Greater Houston Port Bureau

Port Bureau News

September 2021

Houston Pilot's 100th Anniversary

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On May 22, 2021, the Houston Pilots marked 100 years as the state licensed pilots responsible for protecting the people and environment on the narrowest, busiest commercial waterway in the world. *Read more on page 6*

It becomes more evident that emissions (and the need to reduce those emissions) will have a tsunami-like impact on the marine industry. The task of regulating maritime emissions was left out of the Paris Agreement and passed to the International Maritime Organization. Read more on page 12.

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Lush, Green Fields of Ireland

My mom's side of the family came from Ireland, so to celebrate our 35th wedding anniversaries, my sister, brother, and I and our spouses decided to bike around the western side of the island. My sister and her husband used a tandem bike; my brother and I, regular bikes; and our wives, electric bikes. On our first Irish hill, we realized how smart our wives are.

We were "blessed," as often said in Ireland, with perfect weather, which means it did not rain while we were there. We thoroughly enjoyed the lush green fields and old-world charm and hospitality of Ireland…along with the pubs. Among the many small towns we visited, I'll focus on one, Clifden, population 1,600.

We stayed at the Quay House, built for the Harbour Master nearly 200 years ago. The town has a rich maritime history. In the 1800s, the port bustled with outbound agricultural goods and inbound cocoa and rum—a fair trade. In 1905, Guglielmo Marconi built a large wireless telegraph tower and conducted the first transatlantic message. There are no obstructions between the tower location and the receiving station on Cape Breton Island, Nova Scotia. In June 1919, John Alcock and Arthur Brown completed the first non-stop flight across the Atlantic to Clifden in their Vickers-Vimy two-seater bi-plane. They navigated the plane using a sextant, which caused some problem for them, as early in the flight they ran into fog. As they spotted land, they keyed in on Marconi's tower and saw a suitable green field in which to land. It turned out to be a peat bog, and they ended up nose diving the plane into the dirt. Neither airman was hurt, and they were recognized as heroes, claiming the "first to cross the Atlantic" prize money of 10,000 pounds or $1 million in today's dollars.

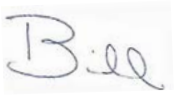
We biked past many of these green fields. The peat bogs caught my attention early on as I saw peat piles along the edges. Peat is dark brown turf, which is harvested, dried as bricks, and used for heating. Our room at Quay House had a fireplace with a peat brick ready to go on the grate. While oil, coal, and natural gas are commonly used around the world, few outside of northern Europe use peat as an energy source.

Decarbonizing is a world-wide agenda item, and very much on the minds of Europeans. Even our taxi driver asked us what America is doing to reduce emissions, even though he likely burns peat in his fireplace, which emits more carbon dioxide than coal. In 2016, peat generated nearly 8% of Ireland's electricity, but was responsible for 20% of that sector's carbon emissions.

My wife doesn't let me talk business on vacations, so I just smiled at the taxi driver knowing I would be drinking Guinness shortly, but I do think there is work to be done on educating populations. Headlines tout the transition to sustainable systems and decarbonizing our future, but the discourse on how to transition is often incomplete. Using renewable energy, such as wind or solar, will help ease emission issues, but it takes time to mature and deploy such technologies at the massive scale required. Some countries may not have the resources required to make such moves for quite a while. Switching to a lower carbon fossil fuel such as the liquefied petroleum gases being exported out of our port and natural gas liquids make a lot of sense in these transition discussions.

LPGs are a versatile energy source that can be used for cooking, heating, and an alternative transportation fuel. Many opportunities exist for solutions using low-carbon energy and technology mixes. The cab driver's "one-size-fits-all" solution needs to expand into formulas that bridge from where each of us are now to where we want to be. Factors such as infrastructure, local demands, resources, and economics need to be considered when making energy policy.

It's a tall order! While we work on it, I do recommend a trip to the beautiful green fields we passed on our biking tour. American visitors to the Irish countryside have been few since the start of the pandemic. I'm sure they'd be pleased to entertain more at the pub – and I'm confident the beauty of the countryside, the friendliness and hospitality of the people, and the strength of their enduring traditions are sure to inspire your best ideas.



CAPT Bill Diehl USCG (Ret.), P.E.
GHPB President

Port Watch

It's Raining Candy

92 million miles of flights were flown by U.S. Air Force pilots as they airlifted nearly 1,800,000 tons of fuel, food and supplies of everything imaginable into West Berlin. It was one of the greatest humanitarian missions in modern history that unfolded as the Cold War began to boil. Indeed, from June 1948 to September 1949, the world appeared to be on the precipice of World War III as an undaunted United States confronted the Soviet blockade of West Berlin. Yet, as an aircraft touched down every 30 seconds in West Berlin, there was one plane that garnered particular attention from the children. A lone C-47 would wiggle its wings as it descended from the sky and dropped hundreds of pounds of candy nearly every day. By the end the of the blockade, the "Berlin Candy Bomber" – CPT Gail Halvorsen, USAF - would drop 23 tons of candy over a field packed with joyful youths. It was an ingenious act of spontaneous kindness that contrasted the optimism of the West to the dark and brooding pessimism of Communism.

Despite, the pessimism that is daily sown by the mass media on any number of issues, the summer trade doldrums of August would not see the light of day in Sam Houston's old stomping ground. Overall, Texas ports posted their 4th consecutive arrival gain and set a new high count for the year as 2021 finally edged out 2020's numbers. Better yet, inland tow movements across the Houston Ship Channel also posted a new high with its most recent 0.3% gain. Unfortunately, despite its 6th straight monthly increase, tow movements remain behind last year's tally by over 4%.

Brownsville led the pack this month with a 25% jump but, its relatively low monthly numbers, tend to skew the percentages. Regardless, the border port lags 2020's arrival statistics by nearly 28% - the highest of any port. A few hours north of the rather active border, the port of Corpus Christi enjoyed a busy August with a near-9% monthly increase. Interestingly, while the port remains 3% ahead of its previous year's performance, its year-over-year advantage has eroded by over a percent in the last month.

As one continues the journey up the coast to Freeport, its monthly performance was the opposite of Corpus Christi as reflected by the near 9% wane. Nonetheless, another triple-digit arrival month has ensured that Freeport continues to solidly outperform last year by well over 10%. Galveston's year-to-date performance is mirroring that of Freeport which currently stands at 10.7%. Unlike Freeport, Galveston logged an impressive 14.3% monthly jump as it posted its first trip-digit arrival count for the year. The new high was principally attributable to the return of cruise ships – a sight for sore eyes after more than a year of Covid quarantines.

To the north, just inside of Texas City's signature dike, the port recorded a respectable 12% monthly gain but still remains behind 2020's arrival pace by nearly 13%. Granted, this is a 3% improvement over the previous month. Sabine, on the other hand is becoming more firmly entrenched in positive territory as compared to last year. Incredibly, after the most recent 1% monthly drop it nearly tripled its year-over-year percentage gain from 3.4 to 9.1%. What pray tell is driving that? Three letters – LNG. If one dives into the vessel categories for the port, the LPG/LNG vessel count has doubled in the last year due to the ramped-up export from the LNG terminals. The only other vessel category that remains ahead of last year's arrival is that of Tankers. Thus, the export of BTUs has benefited this port region immensely.

Houston's August was better than most but not that of July as evidenced by the monthly 1.7% wane. On a positive note, the Port of Houston's year-to-date arrival deficit decreased from minus 4.2% to 2.9% in the red. The category "darling" for the month was ocean-going barges which logged a new peak for the year with the most recent 20.5% boost in arrivals. Bulk arrivals also set a new high for the year thanks to a 7% uptick; however, unlike its General Cargo cousin which remains off over 8% year-over-year, Bulkers are up nearly 3% vis-à-vis 2020's count.

For the "C" categories - Car carriers were flat for the month but up 4% for the year. Container ship arrivals continue to trail last year's arrivals by 3.5%; however, the TEU count remains robust with 16% more containers crossing the docks compared to last year. Chemicals languished over Emperor Augustus' month but continue to surpass the prior year's bounty by 5%. The remaining BTU players – Tankers and LPG vessels – fell by 1% and 10% respectively during the course of the last month. Both of these categories also lag 2020's arrival stats by 9% and 2% respectively. Another indicator that the export of bulk BTUs has yet to regain pre-lockdown levels. Obviously, it will take more than $70/barrel oil to breath more life into the Lonestar's fracking fields. Nevertheless, it takes energy to produce the goods that Texans are so fond of consuming. Hence, the positive flow of commerce will continue to grow.

When the Berlin Airlifts "Chocolate Bomber" was asked who gave him permission to rain candy on the children of West Berlin, he simply replied, "Nobody"; he was simply keeping a promise to parachute his candy rations to a child. The fulfillment of that promise brought immense hope to a besieged city and conveyed to its citizens that good would prevail over evil. It also underscored the wisdom of a young Air Force pilot's belief that, "the small things you do, turn into great things."

Tom Marian
Buffalo Marine Service
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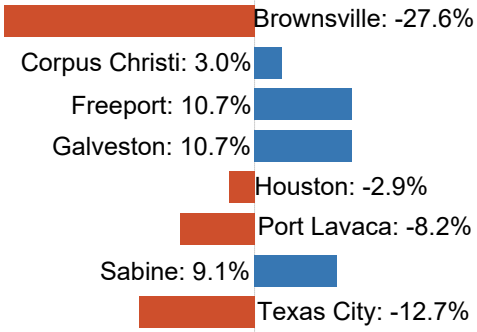
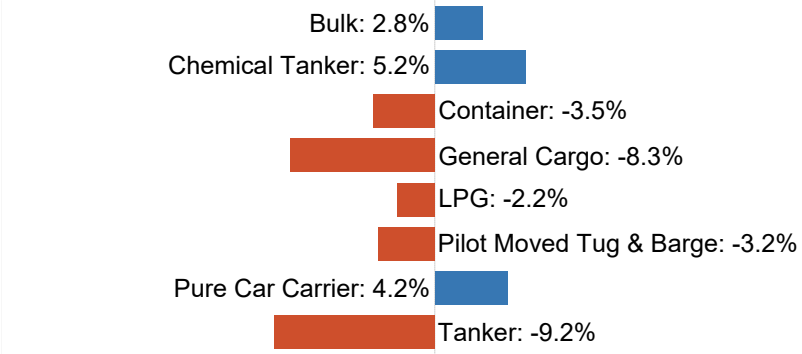
Deepdraft Vessel Arrivals by Port
August 2021 Year-to-Date Percent Change



Source: Greater Houston Port Bureau Marine Exchange of Texas

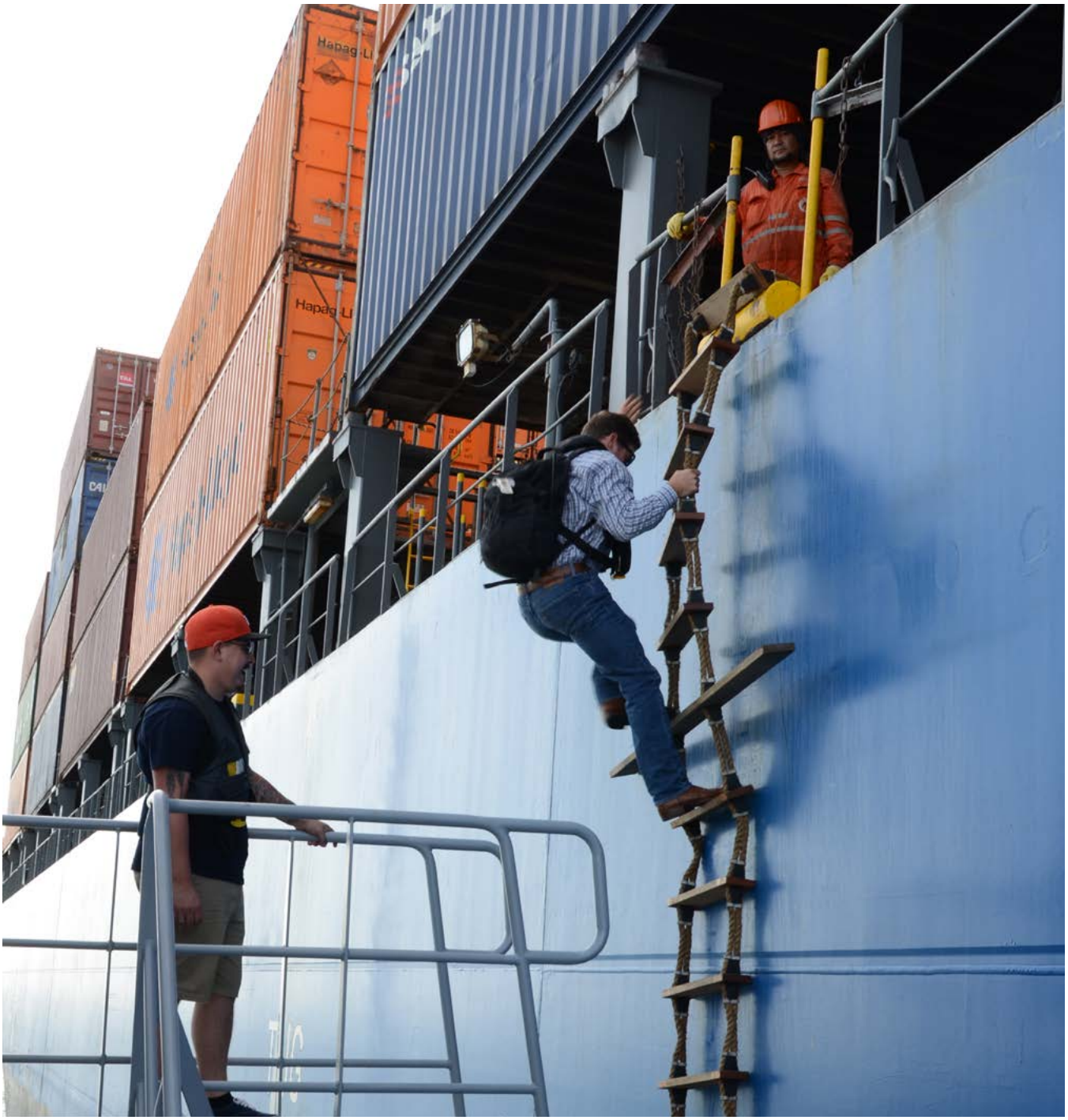
Houston Deepdraft Arrivals by Type
August 2021 Year-to-Date Percent Change



Source: Greater Houston Port Bureau Marine Exchange of Texas

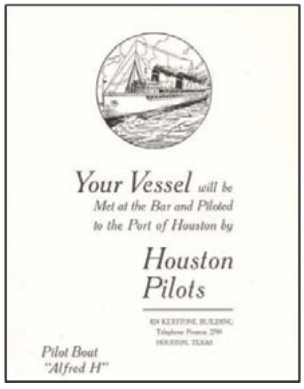
Bigger Ships, Deeper Channel: Safety Stays Supreme

Houston Pilots enter second century of safe transits on the Houston Ship Channel



On May 22, 2021, the Houston Pilots ("Pilots") marked 100 years as the state licensed pilots responsible for protecting the people and environment on the narrowest, busiest commercial waterway in the world. Frequently described as "part art, part science", the Houston Pilots skillfully perform the job of navigating vessels 24/7, rain or shine, with a commitment to safety first.

While 1921 is the official date for the inception of the Houston Pilots, their history stretches back to 1916, when L. Fred Allien and J. William Laughton receive gubernatorial appointments as pilots for the Port of Houston and Galveston Bar. At that time, Houston Ship Channel water depth was 25 feet from Turning Basin to the Gulf of Mexico. The Port of Houston's chief commodities? Cotton, rice, and oil. In 1922, Texas produced one-third of the nation's cotton crop, and, along with Louisiana, 99% of the rice. But oil was booming, and refineries were proliferating along the Houston Ship Channel. Of the 38 privately-owned terminals on the Ship Channel listed in 1923, 18 were refineries or oil-related companies. More were under development.



The Houston Pilots advertisement in the 1923 Houston Port Book assures shippers their "vessel will be met at the bar and piloted to the Port of Houston". The pilot boat was named the Alfred H; their address was 824 Keystone Building, Houston, Texas. The 10-story Keystone building was originally designed by architect Joseph Finger - renowned for his work in Houston's early iconic architecture, including Houston City Hall - and built in 1922 as a multi-tenant office building. The Pilots can be easily counted as among its first tenants. Located at 1120 Texas Avenue, the building was renovated in 1998 and renamed as Keystone Lofts. A 1400 sq. ft. condo currently lists for $225,000.

From day one, the Houston Pilots assigned unit numbers to identify each new pilot as he or she joined the organization. As of September 2021, highest unit number is Unit # 251, assigned to Captain Darris Jefferson.

An early Houston Pilot frequently learned the trade by starting as a deck hand and working their way up through experience and additional training.

Today, however, the majority of pilots complete post-secondary education and ten years of seafaring experience before applying to become a Houston Pilot. But the process still echoes that of their forerunners. Once an applicant has been accepted, he or she is appointed as a Deputy Branch Pilot and rides with experienced master Houston Pilots – observing, learning, studying, training – ultimately beginning their piloting with smaller vessels under the watchful eye of the master. Every pilot must be able to draw the whole of the Houston Ship Channel, from memory, complete with its surrounding geographical features to within a millimeter's accuracy. Safe navigation is instilled into the DNA of each Deputy Pilot.

"The testing process to receive a First Class Pilot endorsement from the U.S. Coast Guard was one of the most demanding and stressful times of my life" says Captain Chad Prejean, Unit #196, a member of the Houston Pilot Executive Committee.

Once a new pilot completes their terms as deputies and are voted in as full pilots, they become an equal owner of the company. Regardless of their length of service, all pilots are equal in their share of ownership.

The June 1924 Port Houston Magazine depicts a vessel transit through the Houston Ship Channel through a series of grainy black and white photos, capturing its channel entrance, passing Red Fish Reef and Light, Morgan's Point, the Lynchburg Ferry, passing another vessel in the channel, moving by the San Jacinto Battle Grounds, and ultimately berthing at Turning Basin. The same issue records 413 vessels transiting the Ship Channel in 1923. Of these, 70 vessels were 28 to 30 ft in draft; 95 were 26 to 28 ft; and 248 were 22 to 26 ft draft.

Ships calling on Houston today vary widely in their types, sizes, and even age, and they represent more than 247+ million tons of cargo transported annually. A transit might take as long as ten hours (not common) or as little as four hours. In the 1990s, the Houston Pilots moved approximately 7300 vessels annually or 20 each day. The "Texas Chicken" may be used by the Houston Pilots to maintain separation between two large vessels, when passing one another in the narrow Houston Ship Channel. Today, moving the number of vessels has nearly tripled, with the Pilots clocking closer to average of 60 vessel transits daily or 18,800 annually. Safe-guarding the community and its environment has never been more imperative – or stressful.

"Maintaining two way traffic has served as the foundation of the success of the Port of Houston. Houston Pilots, past and present, have always been innovators, working to bring in the biggest ships possible while safely maintaining two way traffic for our customers," says Captain Robert Thompson, Unit #120.

Houston Pilots Texas Chicken Maneuver.

Safely Meeting at the Bar

What goes into meeting a vessel "at the bar" in Galveston? While it may look a little different on the outside, the process itself hasn't changed much since the first pilots boarded vessels. But no trip is considered routine.

The Houston Pilots utilize two "Bar Boats" – the Bayou City and the Houston. The boats stay on station 24/7 offshore, have sleeping accommodations, restrooms with showers, and messing onboard for pilots to use between assignments. They also serve as a boarding platform for embarking and disembarking pilots to and from deep draft vessels.

The transference between vessels remains one of the most perilous parts of a Houston Pilot's job. The pilot must utilize the ship's ladder, frequently a Jacob's ladder from two to thirty feet, to board a vessel. Matched in speed, both vessels are moving. The pilot must rely on the vessel's crew to have secured the ladder properly on deck. Pilots board in every kind of weather and ocean current. Injuries during transfer or even death can occurr to Pilots during the transfer.

HP Captain Travis Parker climbs aboard his inbound ship assignment from a pilot boat. Photo by Henry de La Garza.

"Houston Pilots have some of the most capable and technologically advanced Pilot boats in the world, but in the end it's the skill of the Pilot boat operator to safely maneuver alongside a moving ship in bad weather that is the difference between a Pilot getting safely onboard and disaster," says Captain Stephen Jewell, Unit #209 and Boatkeeper for the Houston

Once aboard, the pilot takes over command at the bridge of the ship. He or she will have her own laptop, with a GPS unit that shows where other vessels are or will soon be. Communication is vital. The pilot gives engine orders, speed, and direction, frequently communicating with other vessels in transit. Two Houston Pilots will team to navigate the newer, more immense ships.

Houston Pilot Captain Sean P. Arbogast confers in the wheelhouse with a member of a ship's bridge team for guiding an inbound ship . Photo by Henry de La Garza.

While this crucial communication flow may seem like a given today, it hasn't always been so. Vessel pilots on the Houston Ship Channel were not able to communicate with one another until the 1960s. This was not a situation unique to Houston, but the norm for every waterway in America. Well-known accidents, including the tragic sinking of the passenger ship Andrea Dora in 1956, caused maritime interests to closely examine bridge-to-bridge communication. Ultimately, this led to the test of Walkie-Talkie radios as a means of communication, and the Houston Pilots implemented radio assistance in 1964.

Safely Riding Out the Storms

Protecting lives and cargoes during hazardous weather conditions is another familiar safety challenge for the Pilots. There is, perhaps, no other navigational duty on the Houston Ship Channel as relentless as moving vessels in/out during preparation for a storm or getting it going again after closures. No one takes chances on the predictability of the Texas Gulf weather. The difficulties and stresses of recent storms such as Hurricanes Harvey, Ike, and even Alicia may be well-known to us. But consider the assistance rendered by the Pilots in Hurricane Carla in 1961.

The National Weather Service records the Category 4 level Hurricane Carla as "the most intense hurricane to make landfall on the Texas coast in the 20th century". Damages along the coast were catastrophic. The Port of Houston offered safe harbor to all types of vessels during the weather event. At one point, waters rose in the Houston Ship Channel nearly 18 feet. Miraculously, Houston's inland port sustained little damage and ships were moving again 48 hours later. Helping keep lives and cargo safe was done without bridge-to-bridge communication.

When Hurricane Rita threatened Houston not long after Hurricane Katrina devastated the city of New Orleans in 2005, an estimated two million people evacuated the area. Highways shutdown in a gridlock that lasted almost 24 hours. The nightmarish situation imparted important lessons for everyone, and in the storm seasons that followed, the Houston Pilots introduced emergency helicopter transport for their pilots between Galveston and Houston docks.

When a hurricane has entered or developed in the Gulf, the Houston Pilot Executive Committee begins assessing the vessel traffic currently in port as well as scheduled sailings and forecasted arrivals. The emergency helicopter is placed on "stand by" status with 24 hour availability

Safely Navigating a Pandemic

COVID-19 has added new dimensions to safe navigation. Houston Pilots take appropriate measures to ensure they are healthy before boarding any vessel. To mitigate virus transmission threats, the Pilots request protocols, now familiar to us all, be taken prior to boarding and while a pilot is on the bridge including sanitizing high touch areas of the bridge, limiting essential bridge personnel, and social distancing.

The Pilots also endeavor to comply with any reasonable company-specific prevention measure, as long as it does not interfere with navigation safety. And the vessel's and Pilot's efforts have not been in vain, as there have been no documented cases of transmission of pathogen from a ship's crew to the Pilot, or a Pilot to the ship's crew.

Bringing Aboard Diversity

Until the latter part of the 20th century, going to sea and pilotage was a profession for white males in the U.S. Not many minorities and women were represented on the country's waterways. When the Pilots sought to remove bias and bring more diversity to their organization, there were no candidates in the Deputy Pilot pool of applicants. In Alaska, however, Captain Paul Brown heard about the search and made application. In 1983, Captain Paul Brown became the first African-American Houston Pilot. He was the second in the country to fulfill the role. Brown eventually served with distinction as Presiding Officer in 2002-2003.

In May 1994, Captain Holly Cooper and Captain Sherri Hickman became the first women voted into the Houston Pilots. By the 21st century, their ranks reflected more minorities and women. Each have their own unique story to tell and wisdom to pass on. Captain Hickman has even had the unique pleasure of piloting an ATB out to sea while her daughter, Coronado Hickman, a third mate – stood the navigational watch in 2018.

Captain Sherri Hickman and Coronado Hickman

"I cannot tell you how much pride I felt on that bridge wing with my daughter standing by my side taking the controls and following my commands. So professional, even though I'm her mom," said Captain Sherri Hickman of her daughter.

Safely Steering Ahead

In the ten decades since the Houston Pilots officially took up their navigation role, the Houston Ship Channel has progressed through ten expansion projects – with the eleventh in the making. As they look to the future of bigger ships on a deeper Ship Channel, cargoes will be more valuable and stakes will climb higher. There is one thing about their work, however, that will always remain the same. Safety reigns supreme.

"The Houston Ship Channel and the surrounding area are national economic treasures. Houston Pilots are honored to have had the duty of safeguarding it for the last hundred years, and look forward to standing the watch for next hundred years." Says Captain Robert Thompson.

Captain Robert Thompson
Presiding Officer
Houston Pilots

Greater Houston Port Bureau
13th Annual Captain's Cup
November 1, 2021 | Sugar Creek Country Club

Registration open for Premium Sponsors!
golf-info@txgulf.org | (713) 678-4300

Hosted at the members-only Sugar Creek Country Club, the Captain's Cup is the premier golf tournament for executives in the greater Houston port region.

Premium Event Sponsors
Dinner, Lunch, Dinner Bar, Beverage Cart, Raffle, Registration Sponsors

- Premium banner or poster logo signage near event
- Premium logo recognition on digital and printed event marketing materials
- Recognition during welcome remarks

Premium Course Sponsors
Closest to Pin, Longest Drive, Hole-in-One, Hospitality Tent, Target Practice Sponsors

- Premium feather flag logo signage at green
- Premium logo recognition on digital and printed event marketing materials
- Option to host marketing tent at green *(giveaways, food, beverage, and tent not included)*
- Recognition during welcome remarks

Pre-event Sponsors
Putting Green, Practice Range Sponsors

- Logo signage at putting green or practice range
- Logo recognition on digital and printed event marketing materials

Team + Hole Sponsor

- One 4-person team, green fees, tournament entry, drinks on the course, breakfast, lunch, and dinner with open bar. *Note: Club rentals and items purchased from the pro shop are not included.*
- $100+ value gift per player
- Hole sponsorship

Hole Sponsors

- Logo signage at one hole
- Company name recognition on digital and printed event marketing materials

Schedule

9 am.....Registration & Breakfast
10 am.....Shot Gun Start
11 am - 2 pm.....Lunch on Course
3 pm.....Dinner & Awards
Schedule tentative and subject to change.

Location

Sugar Creek Country Club
420 Sugar Creek Blvd.
Sugar Land, TX 77478

Note: Due to the ongoing COVID-19 situation, tournament details may change without notice. While every measure will be taken to ensure the comfort and safety of participants, players may be required to sign a waiver to participate.

Greater Houston Port Bureau
13th Annual Captain's Cup

November 1, 2021 | Sugar Creek Country Club

Thank you to our 2021 sponsors!

Dinner

Houston Pilots

Lunch

C/PA

Raffle

HDR

Hole in One

MOBILEASE

Beverage Cart

Moran Shipping Agencies, Inc.

Lloyd Engineering, Inc.

Schröder Marine Services, Inc.

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Tolunay-Wong Engineers

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Closest to the Pin

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Rio Marine
Schröder Marine Services, Inc.
Suderman & Young Towing Co.
Team Services LLC
Vopak
Winstead

As of September 23, 2021

Moving the Needle on Cargo Emissions

Navigating difficult waters is nothing new for the maritime industry. From the implementation of double hull tankers and ballast water systems to more recent challenges of continuing to operate during a pandemic, the marine industry has a rich history of overcoming big challenges.

Navigating difficult waters is nothing new for the maritime industry. From the implementation of double hull tankers and ballast water systems to more recent challenges of continuing to operate during a pandemic, the marine industry has a rich history of overcoming big challenges.

We have seen the issue of marine emissions on the horizon for some time now, but each day, it becomes more evident that emissions (and the need to reduce those emissions) will have a tsunami-like impact on the marine industry. Rising to this challenge is essential to the viability and sustainability of our industry and our world. Climate change widespread, rapid, and intensifying – IPCC — IPCC.

From a broad perspective, the Paris Agreement of 2015 represented the biggest global consensus on the need to reduce emissions to date. In the Paris Agreement, 196 parties entered into a legally binding international treaty to limit global warming to well below 2 degrees, preferably to 1.5 degrees Celsius, compared to pre-industrial levels.

Given the international nature of the marine industry, the task of regulating maritime emissions was intentionally left out of the Paris Agreement and passed to the International Maritime Organization (IMO). The Fourth IMO GHG Study 2020 estimated that total shipping emitted 1,056 million tons of CO2 in 2018, accounting for about 2.89% of total global CO2 emissions. In effect, maritime emissions were just short of Japan's emissions (fifth largest emitter of CO2). Fourth Greenhouse Gas Study 2020 (imo.org).

With the rest of the world reducing emissions and global trade continuing to grow, failing to address maritime emissions in a meaningful way would result in maritime emissions becoming an ever more significant part of global emissions. From both the perspectives of the planet and the industry, this would not be a sustainable situation.

To cover the various rulemaking actions being taken and considered by IMO is beyond the scope of this article (Air Pollution, Energy Efficiency and Greenhouse Gas Emissions (imo.org)). Suffice it to say that some regulations are already here and plenty more are coming as IMO aims to achieve total annual GHG emissions reduction by at least 50% by 2050 compared to a 2008 baseline.

IMO is not the only regulatory body setting targets and planning regulations. For example, the European Commission recently announced that it intends to move forward with including maritime emissions in their Green Deal legislation. Their "Fit for 55" plan would introduce measures aimed at reducing maritime emissions 55% by 2030 within the EU and on international voyages arriving or departing from Europe. Europe is looking to lead the world by being the first major trading bloc to be carbon neutral by 2050 (Climate action and the Green Deal | European Commission).

Beyond the regulators, there are many efforts and initiatives underway demonstrating foundational support for emission reduction and a bias for action. Companies such as Ford, American Airlines, CEMEX, Verizon, Total, BP, Dow, Shell, Stolt-Nielsen, Maersk, Odfjell and have made public net zero/climate neutral 2050 commitments. They join an ever-growing number of individual companies are making their own reduction plans, setting their own emissions reductions targets, and taking real action. Some, like IKEA and Microsoft are committing to carbon negative targets.

Speaking from the perspective of Dow, emission reductions are in line with our mission to create solutions for the world's toughest challenges. The need to reduce emissions is a clear message we receive from scientific evidence as well as from investors, customers, society, and our own employees who increasingly want to invest in greener companies purchase greener products, and perform their work more sustainably.

With the growing number of companies making carbon reduction commitments, there is a growing need to find suppliers and carriers who share the same vision and bias for action. No company can get to net zero emissions in a vacuum, and many are finding it advantageous to work together with suppliers, carriers, other like-minded companies, and industry associations to set targets, leverage best practices, and drive action.

An example of companies coming together for the sake of emissions reductions is Sea Cargo Charter (*https://www.seacargocharter.org*). Sea Cargo Charter was founded in 2020 by seventeen inaugural signatories for the purposes of establishing a framework for assessing and disclosing climate alignment of chartering activities related to cargos shipped in bulk vessels (solid, liquid and gas). Since its launch, the number of signatories has grown to twenty-four.

While the technical guidance for how Sea Cargo Charter gathers and calculates emissions was created to specifically address the bulk marine transportation industry, much of its governance structure was inspired by and aligned with the Poseidon Principles. (Another example of a key industry partnership to reduce emissions, the Poseidon Principles (https://www.poseidonprinciples.org/#home) was launched in 2018 and was crafted to establish a framework for assessing and disclosing the climate alignment of ship finance portfolios).

From an operational perspective, Sea Cargo Charter signatories establish contractual reporting agreements with their respective carriers. Per these reporting agreements, carriers use standardized data templates to report emissions aligned to the respective charterer after each voyage.

Annually, charterers report their aggregated emissions versus climate alignment trajectories. Climate alignment trajectory targets are calculated from the latest available climate studies and lay out sequentially tighter annual targets that track towards achieving 50% emissions reductions by 2050. The data gathered from carriers provides a basis for understanding and reducing emissions while the annual reporting helps to keep charterers accountable for ever increasing reductions. The increased transparency and accountability improves decision making at a strategic level and shapes a better future for the shipping industry and our society.

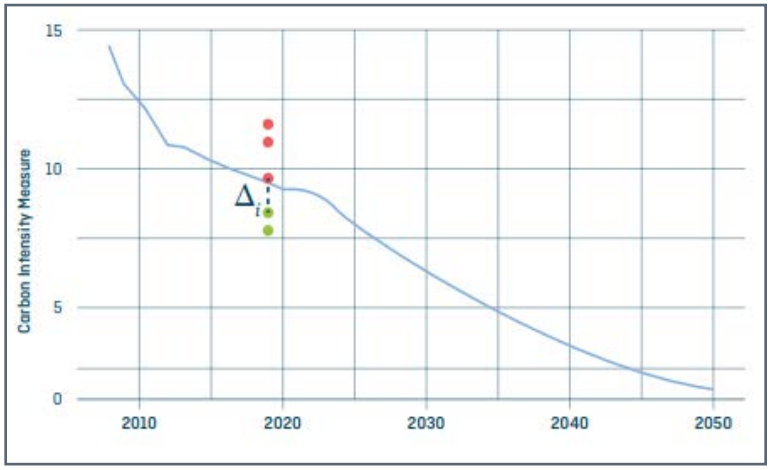
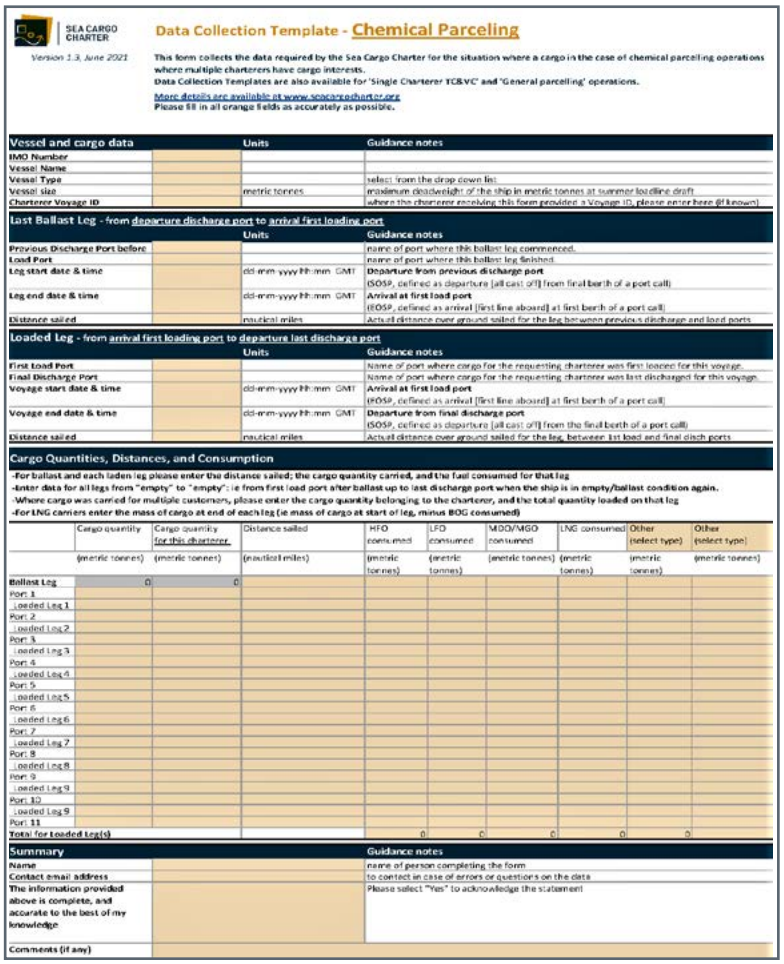


Figure1. Decarbonization trajectory produced using the INO 3rd GHG study and emission reduction ambition set by MEPC in 2018.

In Figure 1, each dot represents the carbon intensity of a charterer's emissions and the blue curve represents the decarbonization trajectory for a given ship type and size (i.e. vessel category). A decarbonization trajectory is a representation of how many grams of CO2 can be emitted to move one ton of goods one nautical mile over a time horizon to be in line with the IMO's Initial Strategy. In the figure, the green dots are aligned with the carbon trajectory, and the red dots are misaligned. The initial Sea Cargo Charter trajectories align with IMO's target of a least 50% reduction by 2050 based on 2008 emissions. If anything, the pace and pressure to reduce emissions is growing, and as Sea Cargo Charter matures, it will continue to assess and adjust its ambitions and targets accordingly.



SEA CARGO CHARTER

Version 1.3, June 2021

Data Collection Template - Chemical Parceling

This form collects the data required by the Sea Cargo Charter for the situation where a cargo is the case of chemical parceling operations where multiple charterers have cargo interests.
Data Collection Templates are also available for 'Single Charterer TC&VC' and 'General parceling' operations.

More details are available at www.seacargocharter.org
Please fill in all orange fields as accurately as possible.

Vessel and cargo data		Units	Guidance notes
IMO Number			
Vessel Name			
Vessel Type			select from the drop down list
Vessel size		metric tonnes	maximum deadweight of the ship in metric tonnes at summer loadline draft
Charterer Voyage ID			where the charterer providing this form provided a Voyage ID, please enter here (if known)

Last Ballast Leg - from departure discharge port to arrival first loading port		Units	Guidance notes
Previous Discharge Port before			name of port where this ballast leg commenced.
Load Port			name of port where this ballast leg finished.
Leg start date & time		dd-mm-yyyy hh:mm GMT	Departure from previous discharge port (SOSP, defined as departure [all cast off] from final berth of a port call)
Leg end date & time		dd-mm-yyyy hh:mm GMT	Arrival at first load port (EOSP, defined as arrival [first line aboard] at first berth of a port call)
Distance sailed		nautical miles	Actual distance over ground sailed for the leg between previous discharge and load ports

Loaded Leg - from arrival first loading port to departure last discharge port		Units	Guidance notes
First Load Port			Name of port where cargo for the requesting charterer was first loaded for this voyage.
Final Discharge Port			Name of port where cargo for the requesting charterer was last discharged for this voyage.
Voyage start date & time		dd-mm-yyyy hh:mm GMT	Arrival at first load port (EOSP, defined as arrival [first line aboard] at first berth of a port call)
Voyage end date & time		dd-mm-yyyy hh:mm GMT	Departure from final discharge port (SOSP, defined as departure [all cast off] from the final berth of a port call)
Distance sailed		nautical miles	Actual distance over ground sailed for the leg, between 1st load and final disch ports

Cargo Quantities, Distances, and Consumption

-For ballast and each laden leg please enter the distance sailed; the cargo quantity carried, and the fuel consumed for that leg
-Enter data for all legs from "empty" to "empty": ie from first load port after ballast up to last discharge port when the ship is in empty/ballast condition again.
-Where cargo was carried for multiple customers, please enter the cargo quantity belonging to the charterer, and the total quantity loaded on that leg
-For LNG carriers enter the mass of cargo at end of each leg (ie mass of cargo at start of leg, minus BOG consumed)

	Cargo quantity (metric tonnes)	Cargo quantity for this charterer (metric tonnes)	Distance sailed (nautical miles)	HFO consumed (metric tonnes)	LFO consumed (metric tonnes)	MDO/MGO consumed (metric tonnes)	LNG consumed (metric tonnes)	Other (select type) (metric tonnes)	Other (select type) (metric tonnes)
Ballast Leg	0	0							
Port 1									
Loaded Leg 1									
Port 2									
Loaded Leg 2									
Port 3									
Loaded Leg 3									
Port 4									
Loaded Leg 4									
Port 5									
Loaded Leg 5									
Port 6									
Loaded Leg 6									
Port 7									
Loaded Leg 7									
Port 8									
Loaded Leg 8									
Port 9									
Loaded Leg 9									
Port 10									
Loaded Leg 9									
Port 11									
Total for loaded leg(s)				0	0	0	0	0	

Summary		Guidance notes
Name		name of person completing the form
Contact email address		to contact in case of errors or questions on the data
The information provided above is complete, and accurate to the best of my knowledge		Please select "Yes" to acknowledge the statement
Comments (if any)		

In addition to the Chemical Parceling questionaire, the General Parceling and Single Charter TC/VC questionaires are available at *https://www.seacargocharter.org/resources.*

Sea Cargo Charter's IMO alignment extends to the data collection design. Three standard data templates were created to facilitate carrier emissions reporting. These templates were designed collaboratively between industry associations, signatories, and carriers to accommodate bulk marine transportation sectors. This collaborative approach combined with alignment to IMO data points and calculation methodologies reduces the reporting burden and helps ensure the reporting process is sustainable.

In short, industry efforts such as Sea Cargo Charter, Poseidon Principles, Blue Sky Maritime Coalition, Getting to Zero Coalition, etc. are establishing sustainable operating paradigms, pooling expertise, and driving efforts that can jump start emissions reductions and pooling expertise, and driving efforts that can jump start emissions reductions and inform more effective rulemaking.

In whatever form, be that via company targets, industry initiatives, and/or new rulemaking, the need to reduce emissions will have a profound impact on the marine industry for the next several decades. The solutions needed range from innovations in vessel/propulsion technologies, fuel/distribution technologies, chartering agreements, and supply chain designs. Our best chance for success lies in setting aggressive targets, collaborating closely to find the best solutions, and taking effective actions. Working together as an industry, we can move the needle towards a cleaner and more sustainable future.

Lance Nunez
The Dow Chemical Company
dow.com

Demurrage course will cover:

- What is Demurrage?
- Charterer's Mitigation of Owner's Damages?
- Owner's Mitigation of Charterer's Demurrage?
- Types of Charter Parties
- Port Charter v Berth Charter
- Owner's Obligation under a Charter Party
- Charterer's Obligation under a Charter Party
- Notice of Readiness
- Laydays / Delivery Windows
  - -Early / Late Arrival
  - -Charterer's Recourse
- ETAs
- Types of Logs
- Deductions from Time Counting
  - -Pumping
  - -Shifting
  - -Breakdowns
  - -Weather
- Calculation of Demurrage
- Transshipments
- Time Bars
- Charterer's ability to mitigate its demurrage via:
  - -stakeholders
  - -contracts
  - -vetting
  - -KPIs
  - -efficiency

Demurrage Mitigation, Profit, & Loss- Course-November 16th

Join Brendan Hoffman, CEO of Haugen Consulting at the Greater Houston Port Bureau training room, as he discusses demurrage, and explores how to mitigate or profit from demurrage, and how exposures may be unwittingly created. Cost of course per person is $100 to cover materials and lunch for Port Bureau members only at a discounted rate.

Haugen Consulting LLC was established in 1995 and provides companies with training and services for demurrage for vessels, rail, and truck logistics. Since 2003, Haugen has been successfully conducting training programs worldwide and educating participants about the intricacies of tanker operations, laytime and demurrage. Their courses cover common demurrage pitfalls, best business practices, cost-effective solutions to minimize disputes and normally cost from .

To register and submit payment for the class, go to https://lnkd.in/eduJyax3.
Class size is limited and for Port Bureau members only.

Greater Houston Port Bureau

The 92nd Annual Port Bureau MARITIME DINNER

HONORING THE 2021 MARITIME LEADER OF THE YEAR

JIM TEAGUE

CO-CEO, ENTERPRISE PRODUCTS

EVENT INFORMATION

Date: Friday, November 5, 2021

Time: 5:30 p.m.

Venue: Bayou City Event Center, Houston, Texas

Dress: Black-Tie Optional

ABOUT THE ANNUAL MARITIME DINNER

The Annual Maritime Dinner is one of the largest maritime formal business events in the U.S. with over 750 attendees, bringing together maritime, transportation, and industry professionals and their guests to recognize the Maritime Leader of the Year. Although we made the difficult decision to cancel the 2020 Annual Maritime Dinner, we would like to thank our 2021 sponsors and member companies for supporting advancement in the port community. The 92nd Annual Maritime Dinner will be held onNovember 5, 2021, honoring Mr. Jim Teague as the 2021 Maritime Leader of the Year.

For information or to reserve your table contact Tanya Scott at tscott@txgulf.org or (713) 678-4300.

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EVENT UNDERWRITERS

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As of September 21, 2021

Port Bureau Updates

Kinder Morgan and Neste Partner on Major Renewable Fuels Logistics Project in the United States

Kinder Morgan, Inc., one of North America's largest energy infrastructure companies, is partnering with Neste, one of the leading providers of renewable and circular solutions, to create a premier domestic raw material storage and logistics hub in the United States, supporting increased production of renewable diesel, sustainable aviation fuel and renewable feedstock for polymers and chemicals. Upon completion of the project, Kinder Morgan's Harvey, Louisiana facility will serve as the primary hub where Neste will store a variety of raw materials including, for example, the used cooking oil it collects from more than 40,000 restaurants across the United States.

As part of the initial, committed phases of the project, Kinder Morgan will modify existing tanks and piping to enable segregated storage for a variety of raw material across 30 tanks. The scope of work also includes the installation of a new boiler for heating tanks and railcars and infrastructure improvements for rail, truck and marine movements. The project, which is supported by a long-term commercial commitment from Neste, is expected to commence operations in the first quarter of 2023.

"This clearly shows the positive role America's existing energy infrastructure can play in creating a sustainable future and fighting climate change," says Jeremy Baines, President of Neste U.S. "Neste and Kinder Morgan are transforming existing terminal assets into what can be considered green infrastructure, which will ultimately enable more American businesses and cities to power their fleets and supply chains with renewable fuels and other products."

The commitment is one of Neste's largest to date in the U.S., supporting a more resilient, flexible and sustainable supply chain that can keep pace with the company's growing production capacity and increasing global demand for lower-emission products. It enhances Neste's leading position, building on the company's more than 15-year head start in creating an end-to-end renewable product value chain.

In the long term, the project could also help improve the lifecycle climate benefits and competitiveness of Neste's renewable products through more efficient and less carbon intensive supply chain operations. Renewable fuels offer an immediate way to reduce greenhouse gas emissions from aviation, and heavy duty road transport in the US. Neste's renewable feedstock for polymers and chemicals manufacturing can also significantly reduce the carbon footprint of the end products.

Neste's renewable products prevented over 40 million tons of new GHG emissions from entering the atmosphere over the last five years - the same climate benefits as building 8,300 wind turbines or making 10.8 million cars zero emission according to the U.S. EPA's GHG calculator.

Kinder Morgan is a trusted partner for Neste. In 2020, Neste began supplying sustainable aviation fuel (SAF) directly to San Francisco International (SFO) airport via a Kinder Morgan pipeline. More than 1 million gallons of SAF have been supplied into SFO to date.

Chevron, Enterprise Explore Carbon Storage Business Opportunities

Chevron U.S.A. Inc., a Chevron New Energies division, and a subsidiary of Enterprise Products Partners L.P. ("Enterprise") announced a framework to study and evaluate opportunities for carbon dioxide ("CO2") capture, utilization, and storage ("CCUS") from their respective business operations in the U.S. Midcontinent and Gulf Coast. The companies expect the initial phase of the study in which they will evaluate specific business opportunities to last about six months.

"This joint effort has the potential to advance our ongoing work to grow our lower carbon businesses with commercial scale using the industry expertise both companies bring to the project," said Jeff Gustavson, president of Chevron New Energies. "International climate change scientists working with the United Nations have identified carbon capture as a critical technology needed to help the global energy system transition to a lower carbon future."

The companies have successfully worked together on prior business opportunities and believe they bring complementary capabilities to successfully pursue CCUS. Projects resulting from the evaluation would seek to combine Enterprise's extensive midstream pipeline and storage network with Chevron's sub-surface expertise to create opportunities to capture, aggregate, transport and sequester carbon dioxide in support of the evolving energy landscape.

"The joint study with Chevron is part of our growing focus on developing and utilizing new technologies and leveraging our transportation and storage network in order to better manage our own carbon footprint and provide customers with new midstream services to support a lower carbon economy," said A.J. "Jim" Teague, co-chief executive officer of Enterprise's general partner.

Enbridge Advances U.S. Gulf Coast Strategy with Acquisition of North America's Premier Crude Export Facility

Enbridge Inc. (Enbridge) announced an agreement with EnCap Flatrock Midstream to acquire Moda Midstream Operating, LLC (Moda) for U.S. $3.0 billion in cash, subject to closing adjustments. The acquisition will advance the Company's U.S. Gulf Coast export strategy and connectivity to low-cost and long-lived reserves in the Permian and Eagle Ford basins. The Company values the transaction at approximately 8x projected forward EBITDA, and upon closing is expected to be immediately accretive to Enbridge's financial outlook.

Enbridge will also acquire a 20 percent interest in the 670-thousand-barrel per day Cactus II Pipeline, a 100 percent operating interest in the 300-thousand-barrel per day Viola pipeline, and a 100 percent operating interest in the 350-thousand-barrel Taft Terminal. Together with EIEC, these pipeline and storage assets provide a fully integrated light crude export platform.

Shell to Build One of Europe's Biggest Biofuels Facilities

OMRoyal Dutch Shell plc (Shell) announced they will build an 820,000-tonnes-a-year biofuels facility at the Shell Energy and Chemicals Park Rotterdam, the Netherlands, formerly known as the Pernis refinery. Once built, the facility will be among the biggest in Europe to produce sustainable aviation fuel (SAF) and renewable diesel made from waste.

A facility of this size could produce enough renewable diesel to avoid 2,800,000 tonnes of carbon dioxide (CO_2) emissions a year, the equivalent of taking more than 1 million European cars* off the roads.

The new facility will help the Netherlands and the rest of Europe to meet internationally binding emissions reduction targets. It will also help Shell to meet its own target of becoming a net-zero emissions energy business by 2050, in step with society's progress towards achieving the climate goals of the Paris Agreement. Advanced production methods will be used to make the fuels. The facility is expected to use technology to capture carbon emissions from the manufacturing process and store them in an empty gas field beneath the North Sea through the Porthos project. A final investment decision for Porthos is expected next year.

"Today's announcement is a key part of the transformation of one of our major refineries into an energy and chemicals park, which will supply customers with the low-carbon products they want and need," said Huibert Vigeveno, Shell's Downstream Director.

As part of its Powering Progress strategy, Shell is transforming its refineries (which numbered 14 in October 2020) into five energy and chemicals parks. Shell aims to reduce the production of traditional fuels by 55% by 2030 and provide more low-carbon fuels such as biofuels for road transport and aviation, and hydrogen. The Energy and Chemicals Park Rotterdam is the second park to be announced, following the launch in July of the Energy and Chemicals Park Rheinland, in Germany.

The Rotterdam biofuels facility is expected to start production in 2024. It will produce low-carbon fuels such as renewable diesel from waste in the form of used cooking oil, waste animal fat and other industrial and agricultural residual products, using advanced technology developed by Shell.

A range of certified sustainable vegetable oils, such as rapeseed, will supplement the waste feedstocks until even more sustainable advanced feedstocks are widely available. The facility will not use virgin palm oil as feedstock.

Sustainable aviation fuel (SAF) could make up more than half of the 820,000-tonnes-a-year capacity, with the rest being renewable diesel. Shell can adjust this mix to meet customer demand.

These low-carbon fuels will help to meet growing demand from the transport sector, including hard-to-decarbonise sectors such as heavy road transport and aviation. SAF currently accounts for around 0.1% of global aviation fuel. Shell's investment will help increase SAF production, which is vital if aviation is to cut carbon emissions.

Marjan van Loon, President Director of Shell Netherlands BV said: "Shell has been on the road to a lower-carbon future for some time. This investment is an important step as we transform the Energy and Chemicals Park Rotterdam from a traditional refinery into a sustainable energy park. The project will mean hundreds of millions of dollars of investment each year during construction, it will create hundreds of jobs, and help to maintain the facility's competitiveness for years to come."

Join us at the Commerce Club October 14 , 2021

Join us for an informative presentation by Captain Jason Smith, Commander, Sector Houston-Galveston, U.S. Coast Guard, at the October Commerce Club luncheon. As Sector Commander, CAPT Smith coordinates maritime security, law enforcement and response operations and serves as Captain of the Port, Officer-in-Charge of Marine Inspection, Federal Maritime Security Coordinator, and Federal On-Scene Coordinator for the navigable waterways between Lake Charles, La., and Matagorda Bay, Texas.

Network with 240+ professionals from maritime, transportation, energy companies, and organizations in the port region. We hope you'll join us!

Location

Houston Marriott South at Hobby Airport
9100 Gulf Freeway
Houston, TX 77017
11:15 AM - 1:00 PM

Information and RSVP

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GAC Joins Eyesea Ocean Health Initiative

The GAC Group, a privately-owned company, specializing in the delivery of high-quality shipping, logistics and marine services to customers worldwide, has announced its membership of the maritime pollution reporting and mapping initiative, Eyesea.

With the support of the shipping and maritime industries, Eyesea uses a smartphone app with which users submit geotagged photographs to report hazards and pollution.

GAC Group recently unveiled its Roadmap to Sustainability, which sets out its commitment to adapt, reduce and mitigate its activities. Supporting Eyesea, as well as the Ocean Race's CleanSeas initiative, is in line with UN Sustainable Development Goal #14 – Life Below Water – one of the goals GAC's Roadmap states must be measured by all GAC companies.

"Eyesea have developed a simple and effective way for companies involved in the maritime sector to play a critical part in improving the health and conservation of our oceans," says Neil Godfrey, group commercial director-shipping.

"GAC people all over the world care deeply about the sustainability of the seas, which play such an integral part in their professional lives. It was obvious when we were approached by Eyesea that we would support the initiative, which we believe is unique in its unification of many elements of the maritime community to fight marine pollution. We're excited that the data we collect will play a part in helping them map pollution and formulate plans to address it. It's so much more than a box-ticking exercise and a perfect fit with our Group sustainability ethos and objectives."

Shell Signs Agreement to Sell Permian Interest for $9.5 Billion to ConocoPhillips

Shell Enterprises LLC, a subsidiary of Royal Dutch Shell plc, reached an agreement for the sale of its Permian business to ConocoPhillips, a leading shales developer in the basin, for $9.5 billion in cash. The transaction will transfer all of Shell's interest in the Permian to ConocoPhillips, subject to regulatory approvals.

"After reviewing multiple strategies and portfolio options for our Permian assets, this transaction with ConocoPhillips emerged as a very compelling value proposition," said Wael Sawan, Upstream Director. "This decision once again reflects our focus on value over volumes as well as disciplined stewardship of capital. This transaction, made possible by the Permian team's outstanding operational performance, provides excellent value to our shareholders through accelerating cash delivery and additional distributions."

Shell's Upstream business plays a critical role in the Powering Progress strategy through a more focused, competitive and resilient portfolio that provides the energy the world needs today whilst funding shareholder distributions as well as the energy transition.

The cash proceeds from this transaction will be used to fund $7 billion in additional shareholder distributions after closing, with the remainder used for further strengthening of the balance sheet. These distributions will be in addition to our shareholder distributions in the range of 20-30% of cash flow from operations. The effective date of the transaction is July 1, 2021 with closing expected in Q4 2021.

Shell has been providing energy to U.S. customers for more than 100 years and plans to remain an energy leader in the country for decades to come.

PortXchange and Greater Houston Port Bureau Agree on Five-Year Digitalization Partnership

PortXchange Products B.V., the Netherlands-based digital solutions provider for predictable and sustainable shipping, has agreed to a five-year partnership with Greater Houston Port Bureau (Port Bureau) for the adoption and further development of its proprietary PortXchange system, a collaborative vessel and terminal planning platform.

In June 2020, PortXchange and the Port Bureau announced the first U.S. trial in Houston with more than 20 maritime companies involved in the Texas integrated chemical cluster. This trial was subsequently expanded to include the Port of Houston Authority (Port Houston), which has 2 separate terminals dedicated to the handling of cargo containers.

The shipping industry is coming under increased scrutiny to implement digitalization to improve port turnaround efficiencies, reduce overall expenses and mitigate climate impact. The PortXchange software is considered the best product to cater to the specific needs of the whole port community.

The agreement between PortXchange and the Port Bureau is a five-year reseller partnership and comes after a 12-month trial period. PortXchange will fully integrate the Port Bureau's current HarborLights Vessel Tracking System into PortXchange platform, providing real-time vessel scheduling information sourced directly from the Houston Pilots. PortXchange will also continue to build several features with bespoke functionality to fit the specific needs of the Houston port community, maintain the digital infrastructure, onboard new users and facilitate APIs. Most of these new products and services will be provided through the Port Bureau, which will act as the voice of the port community.

Founded in 1929, the Port Bureau is a member driven, non-profit trade organization dedicated to promoting commerce and cooperation in the maritime industry. The Port Bureau operates the Maritime Exchange of Texas maintaining critical vessel movement data for the deep draft ports of Texas, including the busiest port in the U.S.

Sjoerd de Jager, PortXchange's managing director, said: "This five-year engagement is a result of the perseverance and commitment of a large group of like-minded participants keen to decrease port turnaround time and increase efficiency of port calls. Foremost is the Port Bureau, which embraced the idea that digitalization and scheduling transparency is the future of any port and we look forward to extending our collaboration in the Houston port community."

CAPT Bill Diehl, USCG (Ret.), president of the Greater Houston Port Bureau, said: "Digitization and data are key for the port of Houston region to increase predictability, improve efficiency, and remain globally competitive. We often refer to our Port Bureau members as competitive partners because they work together to solve problems that affect the entire port, not just their own businesses. By partnering with PortXchange to offer data sharing platforms tailored to the unique needs of the port of Houston region, we are giving our industry members another tool for collaboration."

Roger Guenther, executive director at Port Houston said: "I am always encouraged when our port community continuously seeks to secure resources and services for the greater good of the Houston Ship Channel. I am optimistic that this program will help further enhance and build on the efficiency of vessels calling the Port of Houston"

Texas A&M University at Galveston Receives Purfresh Clean Ozone Sanitizing Equipment Donation to Prevent the Spread COVID-19 on Campus

Texas A&M University at Galveston ("TAMUG") received a donation from Purfresh Clean CEO Christian DeBlasio of $75,000 for air treatment units and services to prevent the spread of SARS-CoV-2 and COVID-19. His concern for the welfare of the students and faculty inspired him to make the donation to his alma mater and do everything possible to keep them healthy while they are in school. Four units are currently being used in the dining hall on the Galveston Campus due to the high density in this location. The units are used nightly to aid in ensuring that students, faculty, and staff enter a clean environment each morning.

The machines apply Oxygen-3 ("O3") molecules to sanitize sealed, unoccupied indoor spaces. O3 is a reactive gas composed of three atoms of oxygen. In low concentrations (at the parts per billion level), ozone is scientifically proven to destroy viruses as well as bacteria and odors by bonding with and breaking down their molecular structure. Ozone then degrades back to oxygen, leaving behind no residue. Because molecules are broken down rather than simply covered up, the room is truly clean after the unit's cycle is complete. The machines' output is dry air, so they will not damage any room furnishings. They are used overnight so they have enough time to ensure complete safety by the time people enter the rooms. Each unit can clean and sanitize a 2500 square foot room with 12-foot ceilings in 4-5 hours.

DeBlasio graduated from TAMUG in 1996 in Maritime Transportation.

Marcus Woodring Appointed to the National Maritime Security Advisory Committee

Marcus Woodring, Chief PSEO Officer for Port Houston, has been appointed to the National Maritime Security Advisory Committee (NMSAC) by the Secretary of the Department of Homeland Security. The function of the Committee is to provide advice to the Secretary of the Department of Homeland Security on matters relating to national maritime security, including on enhancing the sharing of information related to cybersecurity risks that may cause a transportation security incident, between relevant Federal agencies and State, local, and tribal governments, relevant public safety and emergency response agencies, relevant law enforcement and security organizations, maritime industry, port owners and operators, and terminal owners and operators.

Membership is composed of thirteen members from port authorities, facility owners/operators, terminal owners/operators, vessel owners/operators, maritime labor, academic community, and the maritime industry

NMSAC was established on December 4, 2018, by § 601 of the Frank LoBiondo Coast Guard Authorization Act of 2018.

The National Transportation Safety Board Releases the Safer Seas Digest 2020

The National Transportation Safety Board (NTSB) released the Safer Seas Digest 2020, a compendium of the NTSB's maritime accident investigations involving loss of life, injuries and significant property damage completed in 2020.

This year's Digest details lessons learned from 42 maritime accidents involving contact with fixed objects, sinkings, collisions, fires, explosions, flooding, groundings, and capsizings. Among the investigations included in the 112-page report are the fire aboard the Conception where 34 lives were lost and the collision that took 11 lives aboard the USS Fitzgerald.

"These tragedies remind us that whether we are serving in the nation's armed forces, scuba diving for recreation, fishing on a trawler, or sustaining maritime commerce, we are all reliant on safety measures that must be in place before we step aboard," said NTSB Chair Jennifer Homendy. "Mariners can use the lessons learned in the Safer Seas Digest to prevent future accidents and owners and operators can use it to help ensure a culture of safety at sea."

The NTSB says lessons learned included in the Safer Seas Digest 2020 fall into 14 categories, include:

- Navigating through bridges,
- Standard operating procedures,
- Smoke detection,
- Voyage planning and dynamic risk assessment,
- Effective communication,
- Operating in high-water/high-current conditions,
- Lithium-ion battery hazards,
- Crew training,
- Vessel speed,
- Storage of flammable or combustible materials,
- Closing ventilation inlets during a fire,
- Effective hull inspection and maintenance,
- Inspection of control linkages, and
- Fatigue.

"With every investigation we learn new safety lessons to prevent or mitigate futures losses, but only when marine stakeholders at all levels of the industry apply these lessons is marine safety improved," said Chair Homendy. "I hope that the Safer Seas Digest 2020 provides the marine industry with essential information to better understand the safety issues confronting it, and the pathway to making maritime transportation safer."

The Safer Seas Digest 2020 is available on the NTSB website at https://go.usa.gov/xFM4M. This is the eighth year the NTSB has published a Safer Seas Digest.

The NTSB's Office of Marine Safety investigates major marine causalities upon the navigable waters of the U.S. and accidents involving U.S. flagged vessels worldwide.

RRC is Seeking Public Comment for Proposed Rules for Weather Emergency Power Generation By November 1.

Railroad Commission of Texas ("RRC") commissioners have approved publishing for public comment proposed rules for critical designation of natural gas infrastructure during energy emergencies.

The proposed rules specify the criteria and process for entities associated with providing natural gas to be designated as critical customers or critical gas suppliers during an energy emergency.

The rules implement House Bill (HB) 3648 and several provisions of Senate Bill (SB) 3, which lawmakers passed in response to February's Winter Storm Uri.

Examples of critical infrastructure include, but are not limited to, gas wells, gas processing plants, natural gas storage facilities, and pipelines and pipeline facilities.

"The draft rules are part of multiple collaborations our agency began during the legislative session," said Wei Wang, RRC executive director. "We have been working diligently with the Public Utility Commission during the summer to ensure both our agencies' rules on critical infrastructure go hand-in-hand."

Under the proposed rules operators will be required to submit forms to the RRC acknowledging critical status or seek exception as provided by legislation. Operators will also be providing information on their critical facilities directly to their respective electricity providers.

The forms are being drafted and will be voted on in an upcoming RRC Commissioners Conference.

The RRC will have a public workshop on the draft rules on Oct. 5. Details on that workshop will be provided. The rules will be adopted by Dec. 1, 2021.

To view the proposed rules and submit comments online by Monday, Nov. 1, 2021, visit the RRC website at https://rrc.texas.gov/general-counsel/rules/proposed-rules/ under "Chapter 3: Oil and Gas."

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David Tauber, Sr. and Vincent DiCosimo

September 2021 Commerce Club Featuring David Tauber, Co-Chairman, Tauber Oil Company

Vincent DiCosimo Hosts Moderated Conversation with David Tauber

David Tauber, Sr.
Co-Chairman
Tauber Oil Company

David W. Tauber, Sr., co-chairman of Tauber Oil Company, was the featured speaker in a moderated conversation presentation at the September Commerce Club luncheon. Vincent DiCosimo, vice president of governmental affairs-legal at Targa Resources, served as the moderator. The luncheon was hosted at the Houston Marriott South at Hobby Airport.

The discussion opened with a summary of the history of Tauber Oil Company – a firm founded by Tauber's father, O.J. Tauber, Sr., in 1953. While buying crude oil and selling the finished products for Eastern States Refining, Tauber, Sr., formed the vision for starting a company that could efficiently resolve refinery inventory imbalances. He went on to establish Tauber Oil based on his ideas and experience, conducting transactions with integrity, respect, and honoring commitments.

Today, Tauber Oil Company moves products throughout the port – via trucks, barges, tanks, ships, rail, and pipeline. David and his brother, Richard, still follow the vision and principles of their father – leading the company with his values and keeping a family feel in the corporate culture.

Current Structure of Tauber Oil Company

The company has grown and diversified significantly since O.J. Tauber, Sr., opened the doors in 1953. Its umbrella encompasses not only Tauber Oil Company, but also Tauber Petrochemical (petrochemicals transportation via ship, barge, truck and rail), Interconn Resources (natural gas service), TransOil Marketing, and Tauber Exploration & Production.

Tauber Oil purchased a natural gas company seven years ago that "proved to be a good business" for them. They have also added to other areas as the business with natural gas expanded. A trucking company in the Permian Basin, TransOil, maintains a fleet of over 50 tractor/trailer units and is an important component to their portfolio.

"We have rail cars from Canada to the Gulf Coast," said Tauber. "Another area is carbon black. We load ships here and take it to South Africa." Tauber explained that carbon black is essential to tires. Without carbon black, the life expectancy of a tire would be 8,000 miles.

Value of the Houston Ship Channel

When the discussion turned to the value of the Houston Ship Channel to the company, Tauber was quick emphasize its daily importance and integral value to operations.

"We wouldn't be here without the Houston Ship Channel! It's really our lifeblood because we bring in chemicals, we discharge cargo, and go out by rail, by truck, all here within the port," he stressed. "Same with the carbon black. We bring it in by barge to the big terminals. We just got through loading an Aframax that's going East."

Weathering Change and Maintaining a Multi-Generational Family Company

Tauber credits the legacy of his father with the continuing success of the company and its adaptability. "I always go back to what Dad did," Tauber explained. "Dad did the 'right thing'. That's what Richard and I have done with our sons as we turned it [the company] over to them last January." Included in the "standard" published on the company's website is a pledge to daily exceed customer expectations and to value creativity, respect diversity, and explore ways to expand the company's footprint into the future.

Tauber also underscored the importance of diversification: "We're diversified. That's the thing. My answer is good people and diversification."

IMO 2020 Impact

The greatest impact to Tauber Oil Company from implementation of the IMO's 2020 regulation has been on the carbon black side of their business. Tauber explained that refiners "went lighter" and didn't run their FCC (fluid catalytic cracker) units as heavily. Since carbon black originates from this process, the new limits on sulphur in fuel oil impacted carbon black production methodology.

The company does not currently trade in fuel oil.

"We haven't traded a lot of fuel oil for years," explained Tauber. "The market is crazy. We've not been in that market, but it did affect our carbon black business. It didn't change what we were doing; it just changed how we had to blend carbon black."

Energy Transition

The company is actively looking at new sustainable energy opportunities. A significant portion of their financial institution relationships are with European banks, and Tauber described them as having their "green flat up 100%". As part of their exploration, they have closely examined a carbon black destruction type of unit that disposes of tires. They have looked at projects to move CO2 as well as other green energy diversification opportunities.

Summing up the future, Tauber noted the company is always looking for new and different opportunities.

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