

Minutes of Port Commission Special Meeting
April 11, 2025
In Person & Videoconference

A Special Meeting of the Port Commission of Port Freeport was held April 11, 2025, beginning at 10:34 AM at the Administration Building, 1100 Cherry Street, Freeport, Texas.

This meeting agenda with the agenda packet is posted online at www.portfreeport.com

The meeting will be conducted pursuant to Section 551.127 of the Texas Government Code titled "Videoconference Call." A quorum of the Port Commission, including the presiding officer, will be present at the Commissioner Meeting Room located at 1100 Cherry Street, Freeport, Texas. The public will be permitted to attend the meeting in person or by videoconference.

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Commissioners present in person:

Mr. Ravi Singhania, Chairman
Mr. Rob Giesecke, Vice Chairman
Ms. Barbara Fratila, Secretary
Mr. Kim Kincannon, Asst. Secretary
Mr. Rudy Santos, Commissioner
Mr. Dan Croft, Commissioner

Staff Members Present:

Mr. Grady Randle, Randle Law Firm
Ms. Phyllis Saathoff, Executive Director/CEO
Mr. Rob Lowe, Director of Administration/CFO
Mr. Jason Hull, Director of Engineering
Mr. Chris Hogan, Director of Protective Services
Mr. Jason Miura, Director of Business & Economic Development
Mr. Brandon Robertson, Director of Information Technology
Mr. Jesse Hibbetts, Director of Operations
Ms. Missy Bevers, Executive Assistant
Ms. Amy O'Brien, Controller
Ms. Amanda Veliz, Public Affairs Manager
Mr. Clinton Woodson, Sales Manager
Mr. Chas Gryseels, Project Engineer (virtual)

Also, present:

Mr. Blair Garcia, WSP
Mr. Hardik Gajjar, WSP
Mr. Chris Moore, Texas Port Ministry
Capt. Ross Coviello, Brazos Pilots Association

1. CONVENE OPEN SESSION in accordance with Texas Government Code Section 551.001, et. seq., to review and consider the following:
2. Invocation – Chris Moore – Texas Port Ministry
3. Pledge of Allegiance: U.S. Flag & Texas Flag
4. Roll Call – Commissioner Singhanian noted that Commissioner Santos would be arriving late. All other Commissioners were present in the board room.
5. Call to identify and discuss any conflicts of interest that may lead to a Commissioner abstaining from voting on any posted agenda item.
6. Public Comment – There were no public comments.
7. Public Testimony – There was no public testimony.
8. Receive reports from Executive Director/CEO and Commissioners on port matters and other related affairs.

Ms. Saathoff reported speaking at the Commerce Club in Houston where she mentioned the Port has been monitoring and working with the American Association of Port Authorities, Texas Ports Association and others to address various actions coming from the current Administration, some of which were started under the Biden Administration, with one being the Section 301 proposed ship fees. She stated the AAPA has represented ports across the U.S. as well as carriers who are also members of the AAPA and has submitted written testimony to the U.S. Trade Representative's Office and testified in the hearings held last month. She noted that Port Houston also testified and submitted written comments adding that the deadline for submitting comments was extended a week. Ms. Saathoff worked with the Texas Ports Association to represent Texas ports with written comments. Port Freeport also submitted comments, as this affects vessels of all types and all importers and exporters with varying degrees of impact. Ms. Saathoff was also a participant in a meeting with the U.S. Trade Representative Office, as a member of the American Association of Port Authorities Board of Directors. She noted there was representation from different regions and coasts and ports of varying sizes and types of commodities moved adding it was an excellent opportunity to explain and demonstrate how unequitable what is proposed would be in the industry and the severe consequences to some ports and smaller lines that have dedicated services moving perishable commodities. Ms. Saathoff also stated that a notice was put out that there will be a pause in revisiting how they might move forward a proposal for implementation as they recognize the implications are varied and have different impacts to different parties. Staff continues to monitor everything that's been happening with the announced reciprocal tariffs and the effect it will have with the Port in its business development and procurement as well as its tenants and their actions in relation to these tariffs. Staff continues to be prudent in its management at the port, monitor the situation, communicate and take opportunities to provide direct input to the United States Trade Representative's Office and work with the Texas and National Trade Associations and Alliances to make sure it's understood how impactful things are. She reiterated that the Port doesn't disagree with the objectives of the Administration's actions, it's just the process of getting there does have consequences with some that are unanticipated. Commissioner Singhanian inquired if tariffs would be made retroactive if a business paid ahead with a 100% tariff that is later reduced to 10%, would they get 90% back. Ms. Saathoff stated that if the tariffs are paid and it's entered into U.S. commerce, that's the tariff. She went on to say that if it's put in a U.S. Customs bonded area or a foreign-trade

zone and not immediately entered into U.S. commerce, there could be opportunities to take advantage of a lower rate. As the executive orders stand now, a foreign-trade zone is not a viable option because it has to be put in a certain status that locks in the tariff rate at that time it is admitted into the FTZ - it can't go up and it can't go down. However, if a tariff were eliminated and then entered into U.S. commerce, it would then be zero. She added that it's a very unusual situation as it takes away the benefits of inverted tariff relief in the foreign-trade zones program for those that have manufacturing facilities that are utilizing the program are being impacted by the way the executive orders have been implemented. Using a U.S. Customs bonded area does not lock in the tariff and may be the best approach. Staff will research further and report at the next Port Commission meeting. Ms. Saathoff stated that she's hearing that orders are down at least 40% on the West Coast, there are blank sailings and the imports coming from Asia are starting to be impacted such as items that would be delivered for consumption later in the Christmas season. She added that the Port's performance, number of vessels and cargo activity by the tenants has been really strong in the first six months of the fiscal year but staff will keep monitoring reactions and changes noting that Volkswagen and other automakers have announced they will pause importing vehicles from Mexico right now as it's a very different, unusual situation.

Commissioner Singhania noted for the record that Commissioner Santos joined the meeting at 10:47 a.m.

9. EXECUTIVE SESSION in accordance with Subchapter D of the Open Meetings Act, Texas Government Code Section 551.001, et. seq., to review and consider the following:
 - A. Under authority of Section 551.072 (Deliberation of Real Property Matters) for discussion regarding:
 1. The potential lease or value of real property located at Port Freeport, including but not limited to Parcel 1.
 2. The potential purchase, exchange, lease, or value of real property located at Port Freeport, including but not limited to the real property located at and contiguous to Berths 1, 2, 3, 5, 6, 7 and 8.

10. RECONVENE OPEN SESSION:

11. Adjourn.

With no further business before the Commission, the meeting adjourned at 1:45 PM.