

Interviewee: Aalund, Niels

Interview: August 9, 2006

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ORAL HISTORY PROJECT

Interviewee: Niels Aalund

Date: August 9, 2006

Place: Port of Houston

Interviewer: Jason Theriot

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Bio

Niels Aalund is a native Houstonian. He graduated from the University of Houston and worked in Washington D.C. as a maritime lobbyist before taking a job with the West Gulf Maritime Association, where he currently serves as VP of Maritime Affairs. He also serves on the Houston Maritime Museum Committee.

Tape 1, Side 1

JT: This is an oral history interview with Niels Aalund, on August 9th, 2006, by Jason Theriot. Niels Aalund on the Port of Houston, tape one.

NNA: Hello. Wednesday, August the ninth, 2006. This is Niels Aalund, age fifty-one, vice president Maritime Affairs for the West Gulf Maritime Association. I'm a native Houstonian, born in Houston, worked in the maritime industry since graduating from college, worked in various ports around the country, Houston.

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Worked as a lobbyist for the National Maritime Council in Washington, D.C.

Worked in the ports of Baltimore and Philadelphia, now back in Houston.

JT: Okay. You're vice president of?

NA: I'm vice president West Gulf Maritime Association. We are an industry trade association. We're in Houston, but we represent shipping interests from Lake Charles to Brownsville. Shipping interests include stevedoring companies, terminal operators, vessel operators, and agents, and because of our role and presence in the market we're often the voice for the maritime industry, not just for our constituents, but we often work with other industry stakeholders to develop a position, or try to work on causes or activities.

JT: That's interesting. So it is in some respects a political forearm for the industry as well.

NA: We're nonpartisan. We do have a PAC fund that we contribute in our own way to different candidates that we feel are benefiting the maritime interests of the State of Texas, and Louisiana when you include Lake Charles. But we're not affiliated with any political party or government agency. But we are active with business and political leaders, government activities.

I put out a daily industry update where I review the *Federal Register* and follow legislation, not only on the federal but on a state level, too.

JT: What's your opinion of the industry as it stands today?

NA: It's a vibrant, potent industry. It is a great economic engine for this area of the country, and I think it has a very favorable outlook for it.

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JT: Okay. Let's get into a few questions about the history of the Port of Houston. Obviously, you're born and you're from this neck of the woods, from this area, went to the University of Houston. Although you may not have any direct experience with some of the past history, but stories may have been passed down to you. I'm sure you've done some research and a lot of reading in this area, with respect to the Port of Houston.

Some have described it as a sixty-mile ditch which leads to the Gulf of Mexico, and you pass right by a wonderful seaport, a natural seaport at Galveston. Tell me about the competition that you may be aware of in the early days, between Port of Houston and Galveston, and why did Houston eventually win out.

NA: Well, that's a great question. Galveston, obviously, was at the forefront. It was the first port. It was a great entry place for immigrants to come here. It was a trading outlet on a barrier island, so geographically it was well suited, and Houston was just basically a dream of our own port at one time.

Now, keep in mind, Jason, I represent shipping interests from Lake Charles to Brownsville. I am a native Houstonian, but I equally promote the Port of Galveston as I do Houston, and there is a place for Galveston now. But to address your question and get back to it, I don't want to stray off the subject, Galveston had a running start, and there was the big hurricane, obviously, that wiped it out, set it back.

And then the petrochemical industry in Houston has been so big, and Houston grew along with the petrochemical industry, the energy industry sector, and the Port of Houston has always had the support of voters for bond issues. As Houston has grown the Port has grown, and some would say that Houston is the city that the port built, so maybe someone would debate that, because we have a great medical center here, and we have certainly NASA. But as far as economic dollars

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and commercial impact, I can't think of a sector, including the energy sector—that is quasi-port—but that has had more of an economic impact on the Port of Houston. It's just tremendous, and for the state.

JT: Now, you mentioned Beaumont and Port Arthur. Along that same line, I imagine that that fits into the west gulf as well.

NA: Absolutely, Corpus, Brownsville, Freeport.

JT: Why not those other ports? Why did the petrochemical industry, did not emerge as a mecca of the economic development in those natural port facilities?

NA: That is a very, very good question because originally the first oil well was in Spindletop, right? You're shaking your head, we're being taped. And that's right there in Beaumont. Why didn't it take off? I just hear from a lot of people—I've traveled all over the world, and worked in different parts of this country, and Houston is perceived as a can-do, open community.

You don't have to be born here to participate in business. We're not parochial, we're not closed. If you're talented you can come here and make a name for yourself, and things that have helped Houston is, I think, no zoning. You know, it's not the prettiest town as far as the way things are laid out, but it certainly was an economic tool, a commercial tool that developers used to build what they want where they wanted. Texas is a right-to-work state. Texas is pretty much pro-industry, new jobs, and it's relatively easy compared to other states to do things here, so I think one thing helped the other to kind of get the momentum going.

A lot of energy companies were headquartered here, and then as you pointed out, the ship channel with dredging and capital improvements has just been basically a fifty-mile stretch of development.

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JT: Who were some of the early developers that made major contributions to this dredging process and to this vision of developing a port sixty miles inland?

NA: Well, I would have to say, obviously, the famous ones are the Allen Brothers. You know, everybody knows about them. But I would say the folks that were with the big energy companies, you know, like Brown & Root, and the original Humble Oil Company.

See, Houston's also headquarters for a lot of the engineering and procurement companies, what they call EP&C, and I think a lot of the construction and rolling stock and building material was sourced in this area. Fabrication yards came in, and the offshore market was strong, which also is involved in that. So I don't really have any specific names. I haven't thought about that, but I think that was part of what made it successful, yes.

JT: Let's talk about what impacts the Second World War had on the port. Do you have any perspective, or any knowledge about activities that were going on here during that period of time?

NA: Well, programs that I've watched, you know, documentaries about Houston, it seemed like Houston went through a big boom right after World War II. I think that, in my opinion, would probably have something to do with the U.S. dominance as a world power after World War II. The economy here took off, and then being in Houston, I think, with the energy and oil sector, and hydrocarbons were the fuel of choice, that things just grew.

I think that from what I've read and looked at, you know, the big East Coast cities and in the Midwest, there was a big exodus to a certain extent, people wanting to go to new opportunities. Cost of living is very good down here. Real estate is

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reasonable. We don't have the zoning. It's a right-to-work state, pro-business. Culturally I think the people are diverse and friendly. It's a melting pot. Just a lot of ingredients went into that.

JT: In 1947, still on the topic of postwar, Kerr McGee built the first out-of-sight drilling rig off the coast of Morgan City. That was a whole new ballgame.

NA: Right. Drilling offshore, you mean?

JT: Drilling offshore, going from on land to going out of sight into deep water, deep water then thirty to a hundred feet. That made some significant changes in the industry. How did that impact the port or the ship channel?

NA: Well, I have never worked for an offshore drilling contractor or an energy company like that, but I do know that here in Houston we have a lot of fabrication yards, suppliers, knock-down yards that came from the land side of drilling operations. You know, there were energy companies that went all over the world, that had headquarters or corporate offices here, and in keeping with what you're saying, that it went from onshore to offshore in the Gulf of Mexico was a huge, huge place for oil and gas offshore.

Environmentally it's been a little easier for people to work there than it has, say, in California, so I think that's probably what spurred a lot of that on. And yes, we were blessed with being at the gateway of that market, too.

JT: In 1926 the Port of Houston ranked eleventh in U.S. tonnage. Today, following the wake of Hurricane Katrina and what that did to New Orleans, Port of Houston is number one, and the largest petrochemical port facility, seaport, in the Western

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Hemisphere. What explains this tremendous growth over the last seventy-five years?

NA: Well, it's really good that statistics speak for what I feel is a very strong and viable port here. We have to be careful about statistics, though. You know, statisticians can spin statistics however they want. You've got dollar value, you've got cargo handled, you've got imports, exports, containers, different ways of spinning it, and then you have to look at the geographic area that it covers.

For example, there's an argument that's been made that New Orleans included the whole Mississippi River up through Baton Rouge, and that's neither here nor there. Well, bottom line is Houston is a great, it's a strong port. Every year I've been involved with it, we've had a couple of dips but it's been continuous growth, and it looks like it will continue to grow in the coming years.

As far as we did see a shift of business from New Orleans to Houston, and sadly, you know, New Orleans took it in the teeth. It was very unfortunate, because we all have colleagues and friends that work over there, and some have come here and stayed. New Orleans will always, I think, be a viable port, because they're situated with the Mississippi and the Intercoastal Canal. But ports have a trend of getting bigger and more regionalized, and Houston will continue to grow and become more of a regional, dominant player. I think New Orleans will have to find its own niche there, and we'll just go from there.

JT: How has the oil-and-gas industry in the gulf contributed to Houston becoming the number one port in the U.S.?

NA: I would say in the early, mid, and until even recent time it was the big economic driver. I think it had a lot to do with what we had as a port. But Houston has grown and we have diversified, and now with companies like Wal-Mart, Lowe's,

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and others coming in here putting in distribution centers, I don't think we'll be strictly an energy-related port anymore, although that is very big.

We're going to continue to diversify and pick up other products, and as Central and South American economies improve you have more trade going on.

Consumer goods are going to start moving through here. We had the strike on the West Coast that shut their ports down for the longest time, for a while at least, and big shippers, importers, exporters want a viable all-water option, and Houston is seen as that.

Panama Canal is going through some changes which mean more ships, bigger ships can come here to Houston. Look at Cuba. You know, that market will open up, and a lot of folks think, well, Miami is going to be the natural gateway, because there are so many Cuban exiles there and they do a lot of Caribbean trade. But there are a lot of products, agri-products, construction equipment, building materials that could come from Houston, to and from Houston, so I see that as being a very positive development here, too, for that.

JT: What is your experience with the Houston pilots, the Coast Guard, the Port Authority, and the [Army] Corps of Engineers, and we can get to each one of those individually if you like. But the real question is, what keeps these very different entities working in unison?

NA: That's a great question, Jason. That's what I do for a living here. I'm the vice president of maritime affairs, and I'm the advocate for our members with those very same groups that you mention, so it's my pleasure to develop relationships with those folks and to work with them on a day-to-day basis on issues.

They're all different. Some of them are government agencies, some are quasi-government. In the case of the pilots you have a different presiding officer every

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two or three years. You have a different captain at the port for the Coast Guard every two or three years. U.S. Army Corps of Engineers rotates people. Port Authorities have their own agenda. We're looking at here the WGMA issues impacting Lake Charles to Brownsville. Houston's the big guy on the street and we spend a lot of time with them.

But I think Texans in general work together, pro-business get along. Houston is so big and diverse that you don't have a handful of people controlling everything. Just with the example of Hurricane Katrina, and other, Rita and so forth, you see a lot of industry participation and help. I hear that over and over from people that come in and out of this port. They said, "I came here, people are open minded. They work together, they pull together." It's very complimentary, as opposed to some other places that I've worked, where it's really closed and almost clique-ish.

So I think there's great teamwork here, and cooperation. It's embraced, and anybody that tries to run things by themselves, I think they run into opposition to do that.

JT: What are some of the major issues that are going on today with some of those groups that you're involved with?

NA: Well, after 9/11 the Coast Guard has had a tremendous mission, trying to protect our borders. They've always been involved with, obviously, drug interdiction, but now you have the terrorist threat, military threat. They do a tremendous job but they've got x number of personnel, a y number in their budget, and they need the cooperation and assistance of the private sector, and we try to do that.

Dredging, obviously with the silting that we have here, is a big issue, and the federal government is trying to trim the budget and cut back in that area, so I

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don't think the American public or even all members of Congress truly appreciate the economic importance of ports.

Having said that, everybody wants some of the federal dollars, and other ports around the country are vying for them, too. Fortunately, Houston has done very well in comparison to the others, but there's a big need there. You've got the environmentalists that are concerned about dredgings, and we have to be sensitive to that.

You mentioned the pilots. We deal with I think six different pilot groups throughout Lake Charles to Brownsville, maybe more, and they're all different. They're all different personality and characters, but in general we have a good working relationship with them, and they do a magnificent job.

JT: Are these groups, obviously they'll be going through some changes here as the industry changes. What are some of the big changes that you foresee with pilots and with Coast Guard, Corps of Engineers, other than monetary stipulation?

NA: I attended a recent conference, Texas Ports and Waterways Users Association, and they had some experts from the state universities come and talk about demographics and growth, and how maritime commerce and development impacts a lot of things. Obviously there's the commercial side, but there's also some environmental concerns. There's quality of life, and then the subsidence in the gulf here, potential storms coming.

You can look at five years, ten years, fifty, a hundred years from now, if you follow some experts they feel like a lot of the port areas we have now will be underwater. So the long comments to a simple question is I think some of us in the industry, and these stakeholders that you mention, will have to deal with more and more demographic issue about people locating here, where they're going to

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live, how close to the waterways can we cohabitate, environmental issues, subsidence and dredging.

There has been and I think a continued shift for regionalization of ports. Some feel that some ports will get bigger, and the others will have to find niche business, like the cruise business or forest products or steel or something. But there's enough to go around for everyone, I think.

JT: You mentioned about subsidence, and I'm fully aware from being born and raised in south Louisiana what that really means. But explain to me, because no one has really touched in great detail about that problem along the ship channel, particularly in Galveston Bay, but how does the maritime industry and the oil-and-gas industry, how are all of these businesses impacting the fact that our land is sinking? How is that happening?

NA: Well, I can't really say that the maritime sector itself is. I guess in a stretch you could say maybe some of the dredging makes the runoff faster, because you have a canal or channel there. I'm not saying that's the case. And I think it's pretty much common knowledge, you know, the drilling, oil drilling in certain places has dropped the land table. But I don't see currently, moving on 2006 onwards, I don't see there's a whole lot of drilling that would impact that, and I can't see that the maritime industry could directly have an impact on the subsidence.

I could be wrong, but other than, you know, the dredging and maybe some of the development might enhance the runoff, or you know, probably some specialist could talk about, what do you call the water going through the—

JT: The water table? The watershed?

NA: Yes, but I just am not versed in that. I don't know.

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JT: As you mentioned, there has been a move to more environmental sustainability right here in the ports, certainly in the last probably ten to fifteen years. Is that going to increase, and what are some of the next big environmental improvements that you foresee happening along this Houston Ship Channel?

NA: Well, obviously I'm biased. I worked in the industry and I'm an advocate for this industry. I feel like we don't just give lip service, that there are initiatives that have been made, and people are spending a lot of money and effort to improve the environment, not just cause problems. I know the Port of Houston and other ports have complete departments now, and programs and so forth.

One of the issues that we're confronted with right now, and we'll have to see how that plays out, is the EPA is looking at the possibility of, and it looks like it probably will happen, mandating ships like turn their engines off, what they call cold ironing, get shoreside power. There's been talk about operations at only certain times of the day, use of shoreside equipment that's more greener, green effective.

Shoreside equipment is one thing, but these big petrochemical plants and cargo terminals just don't have the power grid to where you can put a big plug into the side of a ship. The ships aren't retrofitted. California has been pushing their maritime industry to do this, and what we understand is that some of the big cruise lines and some of the vessel operators, the new ships that they're building are being retrofitted, not retrofitted, but fitted to where they can take shoreside power.

It is real interesting, and it's new, and no two ports are exactly alike, and that's one of our arguments is that Houston is a fifty-mile stretch of diversity and different types of vessels. The other side of it is, imagine pulling giant cables

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around that petrochemical terminal to hook into a vessel. Then the issue is alternative fuels are cleaner. Yes, but who's the supplier of this alternative fuels, and is it here locally? The age of the vessels, and will this happen overnight.

And Jason, you know, we as an industry have to be proactive, because if we don't take initiatives environmentally, then it'll be mandated to us. We can't just say we can't do it. We have to do something, and the WGMA is working very closely on that issue right now.

JT: Let's talk about the LNG development that's coming. What are your thoughts on that new potential industry, and how does your organization potentially fit into that puzzle down the road, if and when Port of Houston gets a terminal of some kind to bring this cargo in?

NA: Once again, Jason, we represent shipping interests from Lake Charles to Brownsville, and there's various places in the gulf that would like to see LNG plants built, so I'm not saying one is better than the other. I'm a proponent of that new development or developments. I know there's a stigma attached to LNG, and some people have a fear of it, but from what I've seen and read, that it's a relatively safe industry, as far as the maritime side of it goes in places like the Middle East and in Europe.

Obviously we hear about accidents and things that happen, but I don't know that the horrific things have been so much maritime related, and maybe some that have been, there's other issues involved. So we promote it. We're in favor of it and we don't see it as a dangerous industry or anything like that.

JT: Is it coming to Houston?

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NA: I don't know. I don't know into Houston proper. I know that Galveston is trying to get it. I understand Freeport is pretty close, and I read where Lake Charles signed an agreement for a project, and maybe even something in Port Arthur, that's right. So you've got Lake Charles, Port Arthur, Freeport and Galveston, and I don't know about Corpus Christi. So it's pretty widespread, and I think it'll come.

JT: What types of legislation, federal legislation with respect to the maritime industry and this port, what types of legislation has impacted the operations down here?

NA: Well, everybody will tell you after 9/11 security issues have been huge. We have what we call TWICs, Transportation Workers Identity Card that the federal government wants to have one card, and that's a big issue right now.

The WGMA, for example, took the initiative to come up with our own badges, photo ID, biometrical, fingerprint, background check, and it was embraced by the ports from Lake Charles to Brownsville, to where one card could get you into the different ports. We could move labor around, agents.

Well, the federal government decided they wanted to have a card, and even though our requirements for our card exceeded what we think theirs will be, we don't know whether our card will be valid anymore. There are, somebody told me, 750,000-plus longshoremen in North America, and they're trying to get all of these people on the same ID card by the end of the year.

Then they have issues with who's going to be the federal agency involved with this, U.S. Coast Guard or Department of Homeland Security, or what, so certainly federal issues regarding security identification are needed. But they've had a limited number of open forums for the industry, but there are some people pushing on a fast track to get something that may not be effective.

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JT: Is Homeland Security operating here at the Port of Houston?

NA: Yes.

JT: Alongside with the Coast Guard, I'll presume.

NA: Correct. That's the other thing that I'm assuming this is the case in other ports, but we work with the Department of Justice, federal agencies, and there's a lot of industry forums and gatherings. I will definitely say that on the local and regional level, the governments do ask for feedback and participation, and there's briefings and there's a spirit of, we have a difficult assignment and we can't do alone, we need the help of the private sector, and this is viewed very favorably.

JT: What about NAFTA, what's your opinion on that?

NA: Well, it depends on who you talk with. I think any time countries trade together it's good. You find very few people that do a lot of trade that are fighting each other. Have you ever noticed that? [laughs]

JT: Yes, that's been going on for centuries.

NA: Yes. I mean, if you've got commercial and trade ties, then the cultural comes and just business friendships are developed, and dependence on each other in a positive way. I don't know the net-net tangible numbers, but my impression is it's been good for the Gulf Coast and for Texas, for the economy, yes.

JT: And here's a favorite, Jones Act.

NA: Yes.

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JT: How does that keep the U.S. maritime industry going?

NA: Oh, boy, that's a good question because I worked in Washington as a lobbyist, and I worked for the National Maritime Council, and we were there to promote the U.S. Merchant Marine, and basically we don't have a whole lot of U.S. Merchant Marine left. Sadly, the big shipping companies and terminal operators, logistics companies are usually foreign owned, or a consortium with foreign partners, so I'm not for repealing the Jones Act, and I think it's there for a reason, for domestic coastwise business, for the maritime support infrastructure, like the tugs and barges and so forth. But it's a complex issue. So I think it's served its purpose. Where it goes from here I don't know.

JT: Okay, fair enough. Is the U.S. Merchant Marine, are those numbers dwindling, let's say in the last twenty or thirty years?

NA: I think so. I hear that—well, I read a lot. I don't hear about too many U.S.-flag carriers, services. In fact, a lot of the big oil and energy companies own or charter vessels, and they're usually foreign-flag vessels, so I don't think they're being run by U.S.-flag crews. I think it's a shame. It's something that I'm not proud of as an American, but it's happened. I think the numbers have declined, and without some sort of legislation or incentives, I don't see it coming back.

JT: Will that eventually become a serious problem?

NA: I hope not, but it could. In a world full of problems, with terrorism and wars, you know, I would rather our goods and materials be moved on a friendly flag vessel with a loyal crew. Potentially, it could be a problem.

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JT: And you mention incentives. What incentives does a young man have for getting involved in the industry today?

NA: Well, that's an open-ended question. Are you talking about shore side, offshore, sailing?

JT: Well, let's talk about Merchant Marine sailing.

NA: Well, we do have some very good academies here that do a good job of training, and I think they try to place people. I just don't know about the number of jobs and the outlook for jobs, so I find a lot of the guys that I worked with that went to the big academies, they may have sailed at one time, but almost without exception they've all come ashore and found jobs in administrative and operational-type jobs.

And as vice president of maritime affairs, and I get around a lot, every semester I get all types of résumés from recent graduates looking for jobs, and their dads tell me—

[Tape recorder turned off.]

JT: Tell me about recent history of some of the major issues that WGMA has tackled with relations to the offshore oil-and-gas industry, and some of the big issues that you guys have faced over the last seventy years.

NA: It's interesting, because some would say they're two totally different, diverse industry groups, and I guess in what they do it would be two different groups. But they're such big players, each one, that they are like two big boys sharing the same room, that you've got to get along and know what the other guys are doing.

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Obviously when we've had our hurricanes there were plans to move assets, rigs, offshore equipment. We had to deal with our vessels. We had to get the port back open, make sure the channel was clear. Traffic had to start moving. Several times a week I notify our industry members about channel obstructions, and that could be a rig movement, it could be a dry-dock movement, it could be maintenance work along the ship channel, so on a day-to-day business the offshore market impacts what we do with disruptions.

I say the word disruption because it's a disruption to us, but it's their business and their ongoing enterprise, and they could say, "Well, all these ships moving around slow our progress when we need to do stuff." But we have to work together, and the Coast Guard is able to work it out.

When we had the hurricane we had great cooperation with the offshore sector, and I don't think that anybody was left without getting what they need accomplished. I don't see the industries at odds or fighting over things. I think we cohabitate very well together.

Your question is a good one, though, because I don't know if we could do more to help each other if we had a better dialogue. We don't have members that are in the offshore market. What I learn is what I see from industry meetings. The U.S. Coast Guard, for example, has set up HOGANSAC, which is a Houston-Galveston Area Navigational Committee that works on their issues of commerce, safety, and security.

And we have representatives from the offshore industry, but they're not prominent at the meetings, and they don't really participate that much, and I don't know if it's because left alone they feel fine. I just don't see them at a lot of our industry functions. They may have some big gatherings themselves, and wonder

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where the heck we are, but we just don't have a whole lot of dialogue and interaction with them.

JT: That's interesting, when you think of all the big tankers that come up, and then the lightering industry.

NA: Do we have members in that area? Yes, we do. Yes, we do, and we at the WGMA are advocates for our members when they have issues with Coast Guard boardings and inspections. Vessels are held up. We can't necessarily change the schedule. Sometimes we can influence it, though. But ships that don't move or are held up are very expensive, bottom line, yes.

JT: That is interesting. There's been an increase in domestic demand for petroleum, and it has jumped 17 percent in the last ten years. What will be necessary for the Port of Houston to keep up with new technologies and with this increasing demand for it?

NA: I keep saying good questions because look what happened this week in Alaska with the pipeline, and supposedly 17 percent of our oil supply is off the table right now. I can tell you that bigger ships and more ships are needed. Thus, we have to have a deeper-water channel and keep it open, and we have to have scheduling and planning systems, and cooperation to move more ships in an area that is congested.

For example, look at a freeway. If you don't have good traffic flows and engineering to move large volumes of people, it's no different. We have to get around on this ship channel. We don't have five lanes on each side, and separated barriers. It's basically a very tight channel with a lot of traffic, so navigational systems, improved dredging, even scheduling. We don't have a harbor master per se, but someday we may need to have someone that is able to say who goes where

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and when, like some ports do, because the pilots control flows based on safety, primarily safety.

JT: Well, this is something we haven't talked much about. What about the Port of Houston Authority, are they the authority on the channel, and is that potentially something that they may be a part of, in all of this settlement?

NA: I don't have the exact numbers, but statistically, someone said 85 percent of the vessels, 85 percent of the cargo move in the Houston Navigational District, but not necessarily over Port of Houston docks. Now, so when you say the Port of Houston Authority, you're talking about the Turning Basin, the Barber's Cut, soon-to-be Bayport, some other facilities, versus the Houston Navigational District or Houston area, which could include Houston, Texas City, Galveston, and some even include Freeport.

On an off-the-cuff, casual interview mode, I liken it to the United States and the world politics. Sometimes we get involved with things we don't necessarily ask for or want, because we are a world power. The Port of Houston has done an excellent job as being a leader and a facilitator of things that they necessarily didn't want to have to get involved with, but because they are the Port of Houston they've inherited and have shown a great deal of leadership for this region.

But in fairness to them, you know, they only handle a certain portion of the cargo and ships, and the fifty-mile ship channel as we know is not the Port of Houston Authority, but it's a smorgasbord of private terminals and operators and things. Did that answer your question?

JT: Yes. Actually, one gentleman described it as ninety-one separate ports.

NA: Could be, yes.

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JT: Within one fifty-mile—

NA: But Joe Public probably thinks the Port of Houston Authority is the person. And look at their commercials, and look at their advertisements about the environmental. Great stuff, and I commend them for that, and they are leaders.

[Tape recorder turned off.]

JT: Okay. We've talked briefly about voter support, which I think is very interesting to this whole process. What role does the local community play in port development and port activity?

NA: Well, you know, once again, they have these different studies and reports, and someone said one out of three jobs is directly or indirectly related to the port. So, you know, it's your bread and butter, I think. One out of three people ought to have some appreciation for the port, and I think it has been favorable. So local support is very important.

JT: Why do most people, and I may be completely wrong in this, but why do most people in a city of four and a half million, why do they not know the economic significance and impacts of the Port of Houston?

NA: I think probably a lot of it is that the industry hasn't done a good or effective job of selling ourselves or sending the message. Well, it could be a number of things, Jason. I think we need to do a better job selling ourselves and promoting the port, and I have to say in the last five years or so the Port of Houston has really put on some good commercials. I commend them for that.

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I think that if you read the local newspaper, and I would think the local media, too, I think we get, in general, positive press. But Houston is a city that has grown so quickly, and there are very few native Houstonians. Most folks came from somewhere else and they liked being here. They came here, but they didn't necessarily grow up in a maritime family, in a shipping community. They came from other places.

Tape 2, Side 1

JT: This is an oral history interview with Niels Aalund, N-i-e-l-s A-a-l-u-n-d. He's vice president of maritime affairs at the West Gulf Maritime Association. This is an interview by Jason Theriot on August 9th, 2006, Niels Aalund on the Port of Houston, tape two.

So why is it important to educate the public about the Houston Ship Channel, and how can you guys improve on that?

NA: Well, I'll give you a biased answer. Again, this is my industry which I love and I'm very proud of, so I think we have a lot to advertise and sell. I think that any industry, if it's smart, wants the public to be behind it and view it favorably. I think a program just like what you have here, the oral history, programs like this are good to record what's happened, where we are, the impact of the business, where we're going, and share it with the public.

The Houston Maritime Museum, for example, that I'm involved with on the board of directors is an area that we hope to build a very nice museum downtown, where folks come in, and we hope it becomes one of the leading tourist attractions for the city, not only for outsiders but local folks to see about our maritime history, our heritage, as well as the things that go on here at the port.

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JT: How did you get involved in that?

NA: Well, by nature I'm an extrovert. I like people and I like good programs. My time is valuable. If I find something is a good cause, something I have a passion for, I want to get involved with it, I want to help, and I think this is something our city needs. I think it's something that will add value to the city, and I think it will, as you pointed out in the previous question, it's something that can enhance our image and help spread the word. It's got so many benefits.

JT: It really does. Now, I understand that your board of directors is very diverse, coming from all different aspects of the maritime industry. It's interesting that a man like Jim Manzolillo, who's not a native Houstonian, who has a little museum that's kind of obscured and hidden in the museum district, how his ideas and his vision was positively spread throughout this industry and this business that you guys are in. And to see a number of different folks from different areas coming together I think is really very positive. And what are the ultimate goals of the museum here?

NA: Well, you Jason, from our previous discussion I know that you've met Jim, so anybody that spends fifteen or twenty minutes, an hour with the guy, is impressed. He's enthusiastic, he's positive, he's a generous, kind man that has fortunately spent a lot of time, effort, and financial resources accumulating some great maritime artifacts, and some really cool exhibits and features, and we're very fortunate that he did end up in Houston. It's fortunate for us, as you say, because he's not from here.

He's a people-oriented person, his personality. I think he's found a group of people that will do something. Our board is really solid now, and I think we have some great folks that want to see this thing happen, and it will happen. I'm very optimistic about it.

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Plans call for a multi-story facility with, obviously, the museum attractions, but also areas where kids can learn how to build models, that more advanced people can come in and share best practices on ship modeling. We'd like to see it where companies might use it as an offsite location for conferences and meetings, receptions, parties, so on, so forth.

JT: It'll tell the story of how Houston developed.

NA: That's part of the plan, where it is now. My vision would be that it would be multifaceted in that it would include all sectors of the maritime industry, if possible, offshore, onshore, what we call the brown water, the blue water, the cargo handling, but ultimately it has to be interesting. What I have an interest in may not be what the general public, so it has to be something that has a general appeal to a lot of folks, hopefully cross-generational to where kids would enjoy coming, as well as adults.

I'm a history buff. I like the history, so I want it to be serious, interesting for me, but a busload of elementary kids probably want to see cool things and fun things, and not so much, you know, black-and-white photographs and calligraphy, hand-written of letters from the vessel. I mean, forget it, you know. We need both.

JT: If the visionaries, the Allen Brothers and etc., had not decided to dredge the ditch of Buffalo Bayou, would Houston be the prominent metropolitan city that it is today?

NA: We might be sitting in Galveston talking right now. I don't know, I don't think so. I really don't think it would be the city it is now without the port.

Thank you.

Interviewee: Aalund, Niels

Interview: August 9, 2006

JT: Thank you very much.

[End of interview]

[edited by Jason Theriot, 14 November 2006]

