

SUBJECT: Separating the pilots board from the Port of Houston commission

COMMITTEE: Transportation — favorable, without amendment

VOTE: 12 ayes — Canales, Landgraf, Bernal, Y. Davis, Goldman, Hefner, Krause, Leman, Ortega, Raney, Thierry, E. Thompson

0 nays

1 absent — Martinez

SENATE VOTE: On final passage, April 23 — 29-2 (Miles, Whitmire)

WITNESSES: *On House companion bill, HB 4436:*

For — Vince DiCosimo, Coalition for a Fair and Open Port; Helen Currie, ConocoPhillips; Dedrick Terveen, EOG Resources, Inc.; Joe Bob Perkins, Targa Resources; (*Registered, but did not testify:* Lindsey Miller, Anadarko Petroleum; Matthew Thompson, Apache Corp; Daniel Womack, Dow; Delbert Fore, Enterprise Products; Caleb Troxclair, EOG Resources; Dave Conover, Kinder Morgan, Inc.; Amy Maxwell, Magellan Midstream Partners; Hugo Gutierrez, Marathon Oil Company; Christina Wisdom, Occidental Petroleum; Michael Lozano, Permian Basin Petroleum Association; Thure Cannon, Texas Pipeline Association; and eight individuals)

Against — Richard Campo, Port of Houston Authority; (*Registered, but did not testify:* Gabriel Garza, International Longshoreman's Association-Local 24; Aubrey Williams, International Longshoreman's Association-Local 28; Eloy Cortez, Williams De Jesus, Jacob Eddin, Lawrence Foster, John Herrea, Carrolyn Lee, Carole Lewis, Buddy Preston, Brian Walker and Roy Word, International Longshoremen's Association; Dan Shelley, West Gulf Maritime Association; and 17 individuals)

On — (*Registered, but did not testify:* Mark Mitchem, Houston Pilots; Robert Shearon, Texas State Pilots Association)

BACKGROUND: Special District Local Laws Code ch. 5007 establishes the Port of Houston Authority of Harris County, Texas. The authority is empowered to regulate the pilotage of ships in the Houston Ship Channel and to build and maintain port facilities with all associated infrastructure.

Transportation Code sec. 66.011 establishes that the board of pilot commissioners for the ports of Harris County is composed of the port commissioners of the Port of Houston Authority.

DIGEST: SB 1915 would establish the board of pilot commissioners for the ports of Harris County as a separate board from the port commissioners of the Port of Houston Authority of Harris County.

The pilot board would have exclusive jurisdiction over the regulation of pilots who provided pilot services. The board could not adopt a rule involving ship movement strategies, including navigation safety guidelines, unless the rule was recommended by 80 percent of the pilots authorized to operate under the board's jurisdiction.

The board would consist of nine members, the appointments and term lengths of which are specified in the bill.

The bill also would remove a requirement for members of the board of the Port of Houston Authority of Harris County to receive training regarding the duties of the commission as the board of pilot commissioners.

The bill would take effect September 1, 2019.

SUPPORTERS SAY: SB 1915 would help better focus the Port of Houston Authority on its mission of stewarding the Houston Ship Channel and resolve a potential conflict of interest by creating a separate Board of Pilot Commissioners for Harris County Ports.

Under current law, the same seven members of the port commission serve as the board of pilot commissioners, which is responsible for licensing and regulating Houston Ship Channel pilots. Although the port authority is a

governmental entity, the port operates several money-generating container terminals in the channel in connection with its role as a facilitator of commerce, leading to a potential conflict of interest when regulating pilotage in the channel. SB 1915 would split these entities to ensure the pilot board was a neutral rulemaking body and would ensure a broad consensus for any new rule regarding navigation of the channel by requiring 80 percent of licensed pilots to recommend the rule before it is adopted.

**OPPONENTS
SAY:**

SB 1915 would separate two boards whose activities are deeply interrelated and have functioned well since being combined in 1923. This bill would recreate the bureaucratic inefficiencies that led the boards to be combined originally.