**Greater Port Arthur Chamber of Commerce**

**2023-2025 Legislative Agenda**

**This is Southeast Texas …**

and our impact on the state’s and national economy:

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.

Southeast 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:

1. Home to four major refineries, including the largest refinery in the US.

2. Home to the largest methanol facility in the US.

3. 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).

4. Home to over 35 chemical and petrochemical facilities.

5. 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.

6. 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.

7. 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.

8. The Sabine-Neches Waterway is the # 1 liquid bulk cargo waterway in the US.

9. 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.

# KEY Takeaway DATa

# for our statement of ECONOMIC IMPACT

**ECONOMIC IMPACT DATA FOR PA CHAMBER LEGISLATIVE AGENDA**

There is currently approximately $80 billion in announced and proposed industrial projects along the Sabine-Neches Waterway.[[1]](#footnote-1)

**GDP and Manufacturing**

Texas GDP for all sectors: $2.05 trillion[[2]](#footnote-2)

SETX GDP for all sectors: $24,636,309,000[[3]](#footnote-3)

Texas Manufacturing GDP 2019: $241 billion[[4]](#footnote-4)

SETX Manufacturing GDP 2019: $10.7 billion[[5]](#footnote-5)

Percentage of Texas GDP from manufacturing: 11.7%

Percentage of SETX GDP from manufacturing: 43.4%

Texas civilian labor force-all sectors (Sep. 2020): 14,584,000[[6]](#footnote-6)

SETX civilian labor force-all sectors (Sep. 2020): 174,822[[7]](#footnote-7)

SETX represents:

* 1.3% of the Texas population
* 1.2% of the Texas civilian labor force
* 1.2% of the Texas GDP
* 2.06% of Texas manufacturing jobs

**SETX represents 4.4% of Texas manufacturing GDP**

**Ports and Waterways**

Texas is the number one state in the nation for waterborne commerce.[[8]](#footnote-8)

Texas ports handle 608 million tons of cargo annually, or 27.2% of the U.S. total.[[9]](#footnote-9)

The Sabine-Neches Waterway handles 136 million tons of cargo annually, or 6.1% of the U.S. total.[[10]](#footnote-10) The SNNW handles 22% of Texas waterborne cargoes.[[11]](#footnote-11)

Ports in Texas generate over $5 billion in local and state tax revenue and over $9 billion in federal import tax revenue every year.[[12]](#footnote-12)

**Based on tonnage as a percentage of state and national totals, the SNWW 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.[[13]](#footnote-13)**

**Refining**

U.S. Refining Utilization and Capacity: 17.9 million barrels per day.[[14]](#footnote-14)

Texas refining capacity: 5.9 million barrels per day.[[15]](#footnote-15)

SETX refining capacity: 1.54 million barrels per day.[[16]](#footnote-16)

**Texas refineries represent 30% of the nation’s refining capacity**

**SETX refineries represent 26.5% of Texas’ refining capacity.**

**State Government Expenditures**

Texas State government expenditures 2019[[17]](#footnote-17)

* All counties: $98.3 billion
* SETX: $995.8 million

Percentage of Texas state government expenditures in SETX: 0.97%[[18]](#footnote-18)

**ECONOMIC DEVELOPMENT**

**The Chambers support:**

* Revive Tax Code Ch. 313 or replace it with a new and comparable statute to enable Texas to compete for major capital projects
* Expedite the permitting process through TCEQ, TxDOT, GLO, USACE and other state entities
* A State broadband plan, managed by a state broadband office
* Updates to water and sewer services for Jefferson and Orange counties
* Texas Enterprise Zone programs for business attraction and retention
* Protection of Texas fisheries and gulf caught wild shrimp industry

**EDUCATION AND WORKFORCE DEVELOPMENT**

**The Chambers support:**

* increased funding to ensure school districts can address safety and security
* funding to meet the increased demand for school-based mental health counseling services
* replacement of the “one size fits all” State Accountability Rating system
* measures to address the teacher shortage and improve recruitment and retention
* expanding student loan forgiveness programs for teachers
* giving school districts the ability to create escrow accounts to hold tax payments pending resolution of contested valuations.
* an increase in higher education formula funding to $8.16.
* an appropriation of $1.9 million dollars to support the initiatives and expansions of Lamar State College Port Arthur’s Allied Health Programs.
* an appropriation of $4 million dollars for disaster mitigation of Lamar State College Port Arthur’s Monroe Education Building
* greater flexibility in use of workforce development funds to give Workforce Centers more
* tools for career preparedness training and internships.

**ENVIRONMENTAL QUALITY & STEWARDSHIP**

**The Chambers support:**

* Natural Barriers restoration of ecological system for all SE residential, marine and business communities
* Cost effective funding for Texas Emissions Reduction Plan (TERP) to further reduce air emissions
* Clear/concise regulations for administrative penalties and compliance history ratings
* State water plan that does not infringe on Southeast Texas junior water rights
* Carbon reduction, sequestration, and recycling through business incentives and rebate to lower our SE TX carbon footprint

**HEALTHCARE**

**The Chambers support:**

* Complete hospital transparency regarding the cost of all hospital services, prior to services rendered
* Increased funding for mental health services for the entire community
* Legislation that preserves hospital’s Medicare payment rates
* Legislation that enhances rate for rural, trauma hospitals
* Increased appropriations to timely access to medical treatment services for behavior health diagnoses

**INSURANCE & TAXES**

**The Chambers oppose:**

* Any increase to windstorm insurance rates or expansion
* Any legislation imposing a revenue or tax cap on cities and counties

**The Chambers support:**

* No unfunded mandates from the state to local taxing entities
* Work towards private insurance competition in coastal communities

**TRANSPORTATION, ENERGY, & INFRASTRUCTURE**

**The Chambers support:**

* Second ingress-egress out of Sabine Pass, exploring feasibility of ferries as an interim measure
* Continued funding of all public ports and the Sabine Neches Navigation District
* Expand/restructure SH87/82 - SH73 interchange to improve mobility and address bottleneck and dangerous traffic patterns
* Fund levee system for Jefferson County insuring timely construction
* Maintain and elevate the competitive position of Texas ports and include the port access program as infrastructure funding projects

1. 2019 marked year of oil, gas investments for SETX, Beaumont Enterprise, Dec. 30, 2019.

   www.beaumontenterprise.com/news/article/2019-marked-year-of-oil-gas-investments-for-SETX-14940652.php [↑](#footnote-ref-1)
2. Total Gross Domestic Product for Texas, Federal Reserve Bank of St. Louis https://fred.stlouisfed.org/series/TXNGSP [↑](#footnote-ref-2)
3. Economic Overview, Southeast Texas WDA 2022, JobsEQ, a product of CHMURA Consulting, provided by Workforce Solutions Southeast Texas. [↑](#footnote-ref-3)
4. Texas Manufacturing Facts, National Association of Manufacturers

   https://www.nam.org/state-manufacturing-data/2021-texas-manufacturing-facts/ [↑](#footnote-ref-4)
5. Economic Overview, Southeast Texas WDA 2022. [↑](#footnote-ref-5)
6. Texas Economy at a Glance, U.S. Department of Labor, Bureau of Labor Statistics, https://www.bls.gov/regions/southwest/texas.htm#eag [↑](#footnote-ref-6)
7. Beaumont-Port Arthur Economy at a Glance, U.S. Department of Labor, Bureau of Labor Statistics,

   https://www.bls.gov/eag/eag.tx\_beaumont\_msa.htm [↑](#footnote-ref-7)
8. Waterborne tonnage for principal U.S. ports and all 50 states and U.S. territories, U. S. Army Corps of Engineers Digital Library, usace.contentdm.ocic.org/digital/collection/p16021coll2/id/6753 [↑](#footnote-ref-8)
9. Waterborne tonnage for principal U.S. ports, U. S. Army Corps of Engineers [↑](#footnote-ref-9)
10. Ibid. [↑](#footnote-ref-10)
11. Ibid. [↑](#footnote-ref-11)
12. Ibid. [↑](#footnote-ref-12)
13. Ibid. [↑](#footnote-ref-13)
14. U.S. Refining Capacity, U.S. Department of Energy, Energy Information, Administration,

    <https://www.eia.gov/dnav/pet/pet_pnp_unc_dcu_nus_m.htm> [↑](#footnote-ref-14)
15. Texas State Energy Profile, U.S. Department of Energy, Energy Information, Administration <https://www.eia.gov/state/print.php?sid=TX> [↑](#footnote-ref-15)
16. Refiners’ Total Operable Atmospheric Crude Oil Distillation Capacity as of January 1, 2020, U.S. Energy Information Administration, https://www.eia.gov/petroleum/refinerycapacity/table5.pdf [↑](#footnote-ref-16)
17. [↑](#footnote-ref-17)
18. Texas State Expenditures by County 2019, Texas Open Data Portal https://data.texas.gov/Government-and-Taxes/Texas-State-Expenditures-by-County-2019/2x5x-m677, accessed via Texas Comptroller of Public Accounts

    https://comptroller.texas.gov/transparency/reports/expenditures-by-county/ [↑](#footnote-ref-18)