Membership Meeting
Fluor Auditorium
Thursday, May 19th, 2016
7:30 a.m.
Good morning and Thank you
Port Freeport is located in Brazoria County on the Texas Coast on the Gulf of Mexico

- Approximately 60 miles South of Houston
- 4 Days from Cristobal, Panama
- 4 Days from Cartagena, Colombia
- 3.5 Days from Kingston, Jamaica
- 2.75 Days from Freeport, Bahamas
Each Port Commissioner serves a term of 6 years.
The 6 year terms are staggered with an election held each uneven numbered year for two commissioner positions.
Economic Impacts

126,000 jobs direct and indirect

$7.6 billion in income generated

$46 billion in economic activity supported

$500+ million in annual tax impacts
Among America’s Leading Ports

**Port Ranking**

24th in U.S. foreign tonnage

10th largest Chemical tanker port

As per American Association Port Authorities Archive
Today
Port Freeport’s Partners
Port Freeport’s Partners
## Primary Trade Lanes and Cargo

<table>
<thead>
<tr>
<th>Major Trade Areas</th>
<th>Major Import Commodities</th>
<th>Major Export Commodities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central America</td>
<td>• Fresh Fruits</td>
<td>• Bulk Chemicals</td>
</tr>
<tr>
<td>South America</td>
<td>• Aggregate</td>
<td>• Automobiles</td>
</tr>
<tr>
<td>Middle East</td>
<td>• Automobiles</td>
<td>• General Cargo</td>
</tr>
<tr>
<td>Africa</td>
<td>• Crude Oil</td>
<td>• Clothing/Paper Good</td>
</tr>
<tr>
<td>Far East</td>
<td>• Bulk Chemicals</td>
<td>• Rice</td>
</tr>
<tr>
<td>Europe</td>
<td>• Clothing</td>
<td>• Plastic Resin</td>
</tr>
<tr>
<td>(Global Reach)</td>
<td>• Paper Goods</td>
<td>• Crude Oil</td>
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<tr>
<td></td>
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<td>• Liquefied Natural Gas</td>
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</tbody>
</table>
New Business

- Importing Steel Billets and Pipe
- $1.7B Bay City Plant to be fully operational by 2017
- Importing Fresh Fruit
- Exporting General Cargo
- Exporting GM to Middle East
- Importing Buicks from Korea
- Importing High and Heavy from Japan
New Business

- Will Commence Exporting LNG 2018/19
- At Full Capacity FLNG will be the Largest Exporter of LNG in State of Texas
- International Mega Mover and Heavy Hauler
- Serves Local Manufacturers and Plant Expansions
What We Have To Offer

• 45’ Deepwater Channel
• Foreign-Trade Zone
• Landlord Business Partnership
• Lower Cost of Business
• State of the Art Infrastructure
45’ Deepwater Channel

7.5 Miles from Deep Water to the Inner Harbor

- Shortest Deepwater Channel on the Texas Coast
- Low Maintenance Dredging Cost
Foreign-Trade Zone

- Encompasses Brazoria County and Fort Bend County.
- Allows firms to defer or even eliminate Customs duties on imported goods.
- Helps zone users enhance their competitiveness while supporting local business development.
Land and Vicinity

• 500 Acres Environmentally Mitigated
• 1,800 Acres Industrial Development
• 8,000+ Total Acres
Land and Vicinity
Lower Cost of Business

Shorter Transit Time = Cost Savings
• Lower Pilotage Charges
• Reduces Vessel Charter Cost
State of the Art Infrastructure

• New Terminals
  • Container – Breakbulk – OEM

• Heavy Lift Corridor
  • Reduces Truck Traffic, Improves Road Safety

• New Rail Connectivity in 2017/2018 for OEM
  • Capability for 5 Units Trains Simultaneously

• Seamless Connectivity Between
  • Water → Highway → Rail
Future Development
Future Development
Strategic Objectives
Strategic Objectives

• Channel Deepening and Widening
• Expansion of Container Terminal
• 36A Corridor
  • Highway
  • Rail
• Integrated Warehousing Facilities
New York Port is divided between two states (California and NY/NJ, which is divided between the two states)
Currently Houston’s Share of Asian Containers is 22% of Texas Market
Capacity of New Panamax ship will increase 2-3 times, but requires 48-51 feet draft. Only a few Gulf and East Coast ports can support this, but in the long term Freeport will be able to accommodate these larger ships.
Channel Deepening and Widening

- Currently at 45 ft
- Authorized to Deepen to 50-55 ft
- Further Channel Enhancements
  - Lower Bend Easing
  - Widening of the Channel
  - Enhancements to the Upper Turning Basin.

**Critical element**
Container Terminal Expansion
Future of Container Terminal

As Envision

- 250 Paved Acres
- 9 Post Panamax Gantry Cranes
- 3,600’ Berth with 50’ Operational Depth
- On Dock Rail
- High Density Configuration
- 1,500,000 Lift Capacity
Connectivity of Rail Infrastructure
36A Rail Corridor

Widen Ex. Hwy 36
New Hwy 36A
Port Improvements

Source: TEMS, Inc.
The Competitive Balance with the West Coast Ports will change dramatically if a South Texas port has 50 feet of water and an effective inland distribution network.
Questions or Comments

WWW.PORTFREEPORT.COM