

The State of the Texas Maritime Industry



\$713.9B

Total Economic Value¹

28%

Texas GDP¹

1.8M

Texas Jobs¹

66%

U.S. Energy Exports²

Executive Summary

The American economy depends on a strong Texas maritime industry. With more export volume, road networks, and deep-water ports than any other U.S. state, Texas ranks among the world's leaders in ocean-bound commerce. This report outlines concrete proposals to strengthen this position in an era of increased global conflict.

Key Takeaways

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| | Infrastructure | Growth in shipping volumes and supply chain risk requires continued infrastructure investment and addressing federal permitting delays. |
| | Workforce | The maritime industrial base will need up to 250,000 more skilled workers by 2033, ³ requiring investment to scale education and industry partnerships. |
| | Security | Securing critical infrastructure against hurricanes and cyberattacks is a national priority that requires renewed focus on security and resilience. |

Investing in Texas Maritime Infrastructure



\$9.16B

Funding Gap⁴

\$53:\$1

ROI for Maritime Infrastructure⁵

4–5 Years

Average Permitting Time⁶

Executive Summary

Texas operates the nation's largest port system, handling over 616 million tons of cargo annually and 68% of U.S. energy exports.² Investing in Texas's critical infrastructure is essential to keep American goods moving and Texas a gateway to global trade. Speed is also key, as the permitting time for large projects averages 4-5 years. With investment and reform, Texas can help meet growing global demand for energy, technology, and other products.

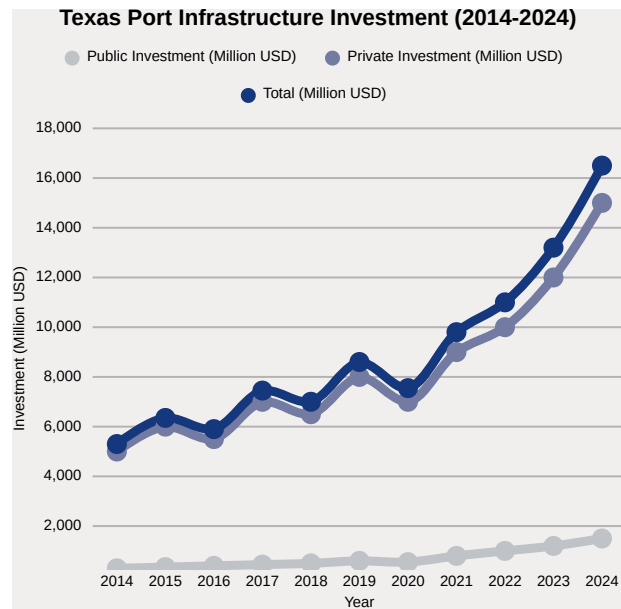
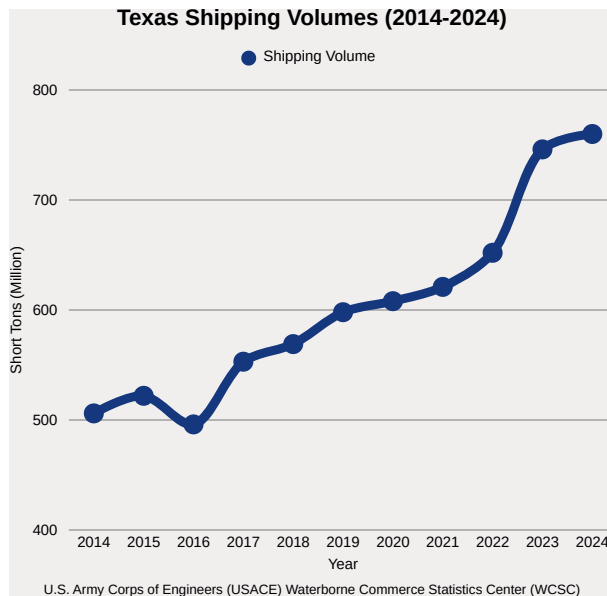


Top Priority

Expand Port Funding, Streamline Federal Permitting, and Protect Regulatory Stability for Energy Exports

Growth and the Funding Gap

Texas shipping volumes have grown 50 percent in the past decade, straining seaports and commercial corridors.⁷ Since the war in Ukraine and conflict in the Strait of Hormuz, demand for Texas energy and petrochemical exports has surged, requiring new investment.



The Texas Department of Transportation 2026–2027 Port Mission Plan identifies a \$9.16 billion funding gap: \$5.46 billion for ship channel improvements, \$3.11 billion in port capital infrastructure, and \$585 million for intermodal road and rail connectivity.⁴ These projects help Texas goods reach overseas customers faster and in greater volume, sustaining 1.8 million jobs.

Texas Maritime Infrastructure Funding Gap

\$5.46B

Ship Channel Improvements⁴

\$3.1B

Port Capital Infrastructure⁴

\$585M

Road & Rail Connectivity⁴

State Funding Works, But It's Running Out

Combined, maritime-specific funds represent less than two percent of the TxDOT budget, but broader investment is just as important. Texas has the largest road and rail network in America,⁸ and this freight network is as expensive to maintain as it is essential for growth. From August 2021 to August 2025, the Texas Highway Cost Index - a measure of construction inflation - has grown nearly 67 percent, eroding the purchasing power of every dollar TxDOT spends.⁹ Annual highway lettings are projected to fall from \$13.7 billion in FY 2024 to \$8.7 billion by FY 2028, a decrease of more than a third, while the Texas Comptroller's October 2025 Certified Revenue Estimate cut anticipated TxDOT funds by \$1.24 billion across FY 2026–2028.¹⁰ Proposition 1 revenues, tied to oil and gas production taxes, add another layer of volatility. When energy prices rise, project costs rise with them, so higher oil revenue does not always translate into more capacity built. The result is limited room to add new projects, despite growth in demand.

Federal funding is also part of the equation, making up over 30% of the TxDOT budget. With federal funding authorization expiring in 2026 and no successor bill yet introduced, Texas risks compounding funding challenges.⁹ Texas also captured less than two percent of USDOT discretionary grants awarded in 2023, despite receiving roughly 10 percent of federal-aid highway

formula funding that year.¹¹ Closing the gap will require close collaboration between state and federal stakeholders.

Recommendation #1: Expand Port Funding



Expand state and federal funding for maritime infrastructure and the connecting road and rail network that moves Texas goods to market.

Permitting Delays are Costing Texas Billions

Even when funding is available, projects stall. Federal environmental reviews under NEPA average 4–5 years, and delays often span decades. Congress authorized a feasibility study for the Corpus Christi Ship Channel in 1990, and construction did not begin until 2018.¹²

These delays carry an enormous cost. A 2025 McKinsey analysis estimates that permitting delays in America cost \$100 to \$140 billion in unrealized returns annually.⁶ For Texas, every year of delay on a project like the Houston Ship Channel widening is a year of lost economic growth.

Recommendation #2: Streamline Federal Permitting



Advocate for faster USACE feasibility studies and NEPA environmental reviews.

Energy Exports Need Regulatory Stability

Texas is the backbone of American energy independence, and maintaining that position depends on policy predictability. LNG exports have grown dramatically since 2017,¹³ supporting billions in port, pipeline, and rail investments. When the Department of Energy paused new LNG export approvals in 2024, impacting projects at Port Arthur and Corpus Christi, Texas industry mobilized in opposition. A court stayed the pause and the new administration rescinded it, but the episode showed how policy shifts can disrupt the trade that America's allies and trading partners depend on. When Russia invaded Ukraine, U.S. LNG had the flexibility to boost supply because the infrastructure was already there. Growing that capacity requires the same stability that created it.

Recommendation #3: Protect Policy Certainty for Energy Exports



Advocate for clear, stable federal regulatory frameworks for energy export approvals to protect Texas's position as the nation's leading energy exporter.

Growing the Texas Maritime Workforce



+250K

Workforce Demand by 2033³

40%

Workers Hit Retirement Age by 2030

10:1

Mariner Demand vs Supply¹⁴

Executive Summary

Strengthening the maritime industrial base requires new investment in workforce education. America is short of welders, electricians, pipefitters, mariners, and other skilled trades. With 40 percent of the workforce reaching retirement age by 2030,³ the pressure to train the next generation is higher than ever.



Top Priority

Scale Investment in Maritime Education and the Skilled Trades.

Building the Trades Pipeline

The maritime industry will need an additional 200,000 to 250,000 skilled tradespeople by 2033.³ Solving the workforce shortage requires investment from industry and government.

The industry depends on welders, pipefitters, electricians, crane operators, and dozens of other skilled tradespeople. San Jacinto College in Houston, named a U.S. Maritime Administration

Center of Excellence in 2024,¹⁴ is emerging as a model for training these workers, with a dedicated Maritime campus at the Port of Houston. Community and technical colleges across the Gulf Coast also offer maritime-relevant credentials. Exposure is starting earlier, too. Under Texas's P-TECH program, high schools receive bonus funding for students earning workforce credentials, and Port Houston partners with eight high schools in seven districts.

Strong industry partnerships are needed to scale these models. The Texas Workforce Commission's Skills Development Fund and JET grant program help cover training and equipment costs, which should be expanded as demand grows. Apprenticeships, tuition assistance, and industry-funded training partnerships are also key.

American Shipbuilding

During World War II, shipyards in Houston, Galveston, Orange, and Beaumont produced over a thousand vessels and employed tens of thousands of workers. After the war, the industry contracted sharply. The United States had 4,700 U.S.-flagged vessels in 1946, today it has roughly 80 in international trade.¹⁶

That is changing. In December 2025, Davie Defense, announced a \$730 million investment to build Arctic Security Cutters for the U.S. Coast Guard, expected to create more than 2,400 direct jobs.¹⁷ In September 2025, the U.S. Department of Labor awarded Texas \$5.4 million in workforce training grants targeting shipbuilding and other critical industries.¹⁸ This is a generational opportunity for Texas, but only if the workforce exists to meet it.

The Mariner Shortage

The industry also needs licensed mariners to crew the vessels themselves, and America is currently short 1,839 qualified mariners.¹⁹ Texas A&M's Maritime Academy in Galveston(TAMUG), the only maritime academy on the Gulf Coast, graduated fewer than 100 licensed mariners in 2024, while companies sought over 1,000.¹⁴

TAMUG is working to attract more students by offering in-state tuition to all U.S. students in licensure programs, and partnering with the Galveston Wharves to establish a \$300,000 scholarship for students, nearly 30 percent of whom are first-generation.¹⁴ These scholarships are critical to boost recruitment and degree completion. In 2025 the Academy saw a record freshman class and continues that trend into 2026–27. In addition to these efforts, it is imperative that the State continue to fund the special line item for the Texas A&M Maritime Academy to sustain this progress.

Recommendation #4: Scale Investment in Maritime Education



Scale effective workforce programs, industry partnerships, and apprenticeship models. Continue funding the special line item for the Texas A&M Maritime Academy.

Securing the Texas Maritime Industry



+\$1M

Red Sea Crisis Cost Per Voyage²⁰

\$193B

Hurricanes Ike & Harvey Damage²¹

+28%

Cyber Attacks on Corpus Christi²²

Executive Summary

Texas ports are central to the nation's energy supply chain and military logistics, but they face increasing risks from global conflict, natural disasters, and cyberattacks, requiring continued focus on security and resilience at the state and federal level.



Top Priority

Fund Design Activity for the Coastal Texas Project and Strengthen Cybersecurity

Sea Lanes Are No Longer Guaranteed

The security of commercial shipping can no longer be taken for granted. Since late 2023, Houthi attacks have dropped Red Sea traffic by up to 90 percent,²³ and severe drought cut Panama Canal capacity by 36 percent.²⁴ More recently shipping through the Strait of Hormuz between Iran and Oman, a major route for oil and gas shipments, has been severely constrained by Middle East military conflicts. The Taiwan Strait represents yet another chokepoint where escalation could disrupt global trade on a massive scale.

Together, these crises underscore a key vulnerability. The Texas economy depends on open sea lanes, which are increasingly at risk. A 2025 Baker Institute paper warned that U.S. munitions stockpiles are insufficient for the prolonged defense of maritime chokepoints.²⁵ While the U.S. Development Finance Corporation has launched a \$20 billion maritime reinsurance plan to cover war-risk, Texas industry is also helping develop the response. Austin-based Saronic Technologies, founded in 2022,²⁶ is building autonomous ships to extend naval power at a fraction of the cost of crewed warships. In early 2026, DARPA selected Saronic to support Pulling Guard,²⁷ a program developing semi-autonomous vessels to protect logistics ships.

Protecting Texas from Catastrophic Hurricanes

The Houston Ship Channel is home to the Port of Houston, the nation’s largest petrochemical complex, and its greatest concentration of energy infrastructure. In 2008, Hurricane Ike sent 15 to 20 feet of storm surge into Galveston Bay, flooding industrial sites as far north as Baytown. The petrochemical complex was spared only because the storm’s eye passed east. Combined damages from Hurricanes Ike and Harvey exceeded \$193 billion.²¹

The Coastal Texas Project, developed to protect the region from catastrophic hurricanes, is the largest coastal protection effort in U.S. history. Congress authorized the project at nearly \$35 billion,²⁸ engineering contracts were awarded in late 2025,²⁹ and Congress appropriated \$5 million in early 2026.³⁰ Impacts from the next major hurricane should not be a matter of luck.

Recommendation #5: Secure Funding for the Coastal Texas Project



Secure federal funding for the design of the Coastal Texas Project, \$25 million in FY2027.

Port Cybersecurity Is a National Priority

Cyber threats to U.S. ports are escalating. The Port of Corpus Christi reported a 28 percent year-over-year increase in cyber targeting incidents in 2024, the highest annual total since 2020.²² In September 2024, a congressional investigation found that Chinese state-owned manufacturer ZPMC built nearly 80 percent of ship-to-shore cranes at U.S. ports and that these cranes contain cybersecurity vulnerabilities.³¹ Ports across the country are working to mitigate these risks.

Texas is building the institutional capacity to respond. In June 2025, Governor Abbott signed House Bill 150, establishing the Texas Cyber Command, the nation’s largest state-based cybersecurity agency, with a \$135 million investment.³² Retired Vice Admiral T.J. White, former commander of U.S. Fleet Cyber Command, was appointed its first chief.³³

Recommendation #6: Strengthen Port Cybersecurity



Support the mission of Texas Cyber Command by promoting stress-tests, threat-sharing, and stronger cybersecurity standards for critical infrastructure.

Conclusion and Recommendations



Executive Summary

America's ability to lead, supply its allies, and move its own goods depends on the strength of the Texas maritime industry. That position will hold if we continue investing in infrastructure, build the trades and mariner workforce that industrial power requires, and reduce the risk of natural disasters and global conflict.

Infrastructure

#1: Expand Infrastructure Funding. Expand state and federal funding for maritime infrastructure and the connecting road and rail network that moves Texas goods to market.

#2: Streamline Federal Permitting. Advocate for faster USACE feasibility studies and NEPA environmental reviews. Permitting delays cost \$100 to \$140 billion annually in unrealized returns nationwide, and individual Texas projects have stalled for decades.

#3: Protect Regulatory Stability for Energy Exports. Advocate for clear, stable federal regulatory frameworks for energy export approvals to protect Texas's position as the nation's leading energy exporter and sustain private investment in port and pipeline infrastructure.

Workforce

#4: Scale Invest in Maritime Education, Apprenticeships, and Industry Partnerships. Scale effective workforce programs, industry partnerships, and apprenticeship models. Continue funding the special line item for the Texas A&M Maritime Academy.

Security

#1: Secure Additional Funding for the Coastal Texas Project. The Houston Ship Channel contributes 20 percent of Texas's GDP. Securing the federal cost share is essential to protect this asset from catastrophic storm risk.

#2: Strengthen Port Cybersecurity. Support the mission of Texas Cyber Command by promoting stress-tests, threat-sharing, and stronger cybersecurity standards for critical infrastructure.

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