

February 27–28, 2023

Southeast Texas

Legislative Days



BEAUMONT • BRIDGE CITY • GROVES • NEDERLAND • ORANGE • PORT ARTHUR • PORT NECHES

GOLDEN TRIANGLE DAYS

in Austin!

Economic Impact &
Legislative Priorities

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Southeast Texas, which includes Jefferson and Orange counties, is a major player in the economy of both Texas and the US. The country's energy independence begins and ends in our backyard.

2023-2025 Legislative Priorities

The Impact of Southeast Texas

Southeast Texas has become a major hub for storage and export of crude oil, condensate, and refined transportation fuels, as well as LNG and renewable fuels. Today, the area and Sabine-Neches Waterway can claim the following as a partial list of its growth and importance to the Texas and US economies:

- Home to four major refineries, including the largest refinery in the US.
- Home to the largest methanol facility in the US.
- Total refinery throughput capacity of 1.671 MM barrels per day, 8.8 percent of 2019 US refining capacity, but importantly 13 percent of transportation fuels-gasoline, diesel, and jet fuel, per the Energy Information Agency (EIA).
- Home to over 35 chemical and petrochemical facilities.
- Home to the largest single owner crude terminal in the US, as well as one of the largest single owner refined products and transportation fuels terminals.
- Home to the Dept. of Energy Strategic Petroleum Reserve (SPR) intake facility for both the Big Hill and West Hackberry storage facilities, which account for 57% of the nation's crude oil strategic reserve, approximately 400 MM barrels.
- Home to the largest concentration of LNG export terminals in the US, with one in operation with continuing expansion underway, a second facility being converted from import to export capability, and a third one waiting for final approval.
- The Sabine-Neches Waterway is the # 1 liquid bulk cargo waterway in the US.
- The area is an Origin for 3 major petroleum products pipelines; supplying by pipeline the entire eastern and mid-continent US (except New England) with transportation and home heating fuels.

Jointly, the Sabine-Neches Waterway; comprised of the Ports of Beaumont, Port Arthur, and Sabine Pass in Jefferson County and the Port of Orange in Orange County, operate as the 3rd largest port/waterway complex in the nation in terms of tonnage and is home to two Strategic Military Ports that function as the nation's #1 commercial military out-load port.

Export revenue for the waterway was \$30.2 billion in 2018. The projections for 2026 are \$73.1 billion, which is in keeping with expected increases in petroleum exports forecast for the entire Gulf Coast area refineries and petrochemical facilities.

Unlike her big sister to the west, the Sabine-Neches Waterway and Golden Triangle cities and counties have ample expansion capabilities along our waterway. The region's ability to work together across public entities and private organizations to identify growth and expansion opportunities has long been a strong suit of the region. A perfect example is \$1.4 billion Sabine Neches Waterway deepening and improvement project that will eliminate most, if not all, constraints on waterway traffic. With those constraints lifted, vessel capacity expansion of up to 25 percent is both feasible and likely, given the history of public and private cooperation since 2003. This increase in waterway vessel capacity will correlate to an even greater increase in waterway tonnage.

ECONOMIC IMPACT DATA

Currently, there is approximately \$80 billion in announced and proposed industrial projects along the Sabine-Neches Waterway.

GDP & MANUFACTURING

Texas GDP for all sectors:

\$2,050,000,000,000

SETX GDP for all sectors:

\$24,636,309,000

Texas Manufacturing GDP 2019:

\$241,000,000,000

SETX Manufacturing GDP 2019:

\$10,700,000,000

% Texas GDP from manufacturing:

11.7%

% SETX GDP from manufacturing:

43.4%

Texas civilian labor force-all sectors

14,584,000

SETX civilian labor force-all sectors

174,822

TEXAS GOVERNMENT SPEND (2019)

\$98.3 BILLION

all counties

\$995.8 MILLION

Southeast TX

0.97%

PORTS & WATERWAYS

- **Texas is the number one state in the nation for waterborne commerce.**
- Texas ports handle 608 million tons of cargo annually, 27.2% of the U.S. total.
- The Sabine-Neches Waterway handles 136 million tons of cargo annually, 6.1% of the U.S. total.
- **The SNNW handles 22% of Texas waterborne cargoes.**
- Ports in Texas generate over \$5 billion in local and state tax revenue and over \$9 billion in federal import tax revenue every year.
- Based on tonnage as a percentage of state and national totals, the SNNW generates an estimated \$1.1 billion in local and state tax revenue and \$423 million in federal import tax revenue every year.
- **The Port of Beaumont is the number one military outload port in the country.**

REFINING CAPACITY

U.S.: 17.9M BPD

TEXAS: 5.9M BPD

SETX: 1.54M BPD

Texas: 30% of the nation's refining capacity.

SETX: 26.5% of Texas' refining capacity.

LEGISLATIVE PRIORITIES 2023-2025

Economic Development

WE support programs that enable Southeast Texas to compete for capital projects, support small business needs and expand opportunities for job creation across the region. **WE** support policies and programs that build upon the strong economy of Southeast Texas which consistently delivers successful investment to the State of Texas, and strongly advocate for the reinstatement of the school value limitation incentive and protection of the gulf caught wild shrimp industry.

Support: Legislation re-establishing the school value limitation (Chapter 313) incentive and the continuation of the Texas Enterprise Fund, Texas Enterprise Zone Program and tax incentives under the Texas Economic Development Act.

Support: Expediting the permitting process through TCEQ, TxDOT, GLO, USACE and other state entities.

Support: Funding for Southeast Texas communities to upgrade water and sewer services to serve the industrial, commercial and residential expansion needs of the area.


Support: The Governor's Broadband Council and establish 25Mbps download speed as the minimal standard for providers receiving State funds and incentives and further incentivize providers and P3s to establish reliable services in underserved markets at an affordable cost.

Support: Legislation protecting Texas fisheries and the gulf caught wild shrimp industry.

Support: Legislation reducing tax burdens for small businesses and efforts to increase access to capital for small and micro businesses.



Southeast Texas
Represents
4.4%
TX Manufacturing GDP



EDUCATION & WORKFORCE

WE support continued investment in public education that helps prepare our students for skilled and professional workforce opportunities including those that are a part of the numerous projects that are under construction, have been announced, or are in the pipeline. **WE** support programs and policies that advocate for a highly capable and sustainable workforce, promoting increased safety and security in our schools as well as support for our educators through recruitment and retention, accountability systems, and facilities improvement at all levels of education.

Support: Increase in funding to provide for additional school safety resources, mental health services, truancy support and employee training including retroactive funding for school safety upgrades.

Support: Funding for Lamar University, Lamar State College Orange, Lamar State College Port Arthur and Lamar Institute of Technology consistent with their growth and the needs of our future workforce.

Support: Legislation that incentivizes public schools, technical colleges, and universities to increase the number of graduates in critical fields.

Support: Replacement of the “one size fits all” State Accountability Rating system.

Support: Measures to address the teacher shortage and improve recruitment and retention including retire/rehire.

Support: Expanding student loan forgiveness programs for teachers.

Support: Giving school districts the ability to create escrow accounts to hold tax payments pending resolution of contested valuations.

Support: An increase in higher education formula funding to \$8.16.

Support: School finance reform with basic allotment emphasis and address concerns about Existing Debt Allotment (EDA) and Instructional Facilities Allotment (IFA).

Support: Greater flexibility in use of workforce development funds to give Workforce Centers more tools for career preparedness training and internships.

ENVIRONMENTAL QUALITY & STEWARDSHIP

WE support the preservation of natural resources that contribute to our local economy as job creating opportunities, as well as programs and policies that promote environmental stewardship, in partnership with the community and local industry, by maintaining the region's ecological habitat and establishing high standards of corporate responsibility.

Support: Water reuse incentives and environmental sustainability goals developed by industry.

Support: The use of clear and consistent regulations when assessing administrative penalties for violations of environmental regulations and the assignment of Compliance History ratings.

Support: Efforts within the State Water Plan that does not infringe on Southeast Texas and preserves junior water rights while ensuring adequate compensation for areas with surplus water resources.

Support: The evaluation and funding of a regional wastewater treatment facility to serve the growing needs of the region and mitigate existing impairments in local water bodies.

Support: Natural Barrier restoration of ecological systems for all SETX residential, marine and business communities.

Support: Cost effective funding for Texas Emissions Reduction Plan (TERP) to further reduce air emissions.

Support: Clear and concise regulations for administrative penalties and compliance history ratings.

Support: Carbon reduction, sequestration, and recycling through business incentives and rebates to reduce our SETX carbon footprint.



Bayou Bend CCS is the first and only offshore lease in the U.S. dedicated to carbon dioxide sequestration with the potential to sequester 225 to 275 million metric tons of carbon dioxide from industrial sources along the Gulf Coast



Healthcare

WE support improving access, funding and transparency in pricing of healthcare services specifically addressing rural and underserved communities as well as mental and behavioral health.

Support: Increased funding to ensure timely and appropriate access to inpatient and outpatient, community-based services and support for individuals with a behavioral health diagnosis.

Support: Programs to improve access to telehealth services in rural and underserved communities where transportation, employment or custodial responsibilities inhibit access to care.

Support: Funding for community health clinics to provide primary care to the underserved populations of Southeast Texas thereby reducing costs by providing accessible preventable care.

Support: The creation of a unified organization that would collectively choose ambulance services for Counties served by Emergency Services Districts to ensure adequate response times.

Support: Complete hospital pricing transparency regarding the cost of all hospital services, prior to services rendered.

Support: Legislation that preserves hospitals' Medicare payment rates.

Support: Legislation that enhances rate for rural, trauma hospitals.

Oppose: Legislation that increases health insurance costs for employers.



INSURANCE & TAXES

We support legislation and programs that bring financial relief to Southeast Texans through property tax and insurance reform, and eliminating unfunded mandates.

Support: Legislation amending the revenue cap on cities, counties, and other taxing entities to account for inflation and address property tax reform.

Support: Legislation requiring insurers to process windstorm and flood claims as they would hail.

Support: Legislation that provides opportunities for homeowners to reduce their flood insurance rate through building codes and best practices.

INSURANCE & TAXES, CONTINUED

Support: Legislation encouraging private insurance competition in coastal communities.

Oppose: Any increase to windstorm insurance rates or expansion.

Oppose: Any unfunded mandates.

TRANSPORTATION & INFRASTRUCTURE

The oil and natural gas industry is the backbone of the Southeast Texas economy. Global energy demand will continue to rise through 2050 driven by population and economic growth, with oil remaining the largest energy source. LNG is playing an important role in the global energy transition, and we support helping position Southeast Texas as the energy gateway to the world.

WE support funding and the prioritization of transportation and infrastructure improvement projects for our ports, airport, roadways and broadband in our communities.

Support: An improved interchange at State Hwy 87 and State Hwy 62, as well as State Hwy 87 and FM 1006.

Support: A second ingress-egress at Sabine Pass and consider the feasibility of ferry service as an interim solution.

Support: The redesign of SH87/82 - SH73 interchange to improve mobility and address bottleneck and dangerous traffic patterns.

Support: The prioritization of incomplete transportation and infrastructure projects in Southeast Texas.

Support: Additional scoring components under the Flood Infrastructure Fund for communities who have suffered repetitive flooding.

Support: Additional funding to improve drainage along State Highways.

#1 liquid bulk
cargo waterway
in the U.S.

TRANSPORTATION & INFRASTRUCTURE, CONTINUED

Support: The Governor's Broadband Council and establish 25Mbps download speed as the minimal standard for providers receiving State funds and incentives and further incentivize providers and P3s to establish reliable services in underserved markets at an affordable cost.

Support: Legislation that enhances the competitive position of Southeast Texas Ports, as well as the Sabine Neches Waterway, and include the Port Access Program as an infrastructure funding project.

Support: Maintaining or increasing funding of the Gulf Coast Protection District to ensure construction and maintenance of the levee system in Southeast Texas.



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GOLDEN TRIANGLE DAYS
in Austin!

www.gtdaustin.com

Golden Triangle Days in Austin began in 2007 when the Greater Beaumont, Greater Orange and Greater Port Arthur Chambers of Commerce partnered to bring a regional voice to Austin on behalf of their communities and businesses. This bold and effective bond created a stronger presence in Austin to lobby for regional issues and positive change. Southeast Texas is a significant contributor to the State's economy through industry, infrastructure and education. Together, we are able to invoke progress within our communities, and facilitate prosperous opportunities for Southeast Texas and the State of Texas.

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