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Effort underway to privatize the Port of Galveston

Monday, April 11, 2011

GALVESTON, TX (KTRK) -- An effort is underway to privatize the Port of Galveston. City leaders are considering a deal that could essentially lease out operations at the port to a company based in China.

It's a proposal that's getting a lot of attention, both because of the potential benefits, and the idea of a foreign company running day-to-day operations at one of the nation's busiest ports.

The port grossed \$24 million last year and it's still premature to say what they would stand to gain. For now this is just a possibility that is starting to take shape.

With his eye on the future, Galveston Port Director Steven Cernak is willing to capitalize on key business opportunities.

"Otherwise it's just going to go somewhere else," he said simply.

Still reeling from Hurricane Ike, the port is now in talks with Hutchison Port Holdings, a Hong Kong-based company, about leasing its operations to them.

"They would assume the day-to-day operation of the port," Cernak explained. "I don't think that assuming control is the right way to phrase it."

With the widening of the Panama Canal by 2014, experts predict heightened traffic through the Gulf of Mexico. It's hefty business the Port of Galveston wants and needs but can't tackle alone. Hutchison currently operates 51 ports in 25 countries. Cernak is careful to call the potential business deal a lease, not a sale, adding that an eventual sale is not even a consideration.

Union President Ted O'Rourke says he's concerned it could turn into a sale and by the uncertainty of jobs if an international company takes over.

O'Rourke said, "They can come in, Hutchison-Carlyle, and take over all the existing stevedores, and the existing stevedores are the people that hire my people to load and unload the docks at the Port of Galveston. So, I mean, they could all be out of business."

The port director says that is not the case. In fact, he said jobs along the waterfront could double. This deal is still pending and it's one many are watching closely.