MMS OFFSHORE GULF OF MEXICO

ORAL HISTORY PROJECT

Interviewee: Terge Thorjussen

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Bio
Ted Thorjussen is a native of Oslo, Norway. He started in the ship business, then came to the U.S. for work, and later joined the U.S. Navy. He moved to Houston in 1970 and worked for a ship-broker, Uiterwyk Company. He went to work for West Gulf Maritime Association in the 1980s and eventually became president. He retired after 20 years with the association, but still remains active in the maritime industry.

Tape 1, Side 1

JT: This is an interview with Terge Thorjussen, T-e-r-g-e T-h-o-r-j-u-s-s-e-n, also known as Ted. This is August 1st, 2006, interview by Jason Theriot, Ted Thorjussen on the Port of Houston, tape one.

TT: I'm Ted Thorjussen. I'm retired as president of the West Gulf Maritime Association, and I've spent my entire working life in the maritime industry as a ship broker, starting in Norway and then in New York, Miami, and here in Houston. I've primarily been exposed to operational aspects, so because of that you usually find out what's going on.

But other than that, I've been in the U.S. Navy. I never sailed professionally as a seaman, but I worked with ships all the time in an operational sense, as a coordinator or liner service operator.

JT: Actually steering the vessels?

TT: No. Well, I did in the navy, but as I said, I never went to sea other than the navy experience and made a living out of it.

JT: So you were born and raised in Norway?

TT: Yes.

JT: Which area, sir?

TT: Oslo.

JT: Right there on the coast?

TT: That's affirmative.

JT: At what age did you come to the United States?

TT: When I was twenty, twenty years old. I started out in New York, then they shipped me to Miami, and that's when the army started looking for me, and I joined the navy.

JT: What year was that, Ted?

TT: When I came in '55, '56; right around 1960, I think, give or take a few years.

JT: So before you came to the U.S. you said you were twenty years old. Had you had any experience in the maritime industry in Norway, or maybe on the sea or in boats?

TT: I worked for a ship broker in Norway, and that's how I got to the United States, because at the time it was custom that the Norwegian firm would help you to get a job either in London, New York, or Paris, in order to learn languages. And when my time came I asked for New York, so the owner of the company in Norway arranged to get me a job in New York.

JT: That's fantastic. What was the name of the company in Norway?

TT: A.O. Andersen.

JT: Are they still in business?

TT: They're still in business, yes.

JT: Any chance that a few of their ships come through the Port of Houston now and again?

TT: Not to my knowledge. I mean, it's possible, but there's so many changes in the business, and I wouldn't even know if they do, not anymore anyway.

JT: Well, that was good, that was sort of your connection to get to the United States.

TT: Yes.

JT: Now, were you married at the time?

TT: No. We married in '63, as a matter of fact, the same day [President John F.] Kennedy was shot, which was a coincidence, not a good one. It was a pretty sad day.

JT: And so from the age of twenty, living in the United States, till the time you were married, what did you do for your vocation? Were you traveling by sea, or working out of the port in New York?

TT: I worked for a ship broker and a liner company in New York, and then they transferred me to Miami, so I worked in Miami for a couple of years, and that's also when I joined the navy. But when I was through with my navy obligations I asked to come back to New York, and they sent me back to New York. Then I received an offer from another company and I joined it, and they sent me to Houston.

Another thing which happened to me some years ago, I suffered a stroke, and after that I was semi-retired, although not officially, but it made it very difficult to lead meetings and make big presentations and so on. I can still feel that I'm not the way I used to be, but considering the alternatives I didn't do too badly.

JT: Well, if you started getting involved in the mid-sixties and you're semi-retired just here recently, it sounds like you put in quite a few decades of your time into the industry.

TT: Well, I guess you can say that.

JT: Tell me about the Port of Houston when you first arrived. Was this the late 1960s?

TT: Yes. The first time I was to Houston was probably in the late sixties. We moved to Houston in 1970, yes, 1970. That's when I actually physically moved to Houston.

JT: There was an oil boom going on right around that time, wasn't it?

TT: Yes. At that time we were really not that much involved with whatever happened in the oil industry. We carried the stuff overseas, but we worked with the construction companies and also some of the oil companies when they had bigger projects. We carried a lot of equipment to North Africa, the Persian Gulf, and those areas during the exploration and when they were building up at that time.

JT: So when you say equipment, you mean like—

TT: Drilling rigs.

JT: —drilling rigs and tools—

TT: Absolutely.

JT: What about chemicals and mud?

TT: Some. [unclear] was a steady customer, almost every ship, but more of little things. But the really juicy cargo was the big equipment, drilling rigs, and the ships sailed out of Houston like Christmas trees.

JT: Well, what was the name of the company that you first started work here in Houston, Mr. Ted, in 1970?

TT: Uiterwyk, Jan. C. Uiterwyk Company, U-i-t-e-r-w-y-k. It's a Dutch name, and he was originally from Holland, but he settled down in Tampa as a matter of fact, and he did quite well in the steamship business.

JT: What was their primary function?

TT: They were ship agents, or liner operators. They had their own service to North Africa, and they represented an Iranian line, a national Iranian line at the time. But when the Shah was thrown out they had to pack up and leave. But North Africa was in many ways a main business arm.

[Tape recorder turned off.]

JT: Sounds like your company was heavily involved in a lot of international business ventures. Was there not enough business in the gulf for your company at the time?

TT: Well, you are a part of an international business, and there would undoubtedly be enough things to do in the gulf, but being that you are an international business, then you look at all possibilities, and you always try to build something out of whatever you have.

JT: Yes. So from the seventies, how long did you work for this particular company, Ted?

TT: I have to think. I really worked for them until I was offered the president, or the job at West Gulf, which was probably in '69, '79, yes, must be '69, because I was more than twenty years with West Gulf, and when I came to West Gulf I came onboard as the vice president for maritime affairs. But not too long after that,

then the president passed away and I was promoted and given the job as president. And I stayed with West Gulf until I retired.

JT: I want to get into a little bit of detail about the West Gulf, and we'll get to that here further down the line of questions.

TT: Okay.

JT: Let's get to some of these questions here, now that we know a little bit about your background, Mr. Ted. What I'm interested in understanding is a little bit about the early development of the Port of Houston and the ship channel, and how it relates to competition with Galveston. As we know now today, the Port of Houston is second largest in the United States of America. However, it takes about sixty miles to get to it from Galveston. Talk about the competition between those two ports, and why did Houston eventually win out.

TT: I think Houston has a different outlook than what Galveston had. I think Galveston was satisfied with what they had. Houston was anxious to explore new avenues and expand. I think the book that Port of Houston published will help you explain a lot of those things, and probably in some detail. But the general feeling is that Galveston was quite happy just to let things lie, and the Port of Houston, being a newcomer, they had to scratch and get hold of everything they could.

As it turns out, the distance is not really that much of a factor, although Galveston is closer to the water. But it's really not that much of a factor. You have refineries in Texas City. I don't think that that is any more economical than a refinery in Baytown, for example. So once you're on the ship, then the point is just to get to where you're going, and it doesn't seem to me to really be a time factor involved.

JT: I imagine also that the infrastructure behind the ship channel, meaning the railroads and freights and the interstate travel, is much more efficient, much more prominent in Houston than it is in Galveston.

TT: That is undoubtedly a good part of the questions being answered by that, because Galveston is off by itself. I mean, it's a long causeway in order to get there, number one. It's a nice place. We have a condo in Galveston, and we were there this last weekend. It's a nice city and I think Galveston does have a leg up for the passenger ships. I have a hard time seeing passengers enjoying arriving at Barber's Cut, or for that matter Bayport.

But there again, I can sit in Galveston and I can see the ship sailing from Barber's Cut. It takes an hour and a half before it's at the same point as the ships that sail out of Galveston, so once you're underway an hour and a half isn't that much time.

JT: Yes, it's a little bit longer.

[Tape recorder turned off.]

JT: Now, what do you recall hearing about or learning about some of the impacts that the Second World War had on the port and the business of the ship channel, Mr. Ted?

TT: I'm not sure I really have that much impression of what happened. First of all, I wasn't here. I grew up in Norway, when we had our own problems, so I don't feel that I really can be very helpful on—I would think that they probably suffered, because general trade I would think probably was curtailed. There may

be certain aspects of it that were booming, but there again, I'm not really that up to it.

JT: Well, one thing that did happen for a number of reasons, the petrochemical industry began to emerge down the ship channel in the Port of Houston, primarily with synthetics and other materials that are made from petroleum products. What is your experience with some of those industries and the chemical companies, Ted?

TT: Well, we liked to carry their goods around, and it is quite a boom along the ship channel, petrochemical and related industries. But I'm not sure what we—but as it came up and they became bigger and bigger, it just exploded, you know, as soon as they found out what they could use the oil for. Then it started pumping up all along the ship channel, and I think the Houston Ship Channel probably was a major factor in relocating or building the plants where they could.

You have easy access to the rail, you have easy access by water, and by truck, and Houston became a central point, no matter what you wanted to do.

JT: And in your twenty or thirty years down there at the port, explain to me a little bit about the growth. What types of companies, petrochemical in particular, what type of companies were emerging down the ship channel? Explain a little bit about how this industry had boomed during your period down there.

TT: I used to have a saying that our business is marvelous because you help carry the equipment out to look for oil, and then you carry the equipment out to get the oil out of the Earth, and then we have the finished product and we get a chance to carry that also, so it's a win-win situation. How or what industries emerged, it is basically all oil-related when you look right down to it, to the core. You have the

oil and you refine it, or you use it as the product from which you derive other products. It's really all-important.

JT: Talk a little bit about the postwar situation in the maritime industry. We're talking around the early fifties, Mr. Ted. Tell me about how the maritime industry grew, in particular the vessel technology, how had that changed following the big war?

TT: You started to see that the ships were getting larger, and many ships also became self-sufficient with gear to load and discharge, by having cranes or certain type of booms and derricks that made it more efficient to handle general cargo and break-bulk cargo.

Then, of course, in the fifties you saw the beginning of the container revolution, and Port of Houston really had the first container ship that docked here. I think it was in '56, or something like that. It was a converted T-2 tanker. Malcolm McLean converted it to carry trailers on it, and he hoisted the trailers on with wheels and everything. And from then on it's a completely different ballgame.

Although we still have a lot of break-bulk, particularly steel, which is also oil-related in that drilling rigs and steel pipes are used in the oil industry. But that has been a tremendous boom for the Houston area. If you drive through the Turning Basin you see steel all over the place, steel plates and tubular goods, pipe, and Irby Banquer is one of the biggest stevedores in the steel import business. There are also many others, but I don't know if that was the answer.

JT: Sure, definitely. That certainly helps. Now, when you say break-bulk cargo, describe to me how that particular cargo is carried and grouped and housed on a ship. Define the term break-bulk.

TT: It's loose, and it's one of the reasons containers have become so popular, because you stuff whatever you can into the container. If you ship it without a container, you have to put it on the pier, you have to load it on the ship, and then stow in on the ship, and then secure it so it doesn't fall all over when the ship starts rolling and pitching. While you have it in the container, you load the container and you secure the container and it stays there, so it's a totally different type of cargo handling. As you can imagine, drill pipe is not easily containerized.

And cotton is not all that easily containerized either, although now it is shipped in containers, but it still probably has some way to go. And Galveston, in Galveston cotton was king. The Galveston cotton families controlled the cotton, and they didn't really see the need to ship it any other way than out of the Port of Galveston.

But then one of the compressors built—he wanted Galveston to give him some space, and the Port of Galveston said no at that time. Then he struck a deal with the Port of Houston, and he built his own terminal, which is now the old Southside in the Turning Basin. He basically kissed Galveston goodbye and built his own port, and that was one of the big things that made Houston grow as a general cargo port.

JT: That cotton.

TT: Yes.

JT: Now, did the oil companies pick up on the containers? I mean, I know you mentioned that drill pipe is a little difficult to fit in a forty-foot container, but what about some of the equipment that you guys were transporting overseas? Was that being transported in containers? Is that something the oil companies thought they could use effectively?

TT: There was a time when they felt that—I think they split their project up so that if you could containerize something you would do that, and you'd ship it with a container line. Then you shipped the drilling rig itself with a break-bulk operator, break-bulk carrier.

But quite often you would provide a container to the oil company or the drilling company if they wanted it and if they had good use for it, because one good thing with the container, if you shipped just a thousand different pieces of equipment, chances are you only get maybe 980 of them. It's much more difficult to lose a whole container. It does happen, but then you have to really think about what you're doing.

So actually, in my experience, if you were working on a big project and the customer thought it would be helpful to have a container for a certain part of the project, then you'd make sure he got a container.

JT: I know this is before your time, but it was really a major moment in the offshore oil-and-gas industry, primarily in the Gulf of Mexico. In 1947 Kerr McGee built the first out-of-sight offshore drilling platform, and that really revolutionized the entire industry, and changed everything with respect not just to the industry, but in the economy, in the culture, in the way that business was run on the Gulf Coast, from Alabama all the way down to Corpus. How has the gulf, and primarily the offshore oil-and-gas industry, how has that changed the Port of Houston and impacted it?

TT: It has added to the hustle and bustle that we already had. There is a completely new and additional industry, which you can call it the offshore industry, with supply boats hauling all the equipment out to the rigs, or out to where it's being used, and that's really in addition to the oceangoing traffic. My experience has

been only with the oceangoing part of it, what we call the blue-water industry. But it is an additional industry, and it's substantial, the one that has built itself up around the offshore industry.

JT: When you say blue water, you mean deep water, the areas off the Continental Shelf, the Outer Continental Shelf?

TT: Yes. We distinguish about blue water and brown water, like the tug-and-barge industry, that's the brown-water industry. But we like to think of ourselves as the blue-water—

JT: Now, when you say we you mean?

TT: The oceangoing industry.

JT: Okay. Now, tell me about the West Gulf Maritime Association. What is its objective?

TT: First of all, it's a group of industry people engaged as stevedores, as ship owners, as ship agents. Those are the major components. We have two areas that we work in. One is on labor relations, where we negotiate and administer the contract with the ILA, and then the other is the maritime, we call it maritime affairs part of it.

You deal with the port authorities, pilots, anybody that either has something to say or wants to have something to say, like Coast Guard, Customs, Immigration, all those people, and you try to make it the best possible climate for the industry to work with the people and around those entities that either govern the industry or want to have something to say. It's not always a friendly relationship. It can at

times be a little confrontational. But you try to keep a good relationship with anyone that you know can hurt you, and sometimes they may.

I think those are the main interests, but we also try to accommodate. We're looking for ways to improve, so it can run as smoothly as possible, less frictions. We always volunteer to try to help somebody if they have a problem, either industry has a problem or an agency having a problem. We will do our damnedest to try to help them solve the problem.

JT: Let me ask you this. Give me an example of what you just mentioned as a broad mission statement for the West Gulf Maritime Association; give me an example of some of the things you're talking about, maybe some of the problems that y'all have had with the two particular entities at the port.

TT: Problems with the port, or problems that are port related?

JT: How about just a typical day in the office. What are some of the examples of what your association accomplishes?

TT: I can give you a couple of ideas. Well, let's say the Customs Service and the Coast Guard over the years. With Customs they came to us at one time and they were thinking about modernizing, get rid of some paperwork, and computerize something. But in order to computerize you needed a unique bill of lading number, so that it couldn't be more than one bill of lading that had that on it.

And West Gulf participated in an effort to obtain, figure out how you can have a unique bill of lading number, and with that result Customs could start to computerize. Now, we weren't the only ones. As the name indicates, West Gulf is west gulf. But the WGMA is also part of several other organizations which we

try to team up, particularly when you're dealing with Customs on something important.

Coast Guard, we've worked with—at one time several years ago there was a rash of accidents, just offshore of Galveston ships ran into each other. We helped the Coast Guard in establishing a traffic pattern, and we actually got it put on the charts with inbound and outbound lanes for the ships to follow and not run into each other.

JT: Are you talking about the electronic system that they now have in place?

TT: No, not really. This is more, it's called a separation scheme, and it's marked off on the charts, so the ship knows where it's supposed to be. Also with the Coast Guard, and for that matter with maybe the people that you're doing this study for, Mineral Management is it, MM? Whatever. We have, as a result of the exploration, if you find oil offshore you have to figure out a way to get it inshore, and build pipelines.

For the longest time, we looked at all the pipeline applications that were filed, and we tried to make sure that they were safely buried, that they were deep enough buried so that a ship that's invited in to anchor could not accidentally pick up a pipeline.

JT: In the ship channel?

TT: In the channel, and in the anchorage areas offshore in Galveston. You don't anchor in the ship channel, because if you do you block all the traffic. So that is a problem in Houston. You have really no lay berths at all, other than the places where you can sneak in at Barber's Cut if they have a berth available, or at a private facility.

But so you have to go back outside to anchor, and there are certain areas where you invite the ship to go and anchor, and we've tried to keep it as safe as possible, because if you pick up a pipeline you have a big problem. That has been one of our pet peeves and projects over the years. Captain Baker and I were working on it, and I think we made some progress, but it's still a potential hazard.

Why is it a hazard? Because the pipe company, of course, is looking for the cheapest way to lay a pipeline, and we have some instances where they surrounded an anchorage area, because it's cheaper to lay it only three-feet deep than sixteen feet if they laid it in the anchorage area. That has been one of the more interesting periods we've had in my time down here anyway.

JT: So your job at the West Gulf was to liaison and to keep the peace between the oil companies who were laying the pipes, and—

Tape 1, Side 2

TT: We did not deal with all of them at the same time, necessarily, but you knew who the players were, and if you could smell a problem coming up you tried to defuse it and see if you couldn't work around it somehow.

JT: What was the best way to work around those problems?

TT: Well, talk to the people and explain the problem, and why you are concerned. Even if they don't damage the ship, you will not find many pipeline owners that want their ship or their pipeline damaged, obviously. There have been experiences when if everything goes wrong then you have an explosion, particularly if it's a gas pipeline. That has happened, but fortunately not in our areas. So we picked that up as a project that we should champion.

JT: So for the most part, is most of the pipelines that are just offshore off of Galveston out of the mouth of the ship channel, are they buried several feet below the surface of the gulf?

TT: The standard is to bury it sixteen feet in an anchorage area, ten feet in a fairway, and three feet any other place.

JT: Does that also include the Outer Continental Shelf?

TT: Well, it could. I mean, you could cross a fairway. That's another thing that we did. With the Coast Guard we established highways on the ocean, and they're called fairways. So they're marked off so you can be reasonably sure and safe that if you stay in the fairway you will not hit a rig, unless the rig jumps up at you. Sometimes they do that.

But in order for that to work we try to—and the rig owners understood that also, so we had really few problems with that. But in order to place a rig anywhere, you file an application with the Corps of Engineers, and you get on their mailing list so that you can see what applications are being filed, and if an applicant tried to encroach on the fairway, then we would file a protest.

JT: Step in?

TT: Yes. And usually they listen to us. Occasionally they'd made a mistake or forgot it, but that's not the usual thing.

JT: Approximately how wide is this fairway?

TT: Two miles.

JT: Two miles. So no exploration or structures are allowed within that two-mile—

TT: Yes.

JT: Now, what if there's a major, not saying a major, but what if there's a discovery or if there is evidence of some natural resources under those two miles? Has that ever occurred in your situation, that you had to fight for those two miles?

TT: Well, I wouldn't say it never occurred, but the way drilling is now they can slant drill, and can get to it safely without putting a rig in the middle of a fairway. I remember that they had tried to edge into a fairway, but I don't think they have ever had an application that just placed it squarely at the fairway. But sometimes they will try to file one application, and then they build out from that one and get closer and closer, but if that is discovered we try to correct it.

JT: So the West Gulf is the protector of the fairway?

TT: Yes.

JT: Is that one of its main missions?

TT: Well, I wouldn't say it's the main mission, but we considered it important, because it is, after all, set aside for ships to use, with the idea that, "Come here, Mr. Captain. This is set aside for your use, and you can feel perfectly safe in here." So that's why we try to keep it that way, and by and large it worked fine.

I used to have some interesting pictures of—but if you get a chance to talk to, what's his name, you mentioned him earlier, [Niels] Aalund, those pictures are still in his office somewhere, because I didn't take them. I don't know if he has

made good enough friends with Barbara, my secretary, so she can find them. I just don't know what—I have a lot of material that you probably would be interested in, particularly since you're working for M&M [MMS]. I call it M&M.

JT: Minerals and Management Service.

TT: Yes, MMS.

JT: Now, Mr. Ted, where is your office? Is it at the Port of Houston?

TT: It's close by. It's on the east loop. I don't even remember the address.

JT: Maybe Turning Basin Blvd., down in that area?

TT: Yes, in that area. It's a six- or five-story building just as you come over the bridge, it's on the left-hand side. It's basically the only one there, and now it's a container yard behind it, I think, and around it maybe, just before all the warehouses where the pour the resin and all that.

JT: Is the Port Bureau also in that building?

TT: No. The Port Bureau is at the Port of Houston office.

JT: Your office is before that.

TT: Yes, yes.

JT: About how many folks do you guys employ?

TT: It used to be about twenty when I was there, probably twenty-two. I think they have added more people. We also had a safety department where we had two professional safety engineers that worked on the—they would go around on the ships and inspect them, and offer suggestions for the stevedores and for the ships. We also had a drug policy that was implemented for all the longshoremen, and it shows some dramatic decrease in accidents.

JT: Really?

TT: Yes.

JT: Explain to me what exactly is a longshoreman?

TT: That's the guy that is on the ship and that handles whatever has to be handled.

JT: The ropes and the crane and that sort, the cargo?

TT: Exactly, yes.

JT: Is he also responsible for attaching the containers to the cranes?

TT: Yes, that's a longshoreman. Longshoreman is the worker. The stevedore is the firm that employs the longshoremen.

JT: Interesting. So you saw a decrease in the drug activity—

TT: Correct, dramatic.

JT: —and also an increase in safety. Wow, that's an accomplishment there. About how long has this organization been around?

TT: Probably in the 1920s sometime.

JT: Oh, wow.

TT: It started out as a committee under the Board of Trade, and I think it was called the Maritime Committee, as part of the Board of Trade, who in turn were born by the cotton industry. We started out—again, I have some minutes of some of the first meetings also in my office, but it's kind of amusing. But that's how it started.

Then after the I guess that—I'm thinking of the labor part of it. At some point someone must have decided that we need some help in dealing with the labor. Then it was started as an Office of Labor Relations, to negotiate and administer the contract, and then the two were merged and they formed West Gulf Maritime Association. That was done under the present banner in '68, so it's relatively young. But you can trace the roots back to the Board of Trade in the 1920s sometime.

JT: That's fascinating. And you've got records from way back when?

TT: Yes, yes. I have the minutes bound in a nice book in my office.

JT: In reading through some of those old minutes can you see some similarities between some of the problems that were occurring then and some of the problems that you've run across during your post?

TT: Yes, you can, you really can.

JT: Business never really changes.

TT: No, not that much.

JT: Things just get bigger. Now, what about these giant vessels, these 300,000-ton ships that are now being built and now moving primarily crude oil from the Middle East into the Gulf of Mexico and right off of the ship channel? Are these vessels, are they safe? Is there a potential problem there, and how does your organization help regulate some of those giant ships?

TT: Well, number one, I do think they are safe. They are operated by professionals. They know what they are doing. We certainly hope they know what they are doing. But those ships are much too large to come into Houston, so they anchor offshore, and then you have a whole new trade, it's called lightering ships, that has popped up fairly recently, twenty years ago maybe, fifteen, twenty years ago, after ships were really too big to take them into a port.

So they anchor offshore, or they don't anchor, they move with the lightering ship. They move together and steam with head on, speed on, but close together and they're tied together, and then they transfer the cargo from the big ship into the smaller ship.

JT: And the smaller ship takes it into the refineries.

TT: Yes. But even the ships that come into the refineries are good-sized vessels. But those mammoth ships, they can't get in. They are too deep and too big, too big, too deep for a channel, although some of them I've seen them come in, because they just come in with the last load, if you will. Rather than lighter, then they are light enough that they can make it in.

JT: What are the big boys going these days, what's the big, big ships in tonnage?

TT: I think there is a ship in existence that is 500,000 tons, and it does call off Galveston every so often, it has been.

JT: Is that an oil tanker?

TT: Yes.

JT: Middle East?

TT: Yes. But then you have to lighter her.

JT: About how long would it take to unload that cargo? Goodness.

TT: Well, it's not really all that long. You probably—I don't know. But you have a big tanker come in, and you offload in the first twenty-four hours probably, onto one ship. Now, if you have so much cargo that you need a second ship, then you need another twenty-four hours. But the pumps keep going twenty-four hours, so once you hook it up it's pretty easy.

JT: These are foreign ships that are coming from the Middle East that have Middle Eastern crude oil aboard. They come into just off of Galveston, and it's American lighter ships?

TT: It could be foreign-flag ships also.

JT: They could have foreign-flag ships in the channel?

TT: Oh yes.

JT: And they will drive out to the big ship, load up the crude. Now, explain to me this transferring of the product, at what point do the oil companies get involved? Do they own these lighter ships, and at which time they purchase the crude, how does that work?

TT: I don't know, to give you an honest answer. I don't know on what basis they buy the crude. One terminology that is often used is before breaking bulk, that's when, if I buy from you, before breaking bulk, when we start discharging I pay you. But I'm sure there are different modes of buying oil and selling oil.

JT: Because I imagine if you've got several companies along the ship channel, they're all going to want a piece of that.

TT: Well, they may have their own supply line, so at any given time there are—I have no idea how many lightering ships there are on the channel, but my guess is that it's four or five of them at any given time. Some go into Exxon, some go into oil tanking, and there may be others. One might go into the Mobil Oil, whatever they call themselves now.

JT: Exxon Mobil and Amoco.

TT: Yes. There are a lot of different ways of doing it.

JT: Back to the questions here, in 1926 the Port of Houston was ranked eleventh in the U.S. in tonnage. Seventy-five years later, today, the port is number two next to New Orleans. What explains this tremendous growth in the last seventy-five years?

TT: Appetite for oil. I think that's by far the biggest commodity, and that has been the biggest growth.

[Tape recorder turned off.]

TT: —is by far the number one. But in the Port of Houston you also have dry bulk cargo. You have grain, you have that black, carbon black, and, of course, you have containers. But the majority of the growth is oil related, there's no question about it.

JT: Now the Port of Houston, do we have fabrication yards here? Do we have companies that actually provide the materials and the jackets and the equipment and the tools that are necessary for that industry?

TT: Yes, I would say so. Brown and Root has a big yard on the ship channel, and I'm sure they build there and ship it out. Sometimes we've had rigs moving out of Brown and Root, so it's been so big that we had to have a one-way traffic on the channel; close.

JT: That's kind of rare, isn't it?

TT: Yes, it is rare, but it has happened.

JT: Now, what about federal and state legislation? There's a question here that I haven't posed to too many other interviewees, but I think it's an area that we need to pay attention to. What are some of the important pieces of legislation that have been passed over the many years that impact the business of the port, and describe some of those as you know it.

TT: I would hope that NAFTA had a positive impact, but I have no way of really knowing. But I would think that things like that would have an impact, because it will open up more avenues for both import and export. Like really maybe I just

didn't care, but I never had any way of pinpointing this, this, and that cargo. But you would think so, that things—some cargo is being sucked up from Mexico, and some probably from Canada, and Houston is right in the middle, so it might have some benefit from it.

JT: What about the Jones Act? This is something that's been around for a long time, and it doesn't get discussed enough, at least from the experience that I've had. What do you know about the Jones Act, and is it a piece of legislation that's going to continue?

TT: Based on what I hear, there are some extremely vocal people supporting it, and feel that is something we need, or they need and the country needs, and we have to have it. But that doesn't always mean that it's locked in, either. Politics is a strange subject. Strange things happen.

JT: And particularly in this ever-increasing world, the age of the information world, and it seems that we're much more closer now to our international partners that it seems like this could become a very debatable and critical piece of legislation in the very near future, as the United States is outsourcing a number of its jobs and a number of its economy.

TT: It could.

JT: That may be challenged one day very soon, if it hasn't been already.

TT: Yes, I wouldn't be surprised. It certainly could happen.

JT: Now, you're a foreigner, or at least you were not born here in the United States, not in Texas, neither was I, and so you've got a little of a different perspective on maybe the international community from that angle. But what types of effect

would outsourcing, let's say our pilots or our tugging industry to maybe a foreign company, what types of impacts would that have on business at the ship channel, positive or negative?

TT: I think it theoretically could be done, as far as the towboats or tugs are concerned, but as far as pilots it'll never happen. That's a proud group and they think they are god. If you don't believe them, just ask them.

JT: They'll be honest and tell you?

TT: Yes. But by and large it's a good group. I think you ought to pick yourself one or two pilots to talk to, if you think you need. One guy that, although he has just recently retired, his name is Lance Miller, and he did his turn as chief of the pilots, presiding officer. Another one, Phelps, I don't recall his first name. Phelps, he's also, and both those guys are level headed, and they are good pilots. Miller, I think he was the senior pilot for a long time, but he retired I think either this year or fairly recently, and Phelps, he's also an ex P.O., a nice guy.

JT: Now, when you've got a group of characters like the pilots, who are motivated and politically powerful, then you have a group like the Coast Guard, who are the first line of defense, the policemen of the waterways, a federally operated organization, then you've got the Port Authority, which also has its jurisdiction on the ship channel, and regulates its percentage of activity. These are very different groups who have very different agendas and mission statements. What keeps these guys together? What keeps these entities in unison?

TT: You get to a point where you realize that you can do a lot of things together, and very few things alone, and I think that realization is what makes them work together.

JT: I guess you can say that for the port in general. It's such a dynamic operation. How many different entities are involved, different companies, different people. It employs like 35,000 individuals, and I think that statement could be made for the port in general as well. Let's talk about one more piece of legislation, the Oil Pollution Act. I know that your group has been involved in keeping some of the areas safely secured from some of the environmental problems. What about this Oil Pollution Act in converting these giant vessels into double-hull tankers now; has there been a dramatic move to much more environmental sustainability?

TT: I think so.

JT: And what has caused that?

TT: It's probably the realization that the money you spend to upgrade the equipment is far better used for that than if you have a problem and have to clean up a spill, for instance. I think that has played a major part of it, and also that the Coast Guard is a lot more observant today than twenty years ago.

JT: As one gentleman put it, he said, "We used to change our oil in the ship channel."

TT: Yes. [laughs]

JT: And he says it's taken this long, several decades, but the pelicans have finally returned, and the shrimp have returned. All of the marine life has returned back to the channel because of this move towards more environmental improvements.

TT: I think absolutely. We can see the results, and they are positive, absolutely.

JT: Are the oil companies involved in this environmental sustainability as well?

TT: Oh yes.

JT: Are they doing their part?

TT: Yes, I think so. There's no one that is fighting it anymore, no. I think we all realize that we have to do our share to keep it level headed, and do the best we can. Now I think the oil companies are extremely conscientious about what they are doing.

JT: Now, mechanization has certainly transformed the way the port operates, with containerization, Barber's Cut, for example, and the work of 200 men, which used to take several weeks of unloading a ship, now can really be done with just one crane operator, so you've got a decrease in the labor in the workforce for necessary reasons. Is there an overall decrease in individuals getting involved in the maritime industry and port business?

TT: I don't really think so. Maybe it's because there are more things to do, and you're more spread out. But I don't—if it is I don't see it. I think people still want to get involved.

JT: What do you see as the big major changes that are going to have to take place at the port in the next fifty years; considering all the things that we've talked about here, what's the next big change you see?

TT: That's a hard one to tackle. I think what will happen is we will see the biggest changes probably in security. That's a big area and I roll it into one big ball, but security of cargo, inspection of cargo, and manpower security, all those things, I think, are going to force major changes.

JT: Well, that's probably necessary in this new threat, the new world that we live in. But so much cargo is coming through, it's really difficult to keep a track on it with the technology we have now.

TT: Yes.

JT: That's going to have to change.

TT: But I think that we have the technical knowledge to provide the information in advance, and I do not see any problem with the ship before it arrives they give a complete breakdown of the cargo onboard. The technology to do that is already here. It's not a big deal. It does require some work from the loading ports, but it can be done. But I think those things are going to be the most significant changes in our time anyway.

JT: What would you like to see change?

TT: Oh, I'm retired.

JT: Your battles are over, huh?

TT: Yes, they are.

JT: Well, as we mentioned before, there's been such a great appetite for petroleum, and, in fact, there's been a 17 percent increase in that demand over the last ten years, which is very significant. As the companies keep going deeper and deeper, 20,000 feet in the Green Canyon areas and south of the Mississippi River, very, very deep water, what will be necessary for the port to keep up with this rapidly developing technology and the move to deeper and deeper water?

TT: Hmm. Well, the port can only do some things. I mean, they have to build facilities, both public and the private industry, because if this deeper drilling increases the amount of oil that has to be transported, then they have to either dig a bigger channel or have some other ways of doing it. But how it will transpire is hard to say. I don't know.

JT: Yes, but it seems like that technology is coming. It's actually already here, but how much more can the port grow? Do you see any additions of refineries? Do you see us building any more refineries in the area to be able to keep up with this deep-water activity?

TT: I think you need more refineries, but if they are willing to invest in the refinery I have no idea. Although if you go to five-dollar oil or five-dollar gas, I'm sure someone will invest in the refining. But how soon, it's hard to say.

JT: Do you think that's what's keeping us back from developing more refining capabilities is the fact that these big hitters are not willing to make the investment?

TT: That coupled with environmental problems. I think that has been a lot of the reasons for it.

JT: But you don't see too many refineries in California and Florida, do you?

TT: No. In California you see some, but not in Florida, and Senator [Ted] Kennedy did not want to have windmills off his island up there, so nix that one.

JT: Tell you what. I had an opportunity to see those in the mountains up in West Virginia, and those are very impressive. I saw a farm of about thirty of them that went down probably, you know, four or five miles up on this hill, and we drove

right up to one, and those things are really fascinating, to think that man's ingenuity to build those on the coast is really something to look forward to, and something to continue with, I think.

TT: I've seen them in California. There are several farms out there, and I have no idea how efficient they are, but it seems to me that it should be a good source to have the wind power and harness that. It should be a great source.

JT: Someday we're going to have to cut ourselves off from Middle Eastern oil.

TT: Yes, or Venezuelan oil.

JT: That's a big industry down there as well?

TT: Yes, it is.

Tape 2, Side 1

JT: This is an oral history interview with Ted Thorjussen by Jason Theriot on August 1st, 2006. This is Ted Thorjussen, tape two, on the Port of Houston Ship Channel, oral history interview.

Tell me, what role does the local community play in the Port of Houston?

TT: They don't know that it exists.

JT: That's a shame.

TT: It is a shame. Well, right around here where I live there are several related industries, but the Port of Houston is not generally known to Houstonians. It is a

big undertaking, and it is a major employer, so it really is a shame that people are not aware of its existence.

JT: What can the Port of Houston do to improve on that, more than what they're already doing with their radio advertisements, "Port delivers,"? What else can the Port of Houston do?

TT: I think they have just started a major campaign, it seems to me, and I think that is a good idea, and I hope they will continue it. And it's bound to show some results, also. I think so.

JT: Should the oil companies get involved in that as well? Is there an educational aspect involved here that needs to be looked at?

TT: Well, it couldn't hurt, but I don't know how they would feel about being part of a group. I have a hunch that they are too independent for that, but I don't know. Maybe they could form a group of port users, and the agenda would be to create public awareness of the port and its mission and its value.

JT: I would certainly attend. What is the one thing, the major thing that people should know about the Port of Houston?

TT: That it is a major employer and has a significant economic impact on the entire area. That would be what I would hammer home on, and I think they are doing that. They have had some brochures printed, I don't have any handy now, but spelling out the economic impact. To my mind, that would be the best way of keeping it in front of the public.

JT: Is the port ready for a Hurricane Rita?

TT: I think the port itself is about as ready as you can be. We have one advantage here, we're not below water. So if you get either rain or floods it does eventually drain off. But I don't wish a Rita on anybody, and I certainly hope we don't get one here, because it's a problem.

[End of interview]

[edited by Jason Theriot, 20 November 2006]