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Congressional T & I Full Committee Hearing
Testimony

Who: Port Houston Executive Director, Roger Guenther

Topic: State of Transportation Infrastructure and Supply Chain Challenges

When: Wednesday, February 1st, 10am (Organizational Hearing starts at 9:30am)

Where: 2167 Rayburn House Office Building

Background: The Committee's Organizational Hearing starts at 9:30am followed by the 1st hearing of the Full T&I Committee this Congress titled, "The State of Transportation Infrastructure and Supply Chain Challenges".

Testimony

Good Morning Chairman Graves, Ranking Member Larsen, and members of the Committee. It is a pleasure to be with you today. My name is Roger Guenther and I am the Executive Director of Port Houston. The Houston Ship Channel serves the largest Port in the nation, handling more waterborne cargo than any other port in the United States in terms of both annual tonnage and number of vessel calls...by far. Our ship channel sustains more than 3.2 million jobs and generates more than \$800 billion in annual economic impact for the United States.

I can, and I will speak to the challenges and opportunities specifically about Port Houston. I don't speak for other ports but I'm quite sure there are similar issues across the nation. Over the past two years, Houston has not been immune to the challenges of a global supply chain that has been overwhelmed. Our strong partnerships with labor and industry played, and continue to play, a critical role in our ability to push cargo through our terminals and accommodate the increase in cargo share our Gulf region continues to experience. Strained by unprecedented demand, we have seen first-hand how critical each logistical segment along the supply chain has been to the efficient movement of goods. Seaports are one of those critical links.

As demand peaked, terminals became congested as import and export cargo were limited by many factors, and container facilities maxed out capacity because cargo had no place to go and did not move. To ensure a resilient supply chain and be prepared for future demands, investments must be made in our nation's seaports where cargo continues to rapidly grow, and where private investments are being made near ports, in distribution



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centers for imported consumer goods and for manufactured products and agriculture commodities that are exported globally. As Congress provides money for infrastructure, those resources should focus on federal assets – roads, rails, and waterways – or perhaps, inland depots, that are critical to serving the fluidity of our nation’s ports.

I can give you an example of what is going on in Houston. In 2022, as the US container imports were flat, Houston grew 19%. Our exports were up 18% compared to the US overall declined 5%. To put it simply, Houston is an example that is exponentially outpacing the cargo growth around the rest of the nation, and we have had to speed up many projects to try to accommodate this continued growth. We cannot wait. Ports are responsible for capital investments of their own terminals, such as wharf improvements and facilities to accommodate growth. And we are making those investments. But, it must be a federal priority and federal obligation to make the capital investments on the waterside and the landside in our channels and highway infrastructure that serve our nation’s ports to maintain resiliency and fluidity going forward. Houston, and ports most critical to the nation’s economy, should be prioritized for infrastructure investments. If not, the nation’s busiest supply chains are vulnerable to future disruption.

The Houston Ship Channel has been underfunded by 50% - 60% for operations and maintenance dollars over the past several years, resulting in draft restrictions throughout the channel. We have received 18 cents per ton of cargo compared to the national average of 60 cents. Houston serves as the Gateway to the Gulf for many global trade routes. Without an adequately maintained channel, vessels must leave cargo behind at the port of origin, exacerbating supply chain backups. Therefore, if Houston is draft restricted, many of the other Gulf ports effectively are as well. To remain in front of fluid commerce, our federal dollars must go to maintaining the authorized depth at our nation’s most critical ports, like Houston. Vessels continue to get larger and carry more cargo each year. We must be able to accommodate them.

In Houston, we have been able to speed up our deepening and widening project (Project 11) by pre-funding the first segments of the dredging, shaving off about 5-7 years of a traditional timeline. Each day earlier that we deliver this project, which serves more than 200 waterfront facilities, it generates \$366,000 of economic impact to the nation. In the past few years, the federal government has funded several other ports to finish their dredging projects to completion, and adding the Port of Houston to that list would have enormous positive impact on the nation’s economy.



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As I mentioned earlier, each segment of the supply chain including our highways, rail, and those trades that support them, are necessary to make goods movement run smoothly and efficiently. As I am joined here today by experts in those fields, I am sure they can shed more light on those specific segments. Mr. Chairman and committee members, I applaud your commitment to funding solutions to ensure we learn from the past supply chain crisis and are well prepared to minimize the next.

Thank you for your time today, and I am happy to answer any questions y'all may have.