

## **River Materials Opens New Bulk Terminal**

River Materials, L.L.C. signed a lease with the Port of Galveston in August, 2003 to develop Galveston Bulk Terminal, a new general-purpose bulk cargo facility at Pier 35/36, site of the former Imperial Sugar Company operations. In early December, the first shipment of bulk product was handled.

“We are very excited to see our first vessel come into Port and begin our operations,” stated Fred Weller, General Manager of River Materials. “Don Suderman of Suderman Contracting Stevedores is very knowledgeable about the capabilities of this terminal and was instrumental in helping River Materials launch this new industry for Galveston Doug Gates, Marketing Manager, and Carl Helms, Operations Manager, comprise our management team Doug’s years of railroad and industry contacts have been invaluable as we establish our customer base. Carl’s 12-years experience with Imperial Sugar and his knowledge of this facility were very important as we began operations here in Galveston.”

In the first shipment at Galveston Bulk Terminal, approximately 27,000 tons of fertilizer from Venezuela were unloaded directly into railcars. Thirty employees handled the vessel-unloading operation from the vessel *Fuat Bey* and the rail car-loading operation.

“The agreement between the Wharves Board and River Materials culminates months of hard work by Port staff,” stated Steve M. Cernak, Port Director. “We are extremely excited about this new business with its potential for increased cargo growth and the jobs

it will generate for the waterfront. This diversification of our cargo mix assists with developing a more varied total port operation.”

The initial term of the lease is for fifteen years with the option for seven additional three-year renewal periods. The Port will derive operating revenues from rental fees, cargo throughput fees, and rail-switching volumes.

“River Materials is pleased to be a part of Galveston Bulk Terminal (GBT) and to be able to develop the former Imperial Sugar facility at the Pier 35/36 T-head into a multi-commodity import facility,” added Weller. “GBT will be the highest speed water-to-rail transfer facility on the U.S. Gulf Coast serving both the Burlington Northern Santa Fe and the Union Pacific railroads.”

While the facility can currently handle only import cargo, River Materials’ longer term goal is to make improvements to the facility that will support both import and export operations. Potential cargoes to be handled through the facility include bulk fertilizer products, bulk agricultural products, bulk grains and grain substitutes, non-hazardous bulk white minerals or mineral products and non-hazardous chemicals.”

The fertilizer is destined to be shipped to blending plants and sold to farms in the upper mid-west for use in Kansas, Nebraska, South Dakota, Montana, and in Texas. When combined with other types of fertilizer, the blended product will be used to grow corn, wheat, sorghum, sunflower seeds, canola and other similar crops

“This growth in the bulk cargo sector of our operations supports the Port’s marketing efforts to diversify our cargo mix and create new jobs for the City of Galveston,” concluded Cernak.