

Greater Houston Port Bureau

Port Bureau News

Quarter Three / 2025



Honoring the
2025 Maritime Leader
of the Year
Roger Guenther

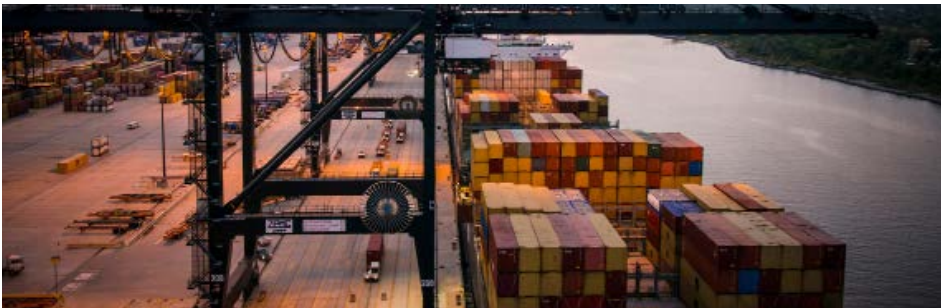
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Rice Business: Who Gets the Most Out of Generative AI | HSCSD Board Meeting & Annual Luncheon |
Lloyd's List Intelligence: Achieve Faster, More Reliable Vetting of Vessels |
Part 2: Protecting America's Critical Infrastructure: Who is Ultimately Responsible |

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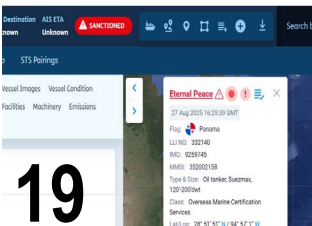
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The Greater Houston Port Bureau named Roger Guenther, immediate past executive director of Port Houston, as the 2025 Maritime Leader of the Year. Read more on page 10.



The global maritime industry stands at a critical juncture. Ports, the lifeblood of international trade, are embracing artificial intelligence ("AI") and automation to redefine operations, enhance efficiency, strengthen security, and meet the demands of an evolving supply chain. AI and automation offer solutions, enabling ports to operate with unmatched precision and resilience. This is not a distant dream—these technologies are already transforming ports worldwide, unlocking a future of immense potential. See page 6.

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Captain's Corner

Port Bureau's Summer Events Highlight Maritime Community Strength and Collaborative Spirit

This past summer was marked by several remarkable events that brought our maritime community together in celebration, reflection, and fellowship. It was an honor to attend the U.S. Coast Guard District Heartland Change

of Command ceremony and represent our port region at such a significant occasion. Admiral Will E. Watson relieved Admiral David C. Barata as the District Commander, and the event



underscored the vital role the Coast Guard plays in safeguarding commerce and security along the Gulf Coast. It was a privilege to witness the continuity of leadership that keeps our maritime industry strong and resilient. ADM Watson is very familiar with operations in our port region, as he served as Commanding Officer at Marine Safety Unit Lake Charles, Louisiana, from 2012 to 2015, and as Executive Officer at Marine Safety Unit Texas City, Texas, from 2010 to 2012. We look forward to working with him and his staff to address marine safety issues in our ports and to ensure we remain a top priority for the Coast Guard for funding, personnel and operations.

It is worth notice that the District Heartland got hisits new name due to its vital role in protecting America's inland rivers, the Gulf of Mexico, and the ports that fuel the nation's economy. Covering 26 states, more than 26,000 miles of rivers and waterways, and 1,200 miles of Gulf coastline, the District is central to securing maritime commerce, including the Mississippi River system that carries 60% of U.S. grain exports and much of the country's bulk cargo. It oversees the safety of offshore oil and gas platforms, petrochemical facilities, and some of the nation's busiest ports, including Houston, New Orleans, Mobile, Corpus Christi, and Galveston. The District also plays a critical role in search and rescue, hurricane response, disaster recovery, counter-narcotics, and port security, often coordinating with federal, state, and local partners to keep commerce moving and communities safe. In short, they are indispensable to national security, energy independence, and the protection of America's maritime gateways. I witnessed all this first-hand during my tour there as the Chief of Western Rivers and Waterways from 2021-2023.

Another highlight of the season was the Greater Houston Port Bureau's 96th Annual Maritime Dinner, where we had the distinct honor of recognizing Roger Guenther, immediate past Executive Director of Port Houston. The evening was a resounding success, well attended, lively, and filled with appreciation for Roger's outstanding contributions to our

port community. The event brought together industry leaders, partners, and friends in celebration of both individual achievement and collective progress. We are truly grateful for the overwhelming support shown to Roger that evening and the recognition reflects not only his outstanding leadership but also the strength and unity of our maritime community.

In addition to these events, our Commerce Club luncheons continue to see strong momentum, with attendance growing steadily month after month. These gatherings provide valuable opportunities to connect, share insights, and strengthen the collaborative spirit that defines our maritime sector. The energy and participation we are seeing reflects the ongoing commitment of our members to build relationships and advance our shared mission. It is a beautiful day when I see people in the hotel lobby networking, sometimes an hour after we conclude the program.

Taken together, these events showcase the strength of our community and the importance of coming together to honor service, celebrate leadership, and foster meaningful dialogue. As we move into the fall, we look forward to carrying this momentum forward and continuing to serve as the voice of Houston's port region.

Lastly, we are excited to announce that Navy Fleet Week is coming to Houston this fall, bringing ships, sailors, Marines, and Coast Guard members to our region for a week of celebration, community engagement, and education. Fleet Week offers the public a unique opportunity to tour Navy and Coast Guard vessels, meet service members, and learn more about the vital role our sea services play in national defense and maritime security.



As part of the festivities, the Greater Houston Port Bureau will host a special event on November 6 to mark the occasion. This gathering will bring together maritime industry leaders, community partners, and the U.S. Navy for an evening of networking, learning, and celebration of our shared connection to the sea. Stay tuned for more details about the Port Bureau's November 6 event and other Fleet Week activities across the Houston region. We look forward to welcoming you to this exciting celebration of service, community, and maritime excellence!

A handwritten signature in black ink, appearing to read "Eric".



#myportcommunityisbetterthanyours

**CAPT Eric Carrero,
USCG (Ret.)
GHPB President**

Port Watch

Another Mornin's Morning



Photo: Library of Congress

Times were tough in the summer of 1932 at Marino's Bronx speakeasy. The dearth of customers and expense of procuring bootleg alcohol made it ever more difficult to make ends meet. While Tony Marino was woefully grouching about his fiscal plight, his close friend - Francis Pasqua - noticed a bum who frequented the Bowery drinking holes begging for a drink on credit. That homeless man was Michael Malloy.

Malloy, an Irish immigrant from County Donegal, had been kicked out of many a speakeasy for his delinquent tabs. He was a thorn in Marino's side due to his endless pleas for "one more drink"; however, Tony and Frank quickly realized they could capitalize on the situation. After all, Malloy's acute alcoholism and lack of any family or friends most likely meant he would die in obscurity after a final drinking binge. Thus, a plan was hatched. In December, Tony and his accomplices took out several life insurance policies on Malloy and promised him free drinks and unlimited credit for signing the paperwork. Yet, no matter how much Irish Mike drank to the point of unconsciousness, he always awoke and returned to the speakeasy requesting "another mornin's morning."

Impatient with the lack of progress and the ongoing premium payments, Tony began to spike Malloy's drinks with antifreeze. When that failed, he added turpentine and rat poison. Finally, he gave him shots of wood alcohol to hasten Malloy's demise. Incredibly, Mike always returned for more after emerging from his comatose state. This prompted the gang to up the ante by feeding Mike methanol-soaked raw oysters and putrid sardine sandwiches laced with carpet tacks, glass and various poisons – to no avail.

As the expiration of the life insurance policies neared, Tony and his co-conspirators waited until a bitter cold night in late January to drag a passed-out Malloy to a nearby park where they poured 5 gallons of water on his bare chest and covered him with snow. That evening the temperature dropped to -14F. They were convinced he would freeze to death. Late the following morning, Malloy staggered into Marino's speak easy, complained about a wee chest cold and ordered, "another mornin's morning!" Shocked but undaunted, the gang enlisted a taxi driver to run over Malloy. Malloy – despite his drunken stupor – managed to

leap out of the way at the last second not once but twice. On the third attempt, Malloy was held upright by Tony and Francis. As the taxi barreled towards the trio reaching a speed of nearly 50 mph, they leapt from Malloy's side. This time Malloy could not evade the vehicle and was thrown several feet in air. Upon landing, the taxi driver backed over the lifeless body for good measure. As they hurriedly rushed to confirm Malloy was finally dead, they were scattered from the scene of the crime by curious onlookers who had heard the commotion.

Weeks passed without any news of Mike's whereabouts or condition. Tony and his nefarious band were certain the body was laying unclaimed in the city's morgue. Much to their shocked chagrin, on February 21, 1933, a battered Malloy entered Marino's seeking "another mornin's morning." Desperate, the men offered him drink after drink until he was comatose. They then dragged his body to a nearby room, connected a hose to a coal-fired heater, shoved the hose in Malloy's mouth and within an hour the indomitable Irishman was dead.

Trade has certainly not perished as the month of August was laid to rest. Au contraire, vessel arrivals for the state reached their peak in August. The 5% monthly gain was due to every major port posting positive month-over-month vessel counts. The brownwater front also contributed to the bounty of Leo's month with a 2% uptick after posting its best numbers since March. Nevertheless, both bluewater arrivals and brownwater transits are off by 2% and 7% - respectively - for the year.

Four of the nine Texas ports registered arrival highs for the year. In fact, Sabine logged its second consecutive busiest month in 2025 by topping July's count by 1%. LPG and offshore tow vessels played a pivotal role with a 29% jump and 9% gain respectively. Sabine has certainly benefited from the robust demand of LPG from ports afar. Bulklers also had a healthy month as evidenced by an 18% rise. Yet, those yields were not enough to boost the port into positive territory for the year as reflected in a year-to-date wane of 3%.

On the other hand, the Port of Corpus Christi's very bullish August pulled the port onto the positive side of the ledger for the year; albeit, by a mere 1%. A 19% jump in arrivals from July to August due to 9% more tankers and a 118% leap in bulker calls bodes well for the Sparkling City by the Sea. While chemical tankers trail 2024's tally by 2%, general cargo, LNG and ocean-going tows all exceeded the prior year's count by double digits. In short, the port is well positioned to set another tonnage record in 2025.

Never shy about its ever-expanding role in the Lone Star's constellation of ports, Freeport has notched its sixth consecutive triple-digit arrival month for the year. The summer doldrums were nowhere to be found as its arrival count ascended 10%; bolstering its year-to-date numbers to 13% above that of last year. LPG and chemical tankers dominated its waterfront with 29% and 17% month-over-month climbs - respectively. More impressive is the fact that the port saw a record number of container ships in August resulting in a 48% year-over-year bounce. Based on what has unfolded since January, there is little doubt Freeport will also set a tonnage record when the 2025 books are closed.

The final port that joined the August-Best-Month Club was Brownsville. This unassuming border port has welcomed 7% more arrivals to date, in spite of its major vessel category - bulkers - being off by 7%. No matter,

a handful of tankers and a few score of general cargo ships have more than offset this wane. As a consequence of those year-over-year gains of 13% and 50% respectively, Brownsville is outpacing 2024's arrival stats by 7%.

Texas City's 2025 performance has been a bit more tepid vis-à-vis 2024. The port saw 8% more vessels ply its waterways in August; however, 2025 remains 12% behind that of 2024. This is due to the significant decrease in chemical tankers over the last year - to the tune of 16%. The nearby Port of Galveston has also seen 12% fewer chemical tankers this year. Nevertheless, the armada of cruise ships that have called upon the port underscore its regional dominance in this market. Understandably, the summer months are not the peak of the cruise season. Yet, 8% more calls in the last month aided in pushing up the year-to-date gain to 10%. That aside, the port remains 2% behind last year's arrivals - even after adding August's 2% uptick. Mind you, the Galveston waterfront is not completely dedicated to cruise terminals as reflected in the impressive number of tankers that moor at Texas International Terminal - a facility that can handily store several million barrels of petroleum constituents. Thus far, the tanker count has waxed by more than 34% and will most likely continue to build on those numbers as the facility expands its tank farm footprint.

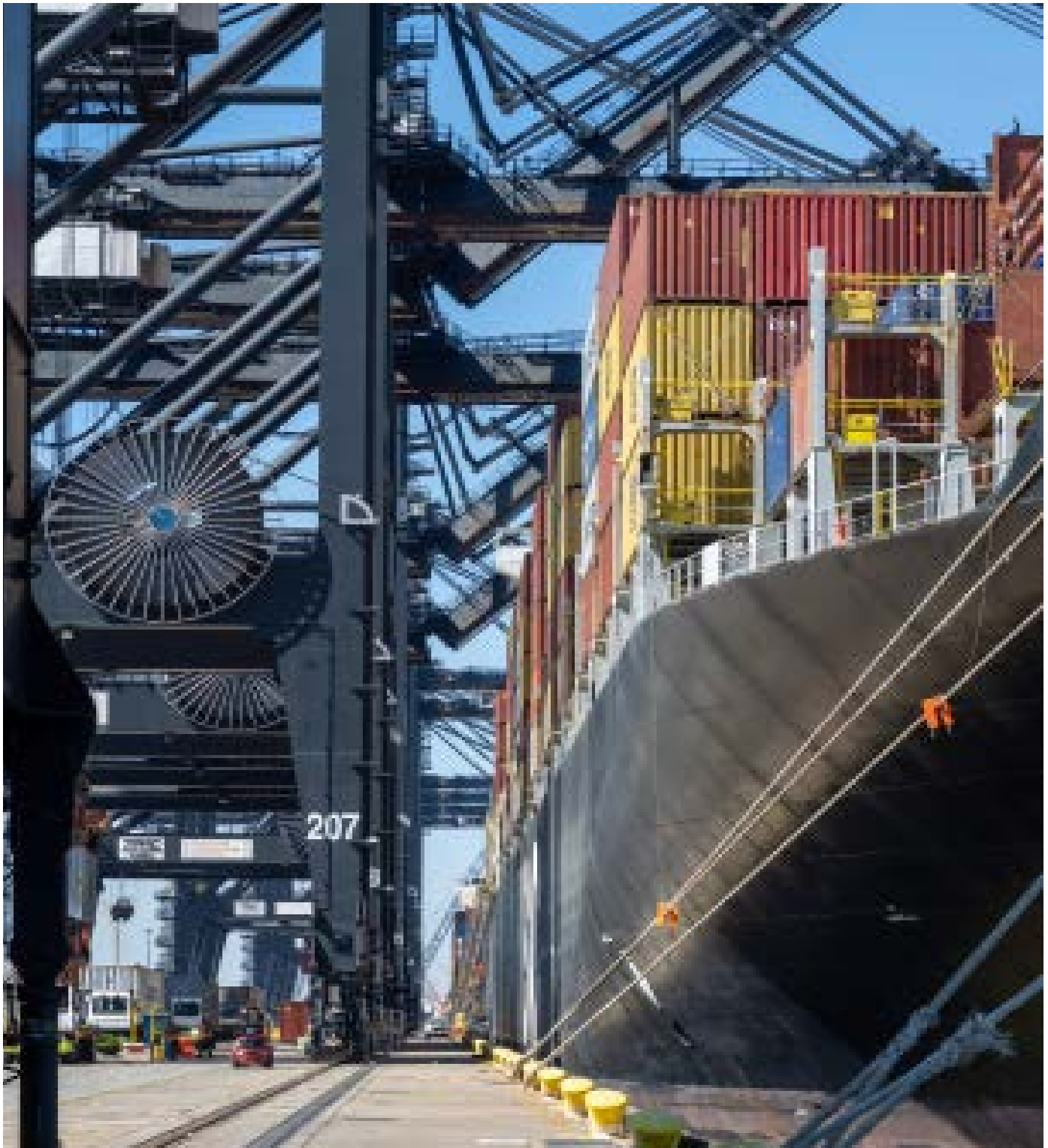
Houston's tanker arrival count has seen better years. 2025 still lags the prior year by 18% after chalking up a 24% increase in the last month. Chemical tankers - the port's dominant vessel category - were off for the month by 5% but are up 7% for the year. Beyond the petrochemical realm, bulkers and general cargo calls are outpacing the prior year by 7% and 10% respectively. Container vessel arrivals continue to wane. This is somewhat moot in light of the fact that, through the end of July, 6% more TEUs have flowed to and from the port's container terminals. Exports continue to outpace imports with respect to both full and empty containers. Regardless of the overall vessel arrival count, the TEU statistics bode well for the region's economic health.

Things did not bode well for Tony Marino and his fellow murderers when the rumors about the Irishman that would not die flew about the city's speakeasy circuit. Eventually, the police were alerted to the gang's attempt to collect on the life insurance policies and exhumed Malloy's body. An examination of the corpse revealed that Michael Malloy had died from gas poisoning. In short order, Tony and his cohort - dubbed the "Murder Trust" by an enraptured media - were sentenced to death by electrocution in Sing Sing's infamous electric chair. Undoubtedly, in the Depression Era justice was both swift and straight forward - regardless of the victim. Today, the likes of Mike Malloy suffering from acute alcoholism - if he lived in Canada - could have simply sought a prescription under the MAID law and eliminated the problem altogether.



Tom Marian
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The Rise of AI and Automation in Global Port Operations





The Dawn of Smart Ports

The global maritime industry stands at a critical juncture. Ports, the lifeblood of international trade, are embracing artificial intelligence ("AI") and automation to redefine operations, enhance efficiency, strengthen security, and meet the demands of an evolving supply chain. As someone deeply engaged in the port industry, I've seen the pressures of congestion, equipment failures, and stringent regulations. AI and automation offer solutions, enabling ports to operate with unmatched precision and resilience. This is not a distant dream—these technologies are already transforming ports worldwide, unlocking a future of immense potential.

Ports manage over 90% of global trade, handling millions of containers through complex networks of vessels, cranes, trucks, and customs processes. Traditional methods, often manual and reactive, struggle to keep pace with rising cargo volumes and tightening environmental standards. AI and automation are addressing these challenges, from predictive analytics that forecast cargo flows to automated systems that streamline container handling. Ports like Rotterdam, Singapore, and Los Angeles are leading the way, setting benchmarks for efficiency and sustainability. This article explores how these technologies are revolutionizing port operations, the engineering ingenuity behind them, and their promise for a vibrant maritime future.

Powered Predictive Analytics: Anticipating the Future

Predictive analytics, driven by AI, is reshaping how ports manage operations. By analyzing historical and real-time data—vessel arrivals, weather patterns, cargo volumes—AI systems enable ports to anticipate needs and allocate resources efficiently, reducing delays and congestion. The Port of Rotterdam, for instance, uses AI algorithms to predict container volumes, optimizing berth schedules and cutting ship waiting times, yielding significant cost savings.

In Saudi Arabia, Jeddah Islamic Port employs predictive analytics to manage cargo spikes during events like the Hajj pilgrimage. By integrating past shipping data with real-time inputs, the port allocates resources proactively, minimizing bottlenecks. These systems rely on IoT sensors, vessel tracking, and weather feeds, processed through machine learning to deliver precise insights. This is data-driven engineering at its core, enabling ports to handle growing demands without expanding physical infrastructure.

Sustainability is a key benefit. By optimizing vessel berthing and reducing idle times, predictive analytics cuts fuel consumption and emissions. As ports face pressure to meet global carbon-neutral goals, AI-driven forecasting becomes a critical tool for balancing economic efficiency with environmental responsibility, ensuring ports remain competitive and compliant with international standards.

Automation in Action: Cranes, Vehicles, and Beyond

Automation brings physical precision to AI's data-driven insights, revolutionizing port operations. Automated guided vehicles ("AGVs") and remote-controlled cranes reduce manual labor and human error, enhancing speed and safety. Singapore's Tuas Port, a global leader,

operates a fully automated container terminal where electric-powered AGVs transport containers between quay cranes and storage yards, coordinated by AI-driven fleet management systems. This setup accelerates loading and unloading while prioritizing worker safety by removing humans from hazardous tasks.

The Port of Rotterdam has also embraced automation, making substantial investments in automated cranes and vehicles to manage growing cargo volumes. These systems, often powered by renewable energy, align with the port's sustainability goals, showcasing how automation supports both efficiency and environmental stewardship. Similarly, the Port of Los Angeles uses autonomous container trucks and an AI-driven Port Optimizer™ to manage trucking flows and predict cargo volumes, alleviating congestion in one of the Western Hemisphere's busiest ports.

These advancements demand robust engineering design, from sensors guiding AGVs to software synchronizing crane operations. Ports must integrate these systems with existing infrastructure, ensuring reliability and compatibility. Workforce retraining is also critical, as employees transition to roles in robotics management and data analytics. The result is a dynamic port ecosystem capable of handling ultra-large container vessels and complex global trade networks with unmatched efficiency.

Security and Sustainability: The Broader Impact

AI and automation are enhancing port security and sustainability, addressing two critical industry priorities. AI-powered surveillance systems, like those at Rotterdam, use cameras and drones to monitor unauthorized activities, ensuring safety across vast port facilities. Predictive maintenance, another AI application, analyzes equipment sensor data to anticipate failures, reducing downtime and preventing costly accidents. The International Association of Ports and Harbors estimates that predictive maintenance can cut unplanned downtime by up to 30%, bolstering operational reliability.

Sustainability is equally vital. Rotterdam's shore-to-ship power systems, powered by wind and solar energy, allow docked vessels to shut off diesel engines, significantly cutting emissions. Singapore's Tuas Port integrates AI into berth planning and container stack management to minimize idle times, further reducing fuel use. These efforts align with International Maritime Organization sustainability standards, positioning ports as leaders in green logistics.

The Security Imperative: Auditing AI and Automation

The promise of AI and automation comes with a critical caveat: security. These technologies, while powerful, introduce vulnerabilities that bad actors—criminal organizations and nation-states—are exploiting. Data leakage, application security flaws, and unauthorized data harvesting threaten sensitive maritime data, from cargo manifests to vessel schedules. The maritime sector, like others, often prioritizes technological features; shiny lights, pretty dashboards that also promote efficiency, speed, scalability and yet overlooks the other side of the blade: vulnerabilities and threat vectors. Black-box AI systems, whose inner workings are not fully understood, amplify these risks. As Dr. Daniela Rus, head of the MIT AI Lab, has noted, the novelty of these systems demands rigorous scrutiny to understand their underpinnings before deployment.

Auditing AI and automation systems is essential. Pre-deployment audits must assess algorithms for biases, vulnerabilities, and unintended consequences, ensuring robust cybersecurity frameworks. For instance, penetration testing and code reviews can identify weaknesses in AI-driven surveillance or fleet management systems. Ports must also establish continuous monitoring to detect data breaches or manipulations, protecting against threats like ransomware or state-sponsored espionage. By prioritizing audits, ports can harness AI's benefits while safeguarding critical operations, ensuring trust and resilience in the face of evolving threats.

Yet, challenges remain. Implementing AI and automation requires significant investment in infrastructure and cybersecurity to protect against data breaches. Ports must also address regulatory complexities, as autonomous systems and digital tools demand new safety and compliance standards. Collaboration among port authorities, technology providers, and policymakers is essential to ensure seamless adoption and long-term success.

A Positive Outlook for the Future

The rise of AI and automation is redefining the potential of ports, creating interconnected, resilient, and sustainable hubs of global trade. Rotterdam's digital twin technology, for instance, allows real-time simulation of port operations, such as Smart Mooring and berth management, enabling precise planning and rapid response to disruptions. Singapore's Tuas Port and its digital transformation efforts, with autonomous trucks and AI-powered cranes, set a standard for what fully integrated smart ports can accomplish.

Security is also advancing. By embedding cybersecurity frameworks from the design phase and conducting rigorous pre-deployment audits, ports like Singapore are protecting digital infrastructure, ensuring operational continuity. Workforce development programs are preparing employees for new roles in data analytics and system management, fostering a human-centric approach that elevates skills rather than replacing jobs. This balance of technology and talent is key to sustainable progress.

The future of ports is bright. AI and automation are paving the way for supply chains that are efficient, secure, and environmentally responsible. As ports worldwide adopt these technologies, they will not only meet the demands of global trade but also drive innovation and economic growth. By investing in smart engineering, robust security lifecycles, and thorough auditing, we can build a maritime industry that thrives in the face of challenges, a future where ports are not just gateways of

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BARGING AHEAD *ever so politely.*



Buffalo Marine Service, Inc.

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Port Bureau Hosting VIP Fleet Week Event November 6

The Greater Houston Port Bureau will be host a VIP event: Sailing Towards New Horizons in cooperation with Fleet Week Houston on November 6 at Manchester Terminal. The networking event will include duty U.S. Navy, Marine Corps, and Coast Guard, U.S. Army Corp of Engineers, Port Bureau members, organizations and media.

Set for November 5-12, Fleet Week Houston will mark the first time the U.S. Navy has brought this tradition to Texas, featuring three naval vessels and more than 1,000 sailors, Marines and Coast Guardsmen. The week long lineup includes ship tours, family-oriented activities, educational outreach, community service projects, business forums and lively celebrations. Houston will also host the U.S. Marine Corps' 250th birthday on Nov. 10 and celebrate the Navy's yearlong commemoration of its own 250th anniversary.

"We are thrilled to bring Fleet Week to Houston for the very first time – Houstonians will get to know our Sailors, Marines, and Coast Guardsmen, hear their real stories, and see exactly what the sea services do every day to keep America safe and strong," said Rear Adm. John W. Hewitt, Commander, Navy Region Southeast. "Houston has incredible energy as a dynamic city, and we're excited to strengthen our military and community ties. As the Navy and Marines Corps mark 250 years of service to the nation, this feels like the perfect moment to build lasting connections."

Network with fellow members, military officials, port executives, and professionals as you enjoy conversation, food, and drink at Manchester Terminal.



Sponsorships include digital and onsite marketing. For details and to register go to:

<https://www.txgulf.org/events/sailing-towards-new-horizons-fleet-week>

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With offices throughout Texas, our attorneys have handled eminent domain proceedings from one end of the state to the other. We advise and represent clients and industry coalitions at the Texas Legislature regarding proposed eminent domain legislation and before state and federal regulatory agencies. Additionally, we frequently speak on podcasts and at conferences and publish authoritative papers regarding the latest developments in eminent domain and land use law.



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Roger Guenther

2025 Maritime Leader of the Year

The Greater Houston Port Bureau named Roger Guenther, immediate past executive director of Port Houston, as our 2025 Maritime Leader of the Year. The Port Bureau's board of directors selected Roger as this year's honoree for his unwavering commitment to the growth and success of maritime industry during his more than 35 years in the port community.



Roger is a native to the port region, having been born and raised in Baytown. Despite the near proximity of port operations and close family involvement in related industry – his grandfather worked at the Humble docks in Baytown and his father was a supervisor at Gulf/Amoco/Chevron plant – Roger did not have early awareness in the maritime industry. His earliest ideas

centered around values. His parents emphasized faith, family, and friends as well as a strong work ethic. These concepts shaped Roger's earliest ideas about career. His father arranged summer jobs for Roger and his brother, bagging plastics by hand, grappling, and pushing the plastics into pallets with forklifts. While its value as an export was not top-of-mind, the importance of responsibility, commitment and teamwork was stressed.

Early in his life, Roger's father pointed to engineering as career for Roger as he excelled in math and science at school. He counts himself fortunate that both he and his brother were able to attend college as it was an opportunity his parents didn't have. He enjoyed studying for his degree in mechanical engineering at Texas A&M University, graduating in 1983. Initially he worked for a German crane manufacturer, one of the two companies he worked for during his career. Four years in, Roger received a call from a friend saying Port Houston was seeking a mechanical crane engineer at Barbours Cut, located just a few miles from his home.



"I fell into the maritime industry and worked at Port Houston for 37 years," Roger said.

He soon found great mentors in the mechanics and electricians that worked for him. Roger learned from them, and the longshoremen told him how to get things done. When he became Executive Director in 2014, Roger relied on these early lessons as he assumed new responsibilities.

Roger's career at Port Houston has been on an eventful journey that has included landmark milestones for Port Houston. In the mid-90s, he led the transformation of a green field into becoming Bayport Terminal and redeveloped Barbours Cut Terminal as part of Port Houston's master development plan. "There were many hurdles," said Roger. "Permitting, operating a terminal beyond functional capacity before it actually opened, staying ahead of demand, and having the assets and funding available to service customers."



The biggest challenge of his career was leading hundreds of Port Houston employees through the COVID pandemic. Roger was responsible for ensuring the care of employees while they continued to operate the port during this time.

“There was no blueprint and much uncertainty in how to handle a pandemic in a port,” he recalled. “It was a challenging situation for all the [Houston] Ship Channel. Employees banded together, keeping cargo and supplies flowing to meet the demand.”

COVID, Roger noted, has changed business today by being able to work remotely and hybrid. Post COVID issues also occurred as Port Houston handled the massive influx of cargo, managed congestion, and managed other unexpected difficulties.

Roger has been instrumental in expediting Project 11 – the deepening and widening of the Houston Ship Channel. It is a billion-dollar, collaborative, infrastructure construction effort to support continued growth of the busiest waterway in the nation. The project is unique as it relies on a local funding plan that is the first of its kind, representing a cost sharing collaboration between public and private entities. Congress approved the widening and deepening of the channel in December of 2020 as part of the Water Resources Development Act of 2020. Through collaboration with the channel industry, the expansion project is targeted to be completed in the couple of years. Without Roger’s dedicated leadership in working with industry stakeholders and driving the project forward on its unusual path, the traditional federal funding mechanism would have required decades to complete the expansion.



Looking ahead, Roger sees continued growth and opportunity for Port Houston and the Houston Ship Channel community. “Hydrocarbons will continue to play an important part as Houston is the biggest supplier for energy and with other supplements for other things,” Roger said. He also sees technology as one of the most rapidly growing aspects for efficiency in the port. He feels technology will not eliminate jobs, but instead will create more efficiencies and job opportunities.



In 2022, Roger was one of six global shipping leaders inducted to the International Maritime Hall of Fame by the Maritime Association of the Port of New York and New Jersey. It was the first time anyone from Houston was ever inducted into their Hall of Fame, bringing recognition to Houston and Port Houston.

When asked for his advice to the next generation, Roger said this: “Take on responsibilities that aren’t necessarily in your lane that increase your knowledge in your organization. Raise your hand. Team members are engaged if they are responsible and accountable as well as building their skill set,” he said. “Treat people as you like to be treated. Listen! Everyone brings something to the table. At any meeting, you are probably not the smartest person in the room. Listen to others. By doing so, it may lead to new ideas that haven’t been considered.”



Family Photo: Jess, Tyler, Fabian, Roger, Emily, and Jordan

Post retirement Roger plans to continue to serve on the board of the Gulf Coast Protection District. Created in 2021 by the 87th Texas Legislature to oversee the implementation of an integrated and comprehensive coastal resilience strategy for the upper Texas coast, Roger was appointed to the board by Gov. Greg Abbott that same year. Its program to deliver vital protection from coastal storm surge to communities and industries and protect the Texas coast ecosystems are important to Roger. He looks forward to working with the board to achieve these significant protection goals.

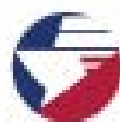
What else does retirement hold? Roger loves to fish, is an advent duck hunter, and wants to play more golf. Having a home in College Station and being an Aggie graduate, he watches baseball, football, and other sports. Since retiring in August last year, he and his wife, Fabiana, have been traveling through the states and just recently returned from an extended vacation through Europe.



The Greater Houston Port Bureau wishes Roger fair winds, following seas and good fishing! Read more about Roger as our 2025 honoree and his recognition at our 96th Annual Maritime Dinner on page 14.



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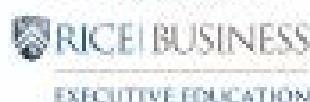
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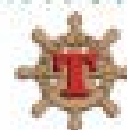
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96th Annual Port Bureau Maritime Dinner Honors Roger Guenther



The Bayou City Event Center became the hot spot on Aug. 23 as the Port Bureau welcomed more than 700 guests from Houston's maritime community to honor Roger Guenther, immediate past executive director of Port Houston. Guenther was recognized for his exemplary leadership and commitment to the port region at our 96th Annual Maritime Dinner.

Title sponsor Port Houston and Queen of the Fleet sponsors Buffalo Marine Service, Inc., Callan Marine, Enterprise Products Partners L.P., Kinder Morgan, Kirby Corporation, Targa Resources, and Vopak helped make the evening a landmark event.

The cocktail reception and gourmet dinner was followed by a special recognition program that included Proclamations from the City of Houston, Harris County, and Harris County Precinct 2. The special presentations were followed by keynote speakers Vincent DiCosimo, senior vice president of government affairs at Targa Resources; Commissioner Clyde Fitzgerald of Port Houston; and Tyler Guenther, Guenther's son. Each speaker saluted Guenther's contributions and shared their unique perspective of his life and career in the port community.

"Clearly the hallmark of Guenther's career in our eyes has been Project 11," noted DiCosimo. "Why? Because it took a private/public partnership to get that done. It's been expedited. It's been a coalition that he brought together of industry and port and government officials. Our ability to execute was driven by Roger - and obviously driven now by Charlie and his team. It would not have gotten started but for Roger. Its value is difficult to put an

exact number on, but it will be over a trillion dollars in the next five to ten years."

"From coaching me in my little league sports to encouraging me every day before I left the house, he told me to make good choices," said Tyler Guenther. "His leadership isn't loud, but it's powerful. He shows up not only when it's easy, but especially when it's hard. He inspires everyone around him to be their absolute best."

Guenther's recollections from his 35+ years of port experiences and sincere thanks, particularly his appreciation for the many people working with him over decades, were the highlight of the evening's program. "This is the best industry you could ever be a part of, and it never leaves your blood," he said.

The formal ceremony concluded with the presentation to Guenther of a replica of the U.S.S. Constitution. The presentation of the ship to each honoree has been a Port Bureau tradition for many years.

Guests continued the celebration with Guenther at the post-event social in The Lounge. Music, lite bits, and cocktails topped off the special evening.

The Greater Houston Port Bureau is privileged to honor leaders and companies offering outstanding commitment to Houston's maritime community.



Who Gets the Most Out of Generative AI?

This mismatch raises a key question: Can generative AI tools that create text, images and other content truly enhance employee creativity?



Photo courtesy of Rice University.

Key Findings:

- Generative AI enhances employee creativity — but only when paired with metacognitive strategies like planning, monitoring and adapting.
- When used strategically, generative AI can expand “cognitive job resources” that support creative problem-solving — like access to information, task flexibility and mental recovery.
- To unlock AI’s creative potential, organizations should invest in metacognitive skills training — not just new technology.

The rise of generative AI in the workplace has led to a puzzling disconnect. Even as organizations increasingly embrace tools like ChatGPT, there’s been little evidence that they enhance employee creativity. For example, a recent nationally representative Gallup survey found that only 26% of employees who use AI say they’ve seen a creative boost.

This mismatch raises a key question: Can generative AI tools that create text, images and other content truly enhance employee creativity?

A new study from Rice Business suggests they can — but only when paired with the right cognitive approach.

Published in the *Journal of Applied Psychology* and co-authored by Jing Zhou, Mary Gibbs Jones Professor of Management, the paper finds that generative AI doesn't enhance creativity equally for everyone. Instead, its impact depends on how well people manage their own thinking while using it.

To unlock generative AI's creative potential, employees must pair it with "metacognitive strategies" — mental habits like planning tasks, tracking progress and adjusting tactics.

To test how metacognition affects the creative benefits of generative AI, the authors ran a field experiment with employees at an actual organization — one of the first studies to do so. Using one of the most rigorous methods in organizational research, the study offers rare causal evidence of AI's impact on workplace creativity.

A Real-World Test

The field experiment took place at a Chinese technology consulting firm — an industry that puts a premium on innovation. Because employees in this field are expected to develop custom solutions for diverse clients, it made for an ideal research environment.

The team worked with 250 nonmanagerial employees at the firm who were randomly assigned to either a treatment group or a control group. Treatment group participants received access to ChatGPT accounts, along with usage examples, while those in the control group continued working without help from AI.

"What we found is that AI tools aren't a creativity machine on their own," Zhou says. "They can be a powerful partner. But for workers to truly benefit, they need to reflect on their thinking and adjust their approach in real time."

Both groups completed creative problem-solving tasks during the work week. At the end, participants in the treatment group took a survey measuring their use of metacognitive strategies — including how well they planned, monitored and adapted their methods. For example, they would rate themselves on statements like: "While working toward my goal, I kept track of how effective my approach was."

Employee supervisors, who were unaware of the study's design or purpose, later rated the creativity of participant outputs. To supplement these evaluations, external reviewers independently assessed employee responses to a specific written prompt about protecting privacy in the digital workplace. Responses were scored on novelty and usefulness.

What the Study Found

So, what were the results?

The experiment showed that employees who worked with generative AI produced more creative ideas than those who did not — but only when they applied metacognitive strategies.

In other words, the value of AI depends less on what it can do and more on how people use it. "Tools like ChatGPT have real potential to expand what we call 'cognitive job resources,'" Zhou explains. "That is, things like access to relevant information, the ability to switch between tasks and moments of mental rest. But this potential is only unlocked when people use it strategically."

Mind Over Model

The study has major implications for both employees and companies who are eager to integrate AI into their workflows. If AI-driven creativity depends on how people think, then companies must invest not just in new tools — but in the mental habits that make those tools work. And for employees: Using AI effectively isn't just about mastering the technology — it's about sharpening how you plan, adapt and reflect as you work



The good news is that these strategies are teachable. Firms can boost creativity by investing in metacognitive skills training.

What form that training should take is a fertile avenue for future study. Perhaps it looks like more reflective onboarding, structured support for planning, or dedicated time to build and assess problem-solving strategies.

Looking Ahead

The study raises other important questions, such as the role of employee motivation. Employees who are more motivated to explore and solve problems may be more likely to engage metacognitively with AI. Team dynamics and organizational culture might also play a role in shaping how AI tools are used day to day.

The Rice Business study is promising, but its authors acknowledge limitations. For example, the long-term effects of using generative AI are unclear. Over time, employees who rely heavily on these tools may risk becoming too dependent, potentially weakening the very skills that nourish creativity, like autonomy and learning.

Still, the takeaway is clear: Generative AI isn't a shortcut to more novel and useful ideas. To successfully use these tools, organizations need to do more than just install new software. They should provide training and support to help employees reflect on their processes and think strategically.

Scott Pett

Editor, Marketing & Communications

Rice Business
sap9@rice.edu





Houston Ship Channel Security District Board Meeting and Annual Luncheon-November 4



The Houston Ship Channel Security District (“HSCSD” or “District”) marked its 16th anniversary this year. As a first-of-its-kind, comprehensive port security partnership, the District features a regional, multi-layered strategic model which protects extensive waterside and landside supply chain interests along

the Houston Ship Channel. The District provides funds to leverage and support improved security infrastructure funded through the Port Security Grant Program. The improved infrastructure, which makes use of technology and enhanced security measures, provides a greater degree of safety and security for the Houston Ship Channel community.

The “brainchild” of long time Port of Houston Authority Port Commission Chairman Jim Edmonds, the District grew out of port security initiatives post-9/11. These initiatives were evolving into multi-layered strategic approaches to provide enhanced protection for the Houston Ship Channel. The HSCSD was initially created when the Texas legislature passed House Bill 3011 in June 2007.

However, before the formation of the District could be completed, a petition signed by 50 percent of the facilities within the District and 50

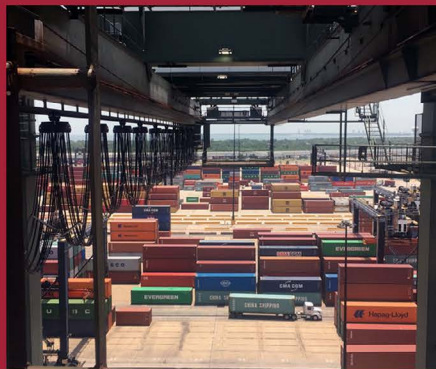
percent of the facilities representing the assessed value of the District had to be presented to the Harris County Commissioners Court for a vote. Houston Ship Channel stakeholders responded, and final authorization came on June 9, 2009, when the Commissioners Court voted unanimously to approve the District.

Today, government and law enforcement partners include the City of Baytown, City of Houston, Harris County Sheriff’s Office, Harris County Universal Services-CTS TranStar partners (TxDOT, METRO and City of Houston), Texas Department of Public Safety, and the U.S. Coast Guard.



Thanks to the partnerships the District has fostered, along with the extraordinary support from industry, the Houston Ship Channel Security District is an ongoing, remarkable success story of business and government coming together to protect the people and places along the Houston Ship Channel waterway.

Every year, the HSCSD holds an annual board meeting and luncheon for government, law enforcement partners and industry. This year it will be held November 4 at the Hyatt Regency Baytown. For information and to sign up, go to: <https://forms.cloud.microsoft/r/mkxeph0wtf>.



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Achieve Faster, More Reliable Vetting of Vessels

The screenshot displays the Seasearcher web application. At the top, there are navigation tabs: Vessels, Companies, Places, Incidents, Sanctions, and Channels. Below this, a header bar for the vessel 'Eternal Peace' shows its Risk Rating (red), LLI NO (332140), IMO (9259745), Flag (Panama), Status (Live), AIS Destination (Unknown), and AIS ETA (Unknown). A red 'SANCTIONED' badge is visible. The main content area is divided into a left sidebar with various filters and a central panel showing the vessel's summary and details. The summary includes the vessel's name, LLI NO, IMO, Flag, Status, and a table of key specifications. The details section provides a comprehensive overview of the vessel's history, movements, and compliance risks. On the right, a map shows the vessel's current location and a pop-up window displays additional information, including the vessel's type, size, class, and nearest place.

Summary			
Last Updated: 28 Aug 2025			
Ballast AIS Draught: 9 m			
LLI NO:	332140	IMO:	9259745
Flag:	Panama	LLI Vessel Type:	crude oil tanker
Status:	Live	Reg. Owner:	Hong Kong Zhongtuo Group Company Limited
Built:	2004	Length Overall:	274.70m
DWT:	159549	Maximum Draught:	17.30m
GT:	84855	Depth:	24.00m

When an energy producer and trader took over an oil refinery in Texas, they needed a robust and reliable method of vetting vessels that they charter and those loading cargo from the plant. The international sanctions regime was increasingly complex, and the trend was towards stricter enforcement by OFAC. Vetting became more crucial than ever, but the manual process of checking different databases and news sources was a drain on time and resources. Becoming a U.S. entity, the sanctions compliance part became a very critical aspect for them. They needed a data provider to help them check for incidents, compliance, ownership and sanctions.

Their old vetting process was slow and fragmented. Although Lloyd's List Intelligence ("LLI") data fed into their internal systems for first-line checks, multiple manual checks then followed.

- The in-house system lacked crucial sanctions data for information.
- Multiple manual checks for hunting for sanctions, incidents and other details from external sources.
- It took 20-23 minutes to vet each vessel, which delayed trades.

The company searched for a solution that delivered detailed vessel insights in a user-friendly way for quick and reliable vetting. They needed a platform to seamlessly check different sites and data sources such as EU sanctioned company lists, external sources, incident data, casualty records and Lloyd's List news. The information must all feed into an in-house system to provide a full and up-to-date picture to vet and approve trades.

The company opted for LLI's Seasearcher Advanced Risk and Compliance platform to deliver detailed vessel insights in a user-friendly way for quick and reliable vetting. A dedicated LLI account manager helped the company with the initial setup and training so the company team could quickly start taking advantage of the new system.

The LLI platform provided the company with:

- Sanctions data on vessels and entities
- Advanced AIS gap modelling detection including:
 - AIS manipulation
 - Dark ship-to-ship transfers
 - Dark port callings

- Comprehensive voyage event log-in compliance reports
- Watchlists to upload and screen vessels, companies and places automatically against their own lists
- Tailoring of risk models according to preferred time window (6, 12, 18, 24 months) and viewing red, amber and green vessels on the platform according to risk preferences
- 7 levels of ownership structure with alerts when a new ownership structure made a vessel directly or indirectly linked to sanctions

The compliance report provided a single source of truth between vetting and ship managers to seek explanations for AIS gaps or loitering activities. It also aligned vetting and legal teams with detailed investigations into possible risks in one place. This protected the company against the risk and penalties of non-compliance and freed up vetting time to allow for more trades. Time is money and because of the time saved, the vetting teams were able to gain 24 hours per month, 6 hours time per week and 10 minutes per check.

LLI offers sophisticated, maritime intelligence products for their clients such as Seasearcher online tool for real-time vessel tracking and intelligence. These include the Seasearcher Advanced Risk and Compliance analyzes vessel movements and behaviors, highlighting risks related to illicit activities; and Predictive Fleet Analytics to provide accurate predictions for vessel arrival, departure, berthing times, and estimates of port congestion.

Lloyd's List Intelligence

Mark Sa
Vice President of Growth
Lloyd's List Intelligence
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Part 2: Protecting America's Critical Infrastructure: Who is Ultimately Responsible?



In Part 1 of this series (can be found at: <https://www.txgulf.org/news/protecting-americas-critical-infrastructure-who-is-ultimately-responsible>), we explored the evolution of America's critical infrastructure protection efforts in the post-9/11 era - from the creation of the Department of Homeland Security and the issuance of PPD-21, to the more recent shift under National Security Memorandum 22. We examined how responsibilities have been divided between government and the private sector, which own and operate most of the nation's critical infrastructure. The central takeaway: protecting that infrastructure is a shared, urgent imperative that must be addressed to become more resilient and confront the current, fast-moving evolving threat. In this second article, we move from policy to practice by analyzing some of the most impactful cyberattacks in recent years and asking why—despite their severity—many were dismissed by the public as mere “inconveniences.”

Cyber incident and attacks; what's the big deal?

It's very interesting that many Americans, not involved with critical infrastructure protection, don't really understand the scope and serious impact a cybersecurity incident or attack can have in our day-to-day way of life in the U.S. The reality is that unless you are following specific cybersecurity news outlets, podcast, or blogs, you will rarely hear about a cyber incident or attack, and its impacts in the mainstream media. Why is that? The answer is simple, there are no buildings on fire, collapsing, or a significant loss of life from a cyberattack; at least for now, it is a matter of time when we could see nation state actors figuring out ways to execute such type of attacks.

Probably one of the most covered cyberattacks reported by the media over the last few years was the Colonial Pipeline Ransomware attack in 2021 where DarkSide Ransomware Group attacked Colonial Pipeline, forcing a shutdown of its 5,500-mile pipeline that carries fuel from Texas to the East Coast. According to a case study published by INSURICA the attackers gained access to Colonial Pipeline's network through a compromised Virtual Private Network (VPN) password which was possible, in part, because the system did not have multifactor authentication protocols in place. Making entry into the VPN easier since multiple steps were not required to verify the user's identity; even though the compromised password was a "complex password." In this case, the pipeline was shut down for about six days, and the company paid approximately \$4.4 million in ransom, of which the Department of Justice later recovered about \$4.2 million. Why this made the news cycle for multiple days? This incident caused a major fuel shortage and panic buying through most of the east coast.

However, many more incidents have taken place over the years with the potential to have major consequences on multiple critical infrastructure sectors that include the transportation sector and others which have critical interdependencies with the maritime sub-sector like logistics and freight companies, and other third-party service providers to the port.

The Current Maritime Threat Landscape

As U.S. maritime entities strengthen their cyber defenses to meet evolving U.S. Coast Guard regulations, hackers are not standing still. Instead, they are shifting tactics to target softer spots along the maritime supply chain. The good news: several Texas Gulf maritime organizations with advanced cybersecurity programs have reported year-over-year declines in direct cyberattacks against their own facilities. The bad news: hackers are bypassing those stronger defenses and going after third-party vendors and suppliers—partners that are deeply trusted in daily operations but often unregulated and less prepared.

The most common way in? Business email compromise. When hackers gain access to a single vendor's email account, they can quietly gather sensitive information like logistics schedules, billing data, and even industry-specific terminology. With artificial intelligence tools, these attacks are becoming more convincing than ever. Hackers can now automate email collection, mimic the writing style of trusted partners, impersonate voices, and even use deep-fake technology to appear as someone you know in a virtual meeting. The reality is clear: hackers are adapting faster than regulations. While regulated maritime facilities

are steadily improving their defenses, their third-party partners often remain the open door. Once hackers exploit that trust, they can disrupt operations, inflict financial losses, and even pose risks to national security. They also use these trusted relationships to launch broader campaigns, multiplying the damage from a single compromise.

Despite progress at MTSA-regulated facilities, significant gaps remain in policy and partnerships across the wider supply chain. Coast Guard regulations set requirements for regulated facilities, but many of the vendors, contractors, and small businesses that support maritime operations fall outside that oversight. This creates a patchwork of defenses—strong in some areas, weak in others—where hackers are quick to take advantage.

The challenge is not only regulatory. Smaller entities often lack the budget, staff, or expertise to maintain strong cybersecurity. Without clear policy frameworks or adequate support, these organizations struggle to keep pace with evolving threats. Just as concerning, information sharing between facilities, vendors, and government agencies remains inconsistent. Many companies are reluctant to report incidents, fearing reputational or financial harm. This silence leaves the broader maritime community blind to active threats. Hackers, meanwhile, count on this lack of coordination, recycling the same tactics against multiple targets with little resistance. Closing these gaps requires both smarter policy and stronger collaboration. Expanding cybersecurity standards to cover more of the supply chain, helping small businesses adopt baseline protections, and fostering trusted information-sharing partnerships across the maritime ecosystem are all critical steps. Without collective measures, even the best-defended facilities remain vulnerable through the weaker links that connect them.

This isn't hypothetical. Chinese hacking groups, for example, are known for patience and precision. They often target U.S. supply chain vendors as steppingstones, using low-profile techniques that blend into normal business activity. Small maritime businesses, many of whom act as third-party vendors, face particular risk. Lacking the resources to invest heavily in cybersecurity, they become prime targets for attacks that can quickly escalate from local disruptions to national consequences. For the maritime sector—one of the nation's most critical lifelines—the question is no longer whether critical infrastructure facilities are strong enough, but whether the broader supply chain can hold the line.

Very sophisticated strategies: Who's funding these efforts?

To simplify this into two groups: criminal organizations and nation state funded actors. Ransomware and stealing proprietary information are a very profitable business; although there's not an official amount, estimates in 2023 was about \$1.1 billion. Then we have nation state actors which are sponsored by foreign governments like the People's Republic of China ("PRC"), Russia, Iran, and North Korea. China specifically has been by far the most notorious threat to our critical infrastructure, and they are not shy about it; the PRC has multiple publications like the "Made in China 2025" and other documents stating their intentions to target specific industries and critical infrastructure. In January 2024, then CISA Director Jen Easterly told Congress that "..... Chinese cyber actors, including a group known as "Volt Typhoon," are burrowing deep into our critical infrastructure to be ready to launch

destructive cyberattacks in the event of a major crisis or conflict with the United States. This is a world where a major conflict halfway around the globe might well endanger the American people here at home through the disruption of our gas pipelines; the pollution of our water facilities; the severing of our telecommunications; the crippling of our transportation systems—all designed to incite chaos and panic across our country....” Volt Typhoon is focused on targeting U.S. critical infrastructure, especially telecommunications, internet service provider core routers, communications infrastructure, using “Living off the Land” techniques. I would compare “Living off the Land” techniques as a cyber tool equal to a B-21 Stealth Bomber in the physical world; they are very or sometimes impossible to detect. After Volt Typhoon, we discovered other Chinese advance persistent threats including “Salt Typhoon” and “Flax Typhoon;” Salt Typhoon focused on the telecommunication sector for espionage, data exfiltration, and counter-intelligence. Flax Typhoon used large botnets from compromised Internet of Things -network devices for reconnaissance and intelligence gathering as a potential pivot into more critical systems. All Typhoons consistently employed ‘Living off the Land’ techniques, operating stealthily in pursuit of the PRC’s strategic objectives.

Key Take Aways / Conclusion

- These hackers aren’t just stealing intellectual property—they’re building long-term footholds in systems that could enable disruption or sabotage. For example, control over telecom/ISP routers could let an adversary interfere with communications or rely on it in a conflict.
- The stealth (living-off-the-land, rootkits, compromise of routers, botnets) means detection is hard; defenses must assume

compromise is possible, not hypothetical.

- Because many of the targeted systems cross sectors (telecom, energy, utilities, transportation), a weakness in one can cascade into others (maritime ships connected via satellite/VSAT, ports connected via ISP backbone, etc.).
- Response needs visibility not just in one’s own network but upstream/downstream (service providers, vendors, infrastructure dependencies), since these groups exploit those connections.
- In the next issue, in part 3 of this magazine, we will discuss potential innovative frameworks for collaboration, information sharing, prevention and response necessary to counter the consistent evolving threat we confront to enhance the resiliency of our critical infrastructure.

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This article marks the second in a three-part series focused on one of the most pressing questions facing our nation.



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Congratulations to Quyenie Lam,
General Manager, Pollution and
Safety Advisor, Moran Shipping
Agencies!



After coming ashore, Quyenie worked with SeaRiver Maritime as a Pollution & Safety Advisor. She joined Moran Shipping Agencies when the company assumed management of the PSA Program and has been essential in supporting clients with safe and efficient vessel in-port operations since 2012. In line with Moran's commitment to the industry, Quyenie is actively engaged in port activities and the Greater Houston Port Bureau's Women in Maritime Events and the Forum of Workers in Maritime, and other organizations.

Welcome GHPB New Members

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With 35 years of Dealer experience, Neely Equipment is North America's premier online resource for large-capacity forklifts, container handlers, and reach stackers. We're committed to serving you directly, sourcing your required equipment, and facilitating the sale of your surplus items. Additionally, we offer comprehensive services, including dismantling, transport, and reassembly.



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May 2025 Commerce Club Featuring Barbara Pickering, President, Chevron Shipping Company



The Port Bureau welcomed Barbara Pickering, president of Chevron Shipping Company, as the featured speaker at the May Commerce Club luncheon. Entitled “Navigating Tomorrow: Advancing a Thriving Maritime Sector Together”, Pickering introduced her talk with a video highlighting Chevron’s Pacific Area Lightering operation, initiated off the West Coast 29 years ago. Since its inception, Chevron has completed 2,650 lightering operations and moved as much as a million barrels each time.

“29 years ago, I was part of a team that had the innovation to be able to do lightering offshore in California, which was unique,” said Pickering, explaining that while such operations weren’t unique in the Gulf but there had been significant regulatory barriers to overcome to achieve implementation in California. The operation has continued to be a success as its location is only 25 miles offshore, while competing operators are 200 miles offshore.

“I’m so proud, after 29 years, we’re continuing to do that safely and reliably. It’s a great example of our history at Chevron Shipping,” she said.

Pickering gave an overview of the company, indicating Chevron Shipping transported the equivalent of one billion barrels of oil annually, operated 29 tankers, and completed 3,800+ annual voyages via third-party vessels. The company employs approximately 2,000 people from more than 20 countries and operates 60+ marine terminals.

“As a result of the expertise we have on the shore and the ships, we also support 61 terminals globally with marine expertise. At the Pasadena Refinery, just down the Ship Channel, we have been working on their marine terminal,” Pickering said. “This is the beauty of Chevron Shipping - we are able to bring our maritime expertise ashore ... we’re building expertise now and for the future.”

“In our home port, as I call it, we are often seen with our own ships,” she continued. “We have moved 93 million tons of product over the Houston Ship Channel in a thousand voyages.”

Chevron Shipping also supports nine education programs throughout the U.S., including a local partnership with Houston Independent School District at Stephen F. Austin High School.

“Going forward, I believe the future of the industry [is] in educating youngsters into this industry. I’m proud that Chevron Shipping did sponsor the first high school here, the Austin School, where we took financial responsibility of adding some sponsorship to the school,” said Pickering. “We have given talks. It’s been great.”

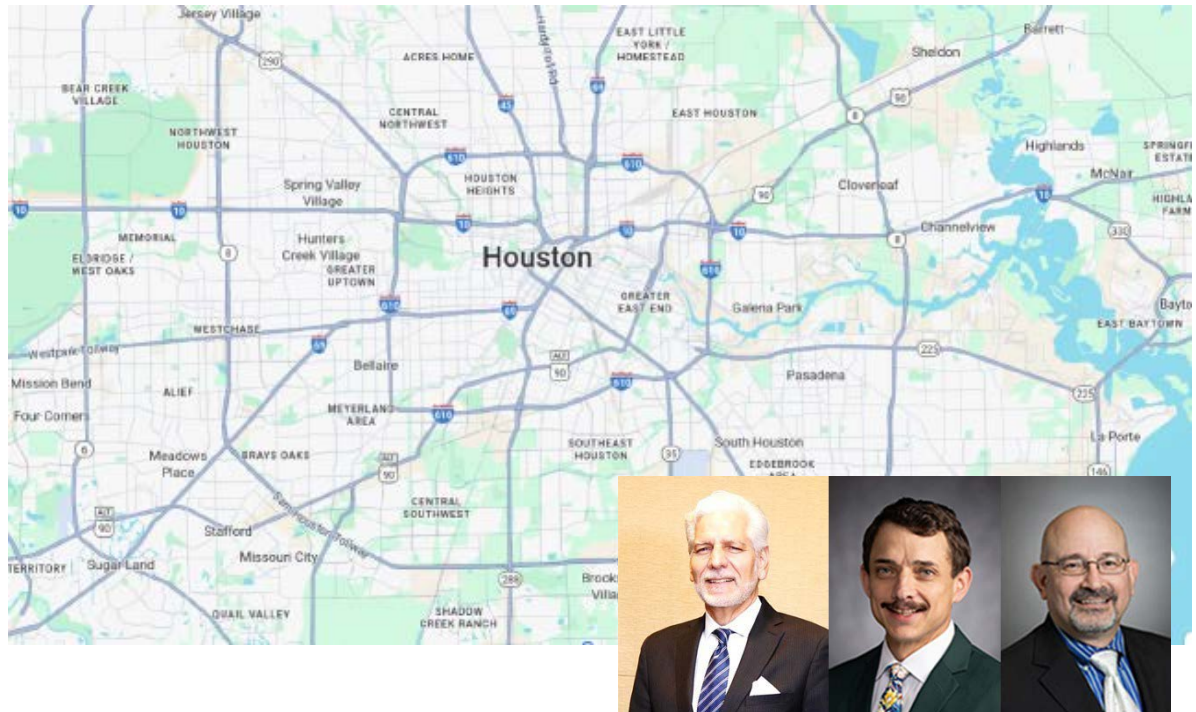
In April, 19 seniors from the Austin High School’s Maritime Studies program took a five-day educational voyage on a Carnival Cruise Line Ship as part of Chevron Shipping’s support. Students spent part of the day in classroom learning from the ship’s captain and other crew members and other parts of the day in tours of the inner workings of the vessel.

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June Commerce Club Featuring a Panel Discussion on 89th Texas Legislature Session

Briscoe Cain and Joe Rosenthal, Panelist Speakers; Vincent DiCosimo, Moderator



The June Commerce Club presented a snapshot of industry impacts from the wrap-up of the 89th Texas legislative session. Targa Resources sr. vice president of government affairs and chairman of the Port Bureau, Vincent DiCosimo, served as moderator, as Texas representatives Briscoe Cain (D-128) and Jon Rosenthal (D-135) offered their perspectives to attendees.

Accomplishments discussed were the record number of votes that took place (over 1200 bills passed during the session) and the passing of the budget, \$338 billion – a 27.6% increase from the 2022-23 budget. Included in the budget was property tax relief, additional funding for public education (including teacher pay raises), and \$5 billion for the Texas Energy Fund, among other provisions.

Also noted by the representatives was the passage of Senate Bill (“SB”) 7 and House Joint Resolution (“HJR”) 7, which paves the way for largest water infrastructure investment in Texas history. SB 7 updates the statutory framework of the Texas Water Fund to strengthen the capacity of the Texas Water Development Board to support critical water, wastewater, and flood mitigation needs throughout the state as well as making other provisions. HJR 7 proposes a constitutional amendment that dedicates \$1 billion of state sales and use tax revenue annually for 20 years to the Texas Water Fund beginning Sept. 1, 2027, and will need voter approval in November.

Panelists also referenced SB 1939 as it ensures that interest earned on the Ship Channel Improvement Revolving Fund (“SCIRF”) remains in the fund for maritime investments. However, the Port Mission Plan, developed by the Texas Department of Transportation, faced challenges

and did not receive the requested funding. The panelists commended the collaborative spirit of the port region and stressed the importance of continuing to work together on maritime infrastructure funding goals.

Also noted was the enactment of HB 150, creating the Texas Cyber Command, centralizing cybersecurity for public entities and influencing vendor and contractor obligations. Texas Cyber Command will feature a cyber threat intelligence center to identify and fix vulnerabilities in government systems and train state workers about preventing cyber breaches. It will also contain a digital forensics lab and an incident response unit. The new organization will be headquartered at the University of Texas at San Antonio.

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July Commerce Club Featuring Geir Eilif Kalhagen, Maritime Division Director, Texas Department of Transportation



Maritime Division Collaborates, Communicates for Economic Vitality of Texas Seaports



"I cannot express the importance of the collective contributions of everybody that's in this room to the success of the Texas economic maritime story," said Kalhagen as he introduced his presentation. "I can't stress enough how important we value our relationships with the maritime community and welcome your input."

The Maritime Division objects are to (1) partner to support economic vitality and impact; (2) collaborate with stakeholders to identify opportunities and develop solutions system-wide; and, (3) communicate the essential need for investment in Texas ports.

Three funding sources are managed by the Maritime Division: the Ship Channel Revolving Fund ("SCRF"), the Seaport Connectivity Fund, and the Port Infrastructure Fund. They are also the non-federal sponsors of the Gulf Intracoastal Waterway. The Maritime Division also focuses on beneficial use of dredge material placements, promotes waterborne transportation, and collaborates with stakeholders. They also developed the Texas Port Mission Plan in coordination with the Port Authority Advisory Committee.

In 2025, the Maritime Division has worked more closely with the Governor's Economic Development and Tourism Office to highlight the value of the Texas infrastructure to foreign investment. They also work with the Texas Energy Coalition to stress the connection of the coast to the work in West Texas.

Kalhagen discussed the economic impact of Texas seaports, particularly noting the cargoes of Port Houston and the Houston Ship Channel maritime industry. The Texas Port Mission Plan outlined \$9.16 billion in funding needs for the 89th Texas Legislative Session. Only \$40 million for Texas seaport connectivity projects was allocated. Now, the Maritime Division is working for the 90th Texas Legislative Session by preparing what he called "a SWOT [strengths, weaknesses, opportunities, threats] analysis framework" to underscore the cost of lost opportunity when investment is not made in port infrastructure. They plan to track the path of commodities (origination to destination) to get "a true representation of what the Texas port system means to the entirety of the state and the nation". They will update economic impacts statistics and create a GIS

story map as part of the plan. Noting the high priority that has currently been placed on domestic shipbuilding by national policymakers, Kalhagen said there is an immense opportunity to position Texas as a leader in this industry.

Waterways technology is another important part of the work of the Maritime Division. They are developing an AIS system they hope to launch by the end of the year. They are seeking to utilize bathymetric data and "digital twin" to model waterways through channel depth collection. This will help identify shoaling spots and address them more immediately as well as better prepare for the impact of weather events

Kalhagen also highlighted the Maritime Division's survey to identify bridges over navigable waterways. They discovered TxDOT's Bridge Division does not know what lies beneath bridges that are over water, but rather only has data for the highways under a bridge. Consequently, the Marine Division has been putting together an AIS map to show all bridges on navigable waterways and their tributaries. The goal is to increase safety to avoid possible allisions, then work with ports and navigation districts to place sensors on the most critical bridges at risk for allisions.

"To wrap it up, we value strong partnerships. We're very, very fortunate to have them with all our Texas ports, the Coast Guard, the Pilots, and the Army Corps," concluded Kalhagen. "I thank you for sharing your time with me here today."

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- **November 6:** GHPB Sailing Towards New Horizons, Fleet Week Houston
- **November 13:** GHPB Commerce Club guest speaker: Commissioner Christi Craddick, Railroad Commission of Texas
- **November 17:** PB Maritime Happy Hour with Dana Blume, Houston International Seafarers Center

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