

NEWS RELEASE

For Information, Contact:
Judy Slocum
Port of Galveston
409-766-6119
jslocum@portofgalveston.com

BOARD OF TRUSTEES NAMES STEVEN M. CERNAK PORT DIRECTOR

Galveston, Texas...April 30, 2002...The Board of Trustees of the Galveston Wharves has appointed Steven M. Cernak, PE to the position of Port Director of the Port of Galveston.

"The Port of Galveston was fortunate to have someone of Steve's caliber on staff to fill our top executive position," stated Donald L. Schattel, Chairman of the Board of Trustees of the Galveston Wharves. "He has demonstrated excellent leadership skills and proven himself well-qualified in managing a variety of tasks. We feel that he is an ideal choice and will make significant contributions to the future of the Port."

Prior to the appointment, Cernak served the Port of Galveston as Acting Port Director and before that as Deputy Port Director for Finance, Administration and Facilities, handling the management of the Engineering and Maintenance Departments of the Port of Galveston and overseeing the functions of the Finance and Administration Departments.

"I am extremely pleased to have been given this opportunity," stated Cernak. "It is an exciting time at the Port and I look forward to the business opportunities that the future holds. The Port staff is second to none and we will work together

to service our present customers, to create new business opportunities, and to provide the greatest economic benefit for the Galveston community."

Cernak said two top priorities are the cruise market and expansion of the Port's traditional cargo mix. "Carnival Cruise Lines began offering four- and five-day sailings from Galveston Island in September 2000 on the *Celebration*. Passenger counts for the *Celebration* broke all records set at the beginning of operations and Galveston recorded the 100,000th passenger three months ahead of schedule. Royal Caribbean's *Rhapsody of the Seas* began seven-day sailings in mid-April and we are projecting that we will reach the quarter-of-a-million mark in mid-2002. In August, Carnival's *Jubilee* will begin offering four- and five-day cruises from Galveston. The start of this service will mean that cruise ships will be calling at our cruise ship terminal every Monday, Thursday, Saturday and Sunday. We are studying the benefits of a second cruise berth and are continuing to market for additional cruise opportunities.

"Also, our traditional cargoes of grain, bananas, sugar and construction and farm equipment remain strong," Cernak continued. "Marketing efforts continue to diversify the Port's traditional cargo mix with efforts centered on forest products and project cargoes."

Cernak stated that as far as capital improvement projects are concerned for 2002, the focus is on cruise terminal enhancements, port security and several dock and railroad reconstruction projects that will support existing and future operational needs.

Mr. Cernak is a Registered Professional Engineer and received a Masters in Business Administration from Dowling College in New York and a Bachelor of Science in Civil Engineering from Colorado State University.

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