly disrupt manufacturing, retailers, and business operation supply chains in states across the nation. If the region's chemical producers can't produce ingredients, manufacturers can't generate products, truckers and air freight can't move inventories, retailers can't stock shelves, and exports are thwarted. In addition, eighty (80) percent of the nation's military grade fuel is supplied by this region. The deep and significant impact of protecting this region from catastrophic storm surge is evident. The security of state and national economies will be hugely improved with the implementation of the Coastal Texas projects.

In closing, I will leave you with how this could affect your jurisdictions. Import and export commodities moving through the Houston Port region are connected to manufacturing and retail supply chains in each of your states. The following are top commodities based on tonnage that import through Port Houston to states represented on the Subcommittee:

- **Machinery, Appliances and Electronics** are received by California, North Carolina, Arkansas, Georgia, Illinois, New Hampshire, New Jersey, South Carolina, Tennessee, Oregon, and Missouri.

- **Hardware and Construction Materials** received in California, Oregon, Arkansas, Arizona, North Carolina, Georgia, Louisiana, New Hampshire, New Jersey, New York, South Carolina, and Missouri.
- **Automotive** are the top commodities received in South Carolina, Tennessee, North Carolina, and Louisiana.
- **Chemicals, Minerals, Resins and Plastics** received in Arkansas, Arizona, California, Florida, Georgia, Illinois, Louisiana, Missouri, North Carolina, New Hampshire, New Jersey, South Carolina, Tennessee, and New York.
- **Retail Consumer Goods** received in Arkansas, New York, Oregon, Arizona, and Puerto Rico.
- **Steel and Metals** received in Arizona, New Jersey, New York, Tennessee, Oregon, and Missouri.
- **Food and Drink** received in California, Arkansas, Arizona, Florida, District of Columbia, Illinois, New York, New Jersey, and Louisiana.
- **Furniture** received in Florida and North Carolina.

Thank you again for this opportunity. As you deliberate the stakeholder priorities presented to you, I urge you to consider authorization of the Coastal Texas Study. The projects represented in Coastal Texas offer not only a comprehensive storm surge reduction plan but a plan of undeniable return on investment. The Gulf Coast Protection District is ready to begin a long-term partnership with the USACE to carry out this once in a lifetime and landscape-changing project.

Thank you,

Michel J. Bechtel