



FLORIDA PORTS COUNCIL
Annual Meeting &
Board Meeting

September 9-10, 2014
Amelia Island, FL

Omni Amelia Island



Annual Board Meeting

ITINERARY

Tuesday, September 9, 2014 – Wednesday, September 10, 2014
Omni Amelia Island, Fernandina, Florida

Tuesday, September 9, 2014

9:00 a.m. – Noon	SEMC Meeting	<i>Omni Amelia Island Azalea Boardroom</i>
Noon – 1:00 p.m.	Lunch	<i>Omni Amelia Island Live Oak Foyer</i>
1:30 p.m. – 5:30 p.m.	FPC Annual Board Meeting	<i>Omni Amelia Island Live Oak Boardroom</i>
6:00 p.m. – 7:30 p.m.	Reception	<i>Omni Amelia Island Oceanview Terrace</i>
7:30 p.m. – 9:30 p.m.	Dinner (Private)	<i>Verandah (Transportation Provided)</i>



Presenting Sponsor:



Wednesday, September 10, 2014

8:00 a.m. – 9:00 a.m.	Port Director's Breakfast (Port Directors Only)	<i>Azalea Boardroom</i>	<i>Omni Amelia Island</i>
9:30 a.m. – 12:00 p.m.	FPC Board Meeting	<i>Live Oak Boardroom</i>	<i>Omni Amelia Island</i>
12:00 p.m. – 12:30 p.m.	Lunch	<i>Sunrise Cafe</i>	<i>Omni Amelia Island</i>
12:30 p.m. – 4:30 p.m.	FSTED Meeting	<i>Live Oak Boardroom</i>	<i>Omni Amelia Island</i>

For more information contact: Christy Gandy at (850) 222-8028 or christy.gandy@flaports.org

TAB 1
CALL TO ORDER



AGENDA

FALL BOARD MEETING & ANNUAL MEETING

**September 9-10, 2014
Omni – Amelia Island**

1. Call to Order and Chairman's Welcome

2. Roll Call and Opening Comments

3. Administrative Issues

A. Approval of the Minutes – July 16, 2014 Meeting in Orlando

B. Budget Report

- i. FPC FY 13/14 Year End Financial Report
- ii. FPC FY 14/15 Proposed Budget
- iii. Port of Port St. Joe Dues Forbearance

C. President's Comments

D. Governance

- i. FPC Board Nominating Committee Report/Election of Officers

E. Other Issues

- i. 2015 Spring Board Meeting & Legislative Forum - Tallahassee
- ii. Florida International Trade Symposium and Expo

4. Communications Update

5. Marketing Update

6. Program Administration

A. Seaport Governance Whitepaper

7. Partner Updates

Coalition for America's Gateways and Trade Corridors (CAGTC)

Enterprise Florida

Florida Chamber of Commerce

Florida Ocean Alliance

Florida Department of Transportation

8. Legislative

A. State:

- i. 2015 Session FPC Legislative Agenda

B. Federal:

- i. Federal Initiatives
 - Fly-In
- ii. Issues:
 - WRRDA Appropriations
 - MAP-21
 - Miscellaneous

9. Other Issues

A. Elections Update

B. Miscellaneous

10. Adjournment

Guests:

Manny Mencia, Enterprise Florida
Mike Grissom, Florida Chamber

TAB 2
ROLL CALL



ROLL CALL

MEMBER:

DESIGNEE:

JOHN WALSH, CANAVERAL

KEN CHEEK, CITRUS

STEVE CERNAK, EVERGLADES

VAL SCHWEC, FERNANDINA

DON WEST, FT. PIERCE

BRIAN TAYLOR, JACKSONVILLE

DOUG BRADSHAW, KEY WEST

CARLOS BUQUERAS, MANATEE

JUAN KURYLA, MIAMI

MANNY ALMIRA, PALM BEACH

WAYNE STUBBS, PANAMA CITY

AMY MILLER, PENSACOLA

EUGENE RAFFIELD, PORT ST. JOE

WALTER MILLER, ST. PETERSBURG

PAUL ANDERSON, TAMPA

TAB 3
ADMINISTRATIVE ISSUES

TAB 3A
APPROVAL OF MINUTES

FPC Summer Board Meeting

Orlando – July 16, 2014



MINUTES

Florida Ports Council **Summer Board Meeting**

Wednesday, July 16, 2014
10:00 a.m. – 4:00 p.m.
Hyatt Regency Orlando Airport

1. Call to Order and Chairman's Welcome

Chairman Schwec called the meeting to order at 10:05 a.m.

Members Present: Manuel Almira, Paul Anderson, Doug Bradshaw, Carlos Buqueras, Steven Cernak, Juan Kuryla, Amy Miller, Walt Miller, Eugene Raffield, Val Schwec, Wayne Stubbs, Brian Taylor, Brad Thorpe, John Walsh and Don West

Others Present: Doug Wheeler, Mike Rubin, Toy Keller, Jennifer Davis, Christy Gandy, Ed Rees, Fran Bohnsack, Rick Ferrin, Ryan Elliott, David Anderton, Eric Green, Mike Poole

2. Roll Call and Opening Comments

Christy Gandy called the roll and a quorum was present.

Port Manatee: Carlos Buqueras, port director, reported that Manatee is picking up more business, with a lot more commodities and building materials. The port is looking to diversify; however, the additional volumes are helping greatly. Air Products is seeing much success and reporting that they exported \$300 million last year, which is coming through Port Manatee.

JAXPORT: Brian Taylor, port director, reported they are starting pre-construction on harbor deepening, and they are expected to be complete in September 2015. Their berth replacements continue, which is significant to Blount Island. Currently, business is steady, yet autos are soft due to recent weather. Asian business at the port is booming, and they continue to have challenges with Puerto Rico business lines.

Pensacola: Amy Miller, port director, reported the formal announcement was made last Thursday regarding the contract signing with Offshore Inland Marine. This large manufacturing project will sit on 4.5 acres of port property and will create hundreds of good jobs over the next few years. The port's Berth 6 is under a reconstruction project. The berth is 45 years old and needs repair; however, it will take out 20 percent of current berth capacity for the next 2 years. They are in the process of trying to address the problem, considering this is their main cargo berth. She reported that things were

otherwise moving well. She also wanted to publically acknowledge that the DeepFlex project was originally negotiated by former port director, Clyde Mathis.

Tampa Bay: Paul Anderson, port director, reported positive signs in cargo and significant increases in breakbulk. He has a huge ship regularly running 30,000 tons of steel a month. The port's current projects include the \$100 million Nextlube Company – a proprietary used oil company (white oil) reprocessing oil out of used cars – and two other projects that include on- port manufacturing. The new facilities will be a game changer for the state because of the export materials. With a \$200 million investment and their proximity to the power plant, both are very promising. The new fuel terminal is fully operational. This terminal was a \$55 million project, completed with the demolition of the old pier and berth and rebuilding of a new facility. Currently, the port is working on breaking into short sea automobile shipping.

Key West: Doug Bradshaw, port director, reported things are going well in Key West. He said there was no negative impact from voters defeating the referendum on dredging. They are actually seeing a 15 percent increase in cruise passengers and they are going to see what the long term effects are with no dredging.

Miami: Juan Kuryla, port director, reported that their cruise business is going great and they expect to finish with 4.8 million passengers in September. Currently, cargo is flat, and he was expecting it to be down 1-2 points in September. He introduced Ryan Elliott, who is PortMiami's new finance director. The Bimini shuttle is doing well and averaging 1,000 passengers weekly. They picked up an additional \$70 million this year with their parking garage. They are 35-40 percent complete with dredging which will be completed in July 2015. They plan to have a big opening for that event. PortMiami's current rail project will be completed in October this year. They are looking to become a CNG/LNG available port due to interest from several lines.

Ft. Pierce: Don West, port director, stated that they are working with the Corps on maintenance dredging, which they have been doing since 2003, and they were able to capture some emergency funds to help. They have taken all the beach-compatible dredged materials out of the port and redistributed them elsewhere. This project should be completed in October 2014. This will get them back to a 28 ft. depth. They are working on their port master plan and have completed development of a spoil site, which was finished in May. They are working on a muck drawing project, which is currently being dredged out. Their entrance road to the port, which is old, is being redesigned and goes to bid in August or September this year.

Palm Beach: Manuel Almira, port director, reported that things at the port are going very well, and are stable. They are approximately half way through their berth reconstruction and should be able to use one of the sides of the berth by October of this year. The port's biggest concern is the upcoming dredge. They have worked through the Corps, and everything is a go except for one thing – even though the dredge will not begin until 2019, residents near the port are already against the project. In 2015, Berth 3 will be completed, and they expect to be exporting gas by that time as well.

Port St. Joe: Port Commissioner from Port St. Joe, Eugene Raffield, reported that since the 14 miles of existing shipping channel has filled back in, they are currently trying to find funding to maintenance dredge the channel. Currently, FDOT has set aside \$20 million in state funds and they are in the process of looking for a local match. He noted the Port of Port St. Joe is one of Florida's oldest ports and has been in existence since 1838. The Constitution of the State of Florida was signed at the port.

Citrus: Brad Thorpe, port director, reported that Duke Energy pulled a permit for the \$1.4 billion natural gas plant and to run a gas line from Alabama. Citrus and Hernando counties have an alternative waste proposal being pushed by CEMEX, who wants to use “fluff,” a pelletized recycling material. CEMEX has a 350 acre property adjacent to the port property. The marina project next to Highway 19 is waiting for proper permitting. Thorpe stated that he will be officially retiring August 1st.

Everglades: Steve Cernak, port director, reported the port has a lot of construction activity going on. For example, the Macintosh Road realignment project has been completed, and they hosted a ribbon cutting for the new intermodal transfer facility. A new crane was installed this morning and the South Port Turning Notch project also is currently underway. The port is relocating the main port entry to the street by the convention center due to increased traffic on 17th Street. From a metric stand point, everything at the port is looking good, with continued slow steady growth.

Panama City: Wayne Stubbs, port director, reported they are doing well and cargo is going strong with 1.7 million tons this year. The copper supply from Chile has curtailed, but they expect it to jump back on track. Their container trade from Mexico is doing well with export paper growing by 20 percent in the next 6 months. Plans for the intermodal distribution center are progressing well, and they have finished a large site hoping it will help attract port industry users. They are working to try to expand it next year, with a lot of interest from potential users.

Canaveral: John Walsh, port director, reported Canaveral is continuing to build. Their Cruise Terminal 1 project is going well -- a 190,000 square foot building, and the berth is on target with construction crews performing well. The project will be coming on line in November, and Berth 4 has to be finished. They are starting design this fall for a new cruise terminal, and will be going into construction mode again. They have signed a contract with GulfTainer, with another company coming online in March that is investing \$100 million into that facility and 2 additional cranes. Lumber and newsprint are coming in; fertilizer is increasing; oil is down a little bit; and, juice is down, also. They are having a new lease signing in a couple of days with a scrap steel exporter coming in from Turkey. Morton Salt is expanding their production and Hanson Materials is expanding and utilizing Crowley, and exporting slag out of their plant. Martin Marietta is projecting to be up 10 percent in the next few years. Their plans for an inland port are progressing. Plans are to have a rail car loading facility next to Flagler Development’s new logistics center that they are building. The port is working with the Air Force on a 500 acre lease to use port land. The State of Florida just sent NASA a letter and will possibly give the port additional space for the Air Force’s use. A 4-star hotel is looking to come into the cruise terminal on the south end to help create a destination for cruise passengers instead of just a drop point. He introduced Ed Rees as the Financial Director at Port Canaveral.

St. Petersburg: Walt Miller, port director, reported some of the discussions about using the port more for educational purposes involving the USF College of Marine Science. They would have exhibits and would be open to the public. Wharf renovation at the port, which has gone on for a few years, is expected to be completed by September 30. The final phase includes some minor concrete work with sheet pile and heavy duty power pedestals. The port hopes to have the wharf fully operational by September 30. The Florida Institute of Oceanography may get a home port for a NOAA vessel located in St. Pete and be used as part of the educational endeavor. Miller thanked Paul Anderson for his help in regional discussions. He also noted Mr. Anderson would be coming over to meet with the mayor and him on July 30.

Fernandina: Val Schwec, port director, reported his port has finally finished their port master plan. It has been submitted to the city and county. The master plan deals with expansion in the long term; however, it has included LNG and additional exports. There are two major fuel lines running just west of the port, and it has been a hot subject due to major price disparity. They may start out with CNG first, then move to LNG. They have been talking about logistics centers on the west side of the port which leads to I-95 and Georgia. Enterprise Florida along with local development partnerships are working on attracting manufacturers to the port. They are looking at the FEEDA (spell out) concept and think it will become more and more important in the future. Fernandina's cargo base has had an uptick in exports, which is due mostly to a steel exporter; however, they will begin exporting break bulk -- logs to China and Vietnam. He is expecting additional exports from the Caribbean, after a meeting in Atlanta later in the week.

3. Administrative Issues

A. Approval of the Minutes - April 9-10, 2014 Meeting in Tallahassee

John Walsh motioned to approve the minutes as presented. Carlos Buqueras seconded the motion. The motion passed unanimously.

B. Budget Report

Doug Wheeler stated he will start including the budget report in the board packet in the future. Currently, the FPC is tracking well and looking to close another year with good reserves. A couple of places look like they are over budget, but the budget as a whole is doing fine. Wheeler pointed out there will be a slight difference in payroll due to Christy Gandy now working full time and having eliminated the front office position. There have been some minor adjustments with staff getting used to not having a receptionist, however, everyone is adjusting nicely. Wheeler said the meeting expenses might look over spent, but we are trying to account for both the income and expense sides due to sponsorships. The FPC also hosted additional meetings that were not budgeted for this year. We are making good progress in paying down the mortgage.

Steve Cernak motioned to approve the budget report as presented. Anderson seconded the motion. The motion passed unanimously.

Both Manny Almira and Anderson had questions about whether we should increase the cost of sponsorships of FPC events from companies who are making millions and millions of dollars from our ports. They both stated they believe these companies will be willing to spend more, because their return on investment is very high.

Wheeler reported he had received a letter from the Port St. Joe Port Authority, requesting the port's dues be waived. Wheeler called on Eugene Raffield with Port St. Joe.

Raffield explained the port is taking a bare bones approach, trying to stay alive, and the county has agreed to help. They have no income right now and if they could have their dues waived

for two years, they feel like they could recover financially and begin to pay their bills again. It is imperative for the port to have the ship channel dredged to bring in cargo ships. The port needs the Council's help.

Brian Taylor asked what the dollar amount would be. Wheeler answered that this is not FSTED, as they are not getting FSTED dollars; it is \$15,500.00 for their dues per year. Almira asked if there were any grants that the port could use. Toy Keller stated that state dollars cannot be used for membership dues. Anderson commented that from a policy and goodwill perspective, in the past the FPC has helped other ports, and stated that he believes strongly in supporting the smaller ports. Schwec commented that we are coming from a position that supports paying St. Joe's dues, but is there a reason why we shouldn't do it. Schwec had one question: would there be an arrears payment after funds become available?

Stubbs interjected that we have to be careful about a precedent being set; there might be other ports that fall on hard times and there may be larger issues with what St. Joe is doing. He said the FPC should be more about deferral and not waiving the dues. Thorpe added that Port Citrus does not have income coming in either, but the county has paid the dues. If there was a waiving of dues, our commissioners would have an issue. Stubbs suggested that we defer dues for two years, and reevaluate each year. Raffield stated if Port St. Joe could get its dues deferred, they would love to come back in two years and catch up. The board continued to discuss this request from the Port of Port St. Joe.

GUEST SPEAKER FDOT SECRETARY ANANTH PRASAD REMARKS

He first stated how he appreciates the opportunity to speak directly to the Florida Ports Council. There were a couple of things in the past legislative session that raised a red flag to his office – he was asked about three issues. Two were direct requests from ports for funding, and one was about raising FSTED program funds from \$15 million to \$25 million. These three requests surprised his office considering the Governor has invested in ports all throughout his term, and this puts the Governor in a bad position because he does not like line item expenses due to it skewing the Return on Investment. He suggested that the ports need to work with the department in a united manner. Prasad asked the question that if ports can all work on legislative issues individually, then why is the FSTED program needed. Then ports like Canaveral who have legislative leadership in their area could ask for whatever they want.

Prasad stated that the ports need to resist the opportunity to grab funds for themselves. If you have a legislator who wants to help you, he suggested they need to direct funding to the "Florida ports pot" as a whole.

Wheeler added that the ports need to figure out what that answer looks like when you have a legislator who wants to help the individual port. Prasad remarked that there were other ports that got those offers and they said no. You have to resist the temptation. Prasad was strongly advocating to the Governor that a line item project appropriation did not go through the process. He said if it had been vetoed, then FDOT cannot give any state dollars to that project for a year.

Schwec stated that Florida ports certainly want to work with FDOT, and the administration has been incredibly supportive. He pointed out that the ports have seen cycles -- when there is more funding, there are a lot more individuals asking for dollars. When the dollars are scarcer, then the FSTED program becomes much more important.

Prasad stated that we need to move forward, and said he didn't have a problem with the projects. We just can't have a free-for-all. FDOT got \$49.5 million in unfunded mandates from the Legislature, but with at \$10.5 billion dollar budget, they won't complain. He said they may have to adjust the scope of a project or the timeline, so they need ports to coordinate with the department. Prasad pointed out that the FDOT starts in October lobbying for the department's budget; it does not help anyone to amend their bill on the floor and torpedo the bill. During this past legislative session FDOT's House bill passed with no amendments, which was very hard. . If issues are identified, we can start during the summer and go to the Governor to make sure that he is ok with it. We have to be careful to work through the process.

Wheeler stated that we are looking at re-educating legislators on the FSTED process, so they understand the opportunities that are out there. We would love to partner with FDOT to advocate for the FSTED process. Prasad added that there is a lot of support for the funding of ports with state legislators, and we also saw bipartisan support at the federal level with WRRDA.

Anderson thanked Secretary Prasad for his support and asked for him to never stop being aggressive. He said the ports were supportive of the Secretary with the Senate on the \$100 million, and will be supportive on that issue moving forward. Brian Taylor commented that he hasn't been around long, but is hearing two things: it's about the process and communication with FDOT. Prasad commented that if FSTED funds are to be increased, then we should work together.

Prasad concluded by stating that next year will be a very interesting year and everyone needs to be on high alert. Because of the conservational lands constitutional amendment the state would have to pay for land purchases out of funds currently going into the FDOT transportation trust fund. He said, if passed, FDEP would get growth management money through the trust fund and transportation projects are going to get deferred because they are currently funded with, and banking on, those trust fund dollars. Prasad said that Wheeler and his team have done a great job blocking the tackle and they do work well with the department on a regular basis.

Break for lunch at 12:23 p.m.

Meeting Reconvened at 2:11 p.m.

[DISCUSSION REGARDING PORT ST. JOE REQUEST CONTINUED]

Wheeler suggested that the board should approve some sort of forbearance and then come back in September to reconsider options. A motion was made by Cernak to come up with a

deferral for the two year period and the board will discuss the pay back in September at the annual board meeting. The motion was seconded by Brad Thorpe. Motion passed unanimously.

C. Other Issues

i. Fall Board Meeting & Annual Meeting

The Florida Ports Council Annual Board meeting, FSTED Council meeting and SEMC meetings are scheduled for Tuesday, September 9 through Wednesday, September 10 and are graciously being hosted by Port Fernandina this year. The meetings will be held at the Omni Amelia Island. Hotel reservation information will go out by email next week.

ii. Spring Board Meeting & Legislative Forum: April 2015 – Tallahassee

Wheeler stated that timing for the Spring Board Meeting and Legislative Forum are undetermined due to the fact that the Florida Chamber International Days event will be held on Tuesday-Thursday. He said if we want to hold our meeting in conjunction with International Days, our meeting will have to be held on Monday-Tuesday (after Easter) or on Thursday – Friday. Monday after Easter we will have to have the meeting begin at noon. Schwec commented that his preference is not to do it that week. Taylor stated that he prefers to do it separately, as well. Carlos Buqueras suggested that the meeting be moved to another week. Wheeler stated that staff will explore other options and share them at the Annual board meeting.

iii. Florida International Trade Symposium and Expo

As a follow up to an idea presented during the last FPC meeting in November, Gandy discussed hosting our own Florida Ports event which would include two portions – a conference and a trade show. After researching staff's ability to perform such a large undertaking, we decided to discuss our options with an event planning company. Staff decided to go with CMC Associates, who have a good reputation and experience with transportation events and speaker contacts. They provided a draft scope of services and a budget, which was included in the members' meeting materials. The scope is for a two-day event to include a conference and expo/trade show. We are planning for 200-300 attendees, 40 exhibitors, as well as different levels of sponsorship. Expected costs, which include the fee for the planner, are projected at just under \$203,000; however, income is projected to be just over \$226,000, which would give us a projected \$23,000.00 profit. Our primary concern is not necessarily making a profit, but hosting a premier event.

Gandy stated that we would like to form an Ad-hoc committee of port staff, with experience in event planning, to help guide the process and aid in the content portion of the event. Some concerns were raised by members regarding costs, attrition and dates. Staff will address the issues related to mitigation of these items with CMC and report to the board in September.

4. Communications Update

Jennifer Krell Davis provided an update on the recent communications successes in Florida World Trade month, the release of the 2014 Florida Seaport Five-Year Mission Plan, the final passage and Presidential Signature of the WRRDA Act, the D.C. Fly-In and increased social media outreach. Davis also provided highlights of the successful launch of the Florida Ports Council website re-design.

5. Marketing Update

Davis reviewed the ads that have run in the Florida Trend and the Journal of Commerce highlighting the assets of Florida Ports and promoting our ports to national and global businesses.

GUEST SPEAKER FRAN BOHNSACK REMARKS: MARAD's Strong Ports Program

Fran Bohnsack with MARAD was introduced and shared a presentation on Strong Ports. She said that Florida has a reputation of being a leader in working collectively, which will be helpful for this initiative in the future. She noted that Florida is falling behind in building port infrastructure, showing a map of projected increases of freight volume.

The Failure to Act Report documents that if the U.S. continues to build infrastructure at the same pace it has in the past, it will fail to compete globally. Population growth projection over the next 36 years is 38 percent - about the same as between 1980-2011. Centers of congestion are not going to get any better without taking appropriate action. The Strong Ports Program is designed to promote, encourage, and to develop ports and transportation facilities in connection with waterborne commerce. MARAD has a new acting Maritime Administrator whose main objective is to improve the state of repair, capacity, efficiency and environmental sustainability of all U.S. ports. MARAD also recently hired someone from the Washington, D.C. Metropolitan Planning Organization who has experience with port governance; including port directors, state Departments of Transportation, and other MPOs. His purview will include water transportation in state freight and passenger transportation plans. MARAD also is working on a Port Investment Plan. Bohnsack invited all port directors to visit Washington D.C, and offered to assist ports with scheduling meetings with the appropriate people to try to resolve whatever issues they may be having.

6. Program Administration

A. Global Opportunities Study Update

Keller reported on the progress of Martin Associates' Global Opportunities Study, saying that a very preliminary presentation of the study had been given during the FSTED Council Meeting in April. Initial findings are very exciting and we were looking forward to finalizing the study this past spring. However, there have been some major issues related to data that Martin was expecting to obtain from the FDOT. Hopefully, those issues have now been resolved, and we will have the final report in time for the next FSTED Council meeting in September.

B. Governance Whitepaper Update

Staff presented a copy of the draft Governance Whitepaper developed by Florida TaxWatch in consultation with FPC staff. Rubin noted that the conclusion of the report was that the current system used by Florida's seaports is one of the best in the country. Rubin stated that the Whitepaper

was in draft format, but that TaxWatch was only going to make limited changes to issues that were incorrect or needed modification. Members mentioned that some edits should be made to make some of the statements “positive” statements on seaport governance models, as well as minor edits on certain port structures in Florida. Staff stated that they would bring this comments to TaxWatch, and planned on releasing the final report in the near future.

7. Partner Updates

Anderson noted on August 29 Port Tampa Bay is hosting a WRRDA Town Hall Meeting. He added that more information would be coming and encouraged all of the ports to attend.

Wheeler noted that Lori Baer was to report on FDOT’s maritime academy feasibility report during the meeting, but had a last minute conflict. He noted that she may be able to attend the annual meeting in September.

Wheeler also referred to a letter from Secretary Prasad about convening a meeting on August 13, of stakeholders from Port Manatee, St. Pete and Tampa Bay to discuss cooperation, coordination and regional efficiencies. Wheeler also referred to the FDOT spend down chart and added that funds were available July 1, 2014. He stated that FDOT has concerns regarding the rate of spend down on the bond program.

8. Legislative

A. State

Rubin reported that Florida ports have had historic levels of funding under Governor Scott’s administration. We continue efforts for increased funding and sound policy for seaports. Jacksonville has brought forth the issue of Florida’s public records laws and the challenges it creates relative to revealing rates in a competitive environment.

Amy Miller added that there is bill from Nassau County on truck weights. Pensacola is having the same issue, but FDOT thinks that the Florida law is the same as Alabama/Georgia. She said we need to identify the source of the miscommunication. Schwec stated that he believes the rail industry stopped the Nassau County bill.

Rubin stated that the issue boils down to non-divisible cargo, and added that we need to continue to educate FDOT and seek resolution on the issue.

B. Federal

Rubin stated that the Florida Ports Council had a September fly-in as well as an additional one in May of this year. Only three port directors in participation, with a total of five ports represented, and this was during the time WRRDA was being signed. Wheeler noted that it takes a lot of time and resources for staff to put a fly-in together, and in the future, if FPC is going to try to arrange these events, we need more participation from our ports and their directors. He said the FPC will most likely not have one between now and end of year, but is considering one

in the spring of 2015. The unified efforts of our ports led to the success of the bill passing, and we need to move forward with that successful model.

9. Adjournment

Miller motioned for adjournment at 3:58 p.m.; the motion was seconded by Brian Taylor and passed unanimously.

TAB 3B
BUDGET REPORT

Florida Seaports Council, Inc

Balance Sheet

As of August 31, 2014

Accrual Basis

	Aug 31, 14
ASSETS	
Current Assets	
Checking/Savings	
HANCOCK BANK MONEY MARKET ACCT	351,161.73
HANCOCK BANK OPERATING ACCT	30,550.01
110 · PETTY CASH ACCT	55.19
Total Checking/Savings	381,766.93
Accounts Receivable	
200 · Administrative Fees Receivable	23,474.43
Total Accounts Receivable	23,474.43
Other Current Assets	
220 · Prepaid Expenses	22,722.00
Total Other Current Assets	22,722.00
Total Current Assets	427,963.36
Fixed Assets	
254 · Loan Costs	3,632.00
257 · Accumulated Amortization	-681.00
250 · Equipment & Furnishings	58,293.34
251 · Building	
252 · Building Improvements	152,729.87
251 · Building - Other	287,641.83
Total 251 · Building	440,371.70
253 · Land	200,000.00
255 · Accumulated Depreciation	-154,636.00
Total Fixed Assets	546,980.04
Other Assets	
260 · Deposits	250.00
265 · Prepaid IRS Interest Payments	-0.44
Total Other Assets	249.56
TOTAL ASSETS	975,192.96
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
300 · Accounts Payable	-5,718.98
Total Accounts Payable	-5,718.98
Other Current Liabilities	
315 · Accrued Leave	11,582.00
301 · PAYROLL LIABILITIES	
301.2 · Direct Deposit Liabilities	21,649.00
301.3 · 401K Payable	0.26
301 · PAYROLL LIABILITIES - Other	27,177.86
Total 301 · PAYROLL LIABILITIES	48,827.12
Total Other Current Liabilities	60,409.12
Total Current Liabilities	54,690.14

Florida Seaports Council, Inc
Balance Sheet
As of August 31, 2014

Accrual Basis

	Aug 31, 14
Long Term Liabilities	
304 · Mortgage Note Payable	
304.1 · Mortgage Note Payable - Current	14,709.00
304 · Mortgage Note Payable - Other	174,767.99
Total 304 · Mortgage Note Payable	189,476.99
Total Long Term Liabilities	189,476.99
Total Liabilities	244,167.13
Equity	
3900 · Unrestricted Net Assets	627,572.87
Net Income	103,452.96
Total Equity	731,025.83
TOTAL LIABILITIES & EQUITY	975,192.96

Accrual Basis

Florida Seaports Council, Inc
Profit & Loss Budget vs. Actual
October 2013 through September 2014

	Oct '13 - Sep 14	Budget	\$ Over Budget	% of Budget
Income				
601 · FPC Dues	635,000.00	635,000.00	0.00	100.0%
602 · FSTED Prog. Admin/Chapter 311	295,447.84	292,600.00	2,847.84	101.0%
603 · FPFC Bond Program	0.00	9,122.00	-9,122.00	0.0%
605 · FSTED DATA JPA	0.00	0.00	0.00	0.0%
615 · MISC. INCOME	17,000.00	15,000.00	2,000.00	113.3%
Total Income	947,447.84	951,722.00	-4,274.16	99.6%
Expense				
6560 · PAYROLL EXPENSES	35,830.49	31,000.00	4,830.49	115.6%
701 · PRESIDENT	163,095.30	172,320.00	-9,224.70	94.6%
702 · VICE PRESIDENT - PUBLIC AFFAIRS	102,942.70	115,300.00	-12,357.30	89.3%
703 · VICE PRESIDENT GOVT AFFAIRS	129,618.75	138,460.00	-8,841.25	93.6%
704 · ADMINISTRATIVE STAFF	37,513.67	39,540.00	-2,026.33	94.9%
705 · FRONT OFFICE STAFF	6,678.00	11,000.00	-4,322.00	60.7%
706 · VP PROGRAMS & PLANNING	108,364.96	107,176.00	1,188.96	101.1%
707 · EMPLOYEE BONUS POOL	10,000.00	10,000.00	0.00	100.0%
710 · SPECIAL CONSULTANTS				
710.4 · Seaport Mission Plan	0.00	0.00	0.00	0.0%
710.2 · Legal Consultants	6,000.00	6,000.00	0.00	100.0%
710.3 · Environmental & Growth Mgmt	15,493.35	22,000.00	-6,506.65	70.4%
Total 710 · SPECIAL CONSULTANTS	21,493.35	28,000.00	-6,506.65	76.8%
715 · WORKER'S COMPENSATION	2,816.00	3,500.00	-684.00	80.5%
720 · ACCOUNTING	11,139.44	11,000.00	139.44	101.3%
730 · BANK CHARGES/INTEREST	357.48	300.00	57.48	119.2%
732 · COMMUNICATIONS				
732.1 · Telephone/Fax/Internet/Cable	3,937.12	4,000.00	-62.88	98.4%
732.2 · Cell Phones	5,339.15	5,500.00	-160.85	97.1%
732.3 · Printing	263.54	1,500.00	-1,236.46	17.6%
732.4 · Postage, Overnight Delivery	410.35	1,000.00	-589.65	41.0%
732.7 · Magazine Subscriptions	43.00	500.00	-457.00	8.6%
732.8 · Miscellaneous	392.34	1,500.00	-1,107.66	26.2%
Total 732 · COMMUNICATIONS	10,385.50	14,000.00	-3,614.50	74.2%
733 · MARKETING	51,964.39	85,000.00	-33,035.61	61.1%
750 · EQUIPMENT/SUPPLIES				
750.1 · Office Equipment	7,841.86	9,500.00	-1,658.14	82.5%
750.2 · Computer, Hardware & Software	482.68	2,000.00	-1,517.32	24.1%
750.3 · IT Services	6,050.00	6,600.00	-550.00	91.7%
750.4 · Office Supplies	3,484.80	5,000.00	-1,515.20	69.7%
750.6 · Miscellaneous	-155.15	300.00	-455.15	-51.7%
Total 750 · EQUIPMENT/SUPPLIES	17,704.19	23,400.00	-5,695.81	75.7%
755 · FSTED & FPFC Court Reporter	3,132.00	4,000.00	-868.00	78.3%
768 · MISCELLANEOUS	0.00	1,000.00	-1,000.00	0.0%

Accrual Basis

Florida Seaports Council, Inc
Profit & Loss Budget vs. Actual
October 2013 through September 2014

	Oct '13 - Sep 14	Budget	\$ Over Budget	% of Budget
777 · BUILDING EXPENSES				
777.1 · Mortgage	23,250.70	25,365.00	-2,114.30	91.7%
777.2 · Maintenance/Repairs	4,758.86	3,000.00	1,758.86	158.6%
777.3 · Pest/Security/Lawn/Housekeeping	4,308.88	5,600.00	-1,291.12	76.9%
777.4 · Insurance & Taxes	9,330.19	10,000.00	-669.81	93.3%
777.5 · Utilities	3,123.01	4,000.00	-876.99	78.1%
777.6 · Miscellaneous	94.56	100.00	-5.44	94.6%
Total 777 · BUILDING EXPENSES	44,866.20	48,065.00	-3,198.80	93.3%
782 · DATA				
782.1 · State of the Ports	0.00	0.00	0.00	0.0%
782.2 · Global Opportunities	0.00	0.00	0.00	0.0%
Total 782 · DATA	0.00	0.00	0.00	0.0%
791 · CONFERENCES				
791.1 · Conferences - Meals	955.35	1,000.00	-44.65	95.5%
791.2 · Conferences - Hotel	2,239.82	3,000.00	-760.18	74.7%
791.3 · Conferences - Airfare	619.00	2,000.00	-1,381.00	31.0%
791.4 · Conferences - Rental Car/Gas	887.99	1,500.00	-612.01	59.2%
791.5 · Conferences - Fees	2,545.00	2,500.00	45.00	101.8%
791.6 · Conferences - Miscellaneous	44.41	100.00	-55.59	44.4%
Total 791 · CONFERENCES	7,291.57	10,100.00	-2,808.43	72.2%
792 · TRAVEL EXPENSES				
792.1 · Travel - Meals & Entertainment	9,425.32	13,000.00	-3,574.68	72.5%
792.2 · Travel - Hotel	3,761.24	8,000.00	-4,238.76	47.0%
792.3 · Travel - Airfare	3,073.90	5,000.00	-1,926.10	61.5%
792.4 · Travel - Rental Car/Gas/Parking	5,216.33	7,000.00	-1,783.67	74.5%
792.5 · Travel - Speaking Engagements	582.29	1,500.00	-917.71	38.8%
792.6 · Travel - Miscellaneous	202.87	750.00	-547.13	27.0%
Total 792 · TRAVEL EXPENSES	22,261.95	35,250.00	-12,988.05	63.2%
793 · MEETING EXPENSES				
793.1 · Meeting Expenses - MEALS	26,403.55	18,500.00	7,903.55	142.7%
793.2 · Meeting Expenses - ROOM RENTAL	2,150.00	2,000.00	150.00	107.5%
793.3 · Meeting Expenses - AUDIO/VISUAL	38.04	1,000.00	-961.96	3.8%
793.4 · Meeting Expenses - PRINTING	161.26	250.00	-88.74	64.5%
793.5 · Meeting Expenses - CONF. CALLS	0.00	300.00	-300.00	0.0%
793.6 · Meeting Expenses - MISC	136.30	500.00	-363.70	27.3%
793.7 · Meeting Expenses - NOTICES(FAW)	247.38	500.00	-252.62	49.5%
Total 793 · MEETING EXPENSES	29,136.53	23,050.00	6,086.53	126.4%

Accrual Basis

Florida Seaports Council, Inc
Profit & Loss Budget vs. Actual
October 2013 through September 2014

	Oct '13 - Sep 14	Budget	\$ Over Budget	% of Budget
805 · OUTREACH				
805.1 · Memberships	20,494.00	22,000.00	-1,506.00	93.2%
805.2 · Sponsorships	1,500.00	3,000.00	-1,500.00	50.0%
805.3 · Lobbying	4,550.00	5,000.00	-450.00	91.0%
Total 805 · OUTREACH	26,544.00	30,000.00	-3,456.00	88.5%
806 · PROFESSIONAL DEVELOPMENT	702.00	1,000.00	-298.00	70.2%
930 · WEBSITE DEVELOPMENT	0.00	500.00	-500.00	0.0%
Total Expense	843,838.47	942,961.00	-99,122.53	89.5%
Net Income	103,609.37	8,761.00	94,848.37	1,182.6%

Florida Seaports Council, Inc.
FY 2013 - 2014 Proposed Budget

		FY '14/'15
Income		
601 • FPC Dues		635,000.00
602 • FSTED Program Administration/Chapter 311		314,549.00
603 • FPFC Bond Program		186.12
606 • MISCELLANEOUS INCOME		12,500.00
610 • INTEREST INCOME		
620 • SIS FUNDING		N/A
630 • SIS/GM FUNDING		N/A
Total Income		962,235.12
Expense		
6560 • PAYROLL EXPENSES		37,500.00
701 • PRESIDENT		167,500.00
702 • VICE PRESIDENT PUBLIC AFFAIRS		117,580.00
703 • VICE PRESIDENT GOVERNMENT RELATIONS		138,520.00
704 • DIRECTOR OF ADMINISTRATION		53,950.00
705 • FRONT OFFICE STAFF		N/A
706 • VICE PRESIDENT PROGRAMS & PLANNING		115,690.00
707 • EMPLOYEE BONUS POOL		10,000.00
710 • SPECIAL CONSULTANTS		
710.2 Legal Counsel		6,000.00
710.3 Environmental/Growth Management		25,000.00
Total 710 • SPECIAL CONSULTANTS		31,000.00
715 • WORKERS' COMPENSATION		3,750.00
720 • ACCOUNTING SERVICES		13,000.00
730 • BANK CHARGES / INTEREST		300.00
732 • COMMUNICATIONS		
732.1 • Telephone/Fax/Internet/Cable		5,100.00
732.2 • Cell Phones		5,500.00
732.3 • Printing		1,000.00
732.4 • Postage, Overnight Delivery		1,000.00
732.7 • Magazine Subscriptions		300.00
732.8 • Miscellaneous		1,000.00
Total 732 • COMMUNICATIONS		13,900.00
733 • MARKETING		
Total 733 • MARKETING		85,000.00
750 • EQUIPMENT/SUPPLIES		
750.1 • Office Equipment		5,500.00
750.2 • Computer, Hardware & Software		2,000.00
750.3 • IT Services		6,600.00
750.4 • Office Supplies		5,000.00
750.6 • Miscellaneous		300.00
Total 750 • EQUIPMENT/SUPPLIES		19,400.00
755 • FSTED & FPFC Court Reporter		4,000.00
768 • MISCELLANEOUS		1,000.00
777 • BUILDING EXPENSES		

Florida Seaports Council, Inc.
FY 2013 - 2014 Proposed Budget

		FY '14/'15
	777.1 • Mortgage	25,365.00
	777.2 • Maintenance/Repairs	4,000.00
	777.3 • Pest/Security/Lawn/Housekeeping	6,400.00
	777.4 • Insurance & Taxes	10,500.00
	777.5 • Utilities	4,000.00
	777.6 • Miscellaneous	100.00
Total 777 • BUILDING EXPENSES		50,365.00
791 • CONFERENCES		
	791.1 • Meals & Entertainment	2,000.00
	791.2 • Hotel	3,000.00
	791.3 • Airfare	2,000.00
	791.4 • Rental Car/Gas/Parking	1,500.00
	791.5 • Fees	2,500.00
	791.6 • Miscellaneous	100.00
Total 791 • CONFERENCES		11,100.00
792 • TRAVEL EXPENSES		
	792.1 • Meals & Entertainment	11,000.00
	792.2 • Hotel	6,500.00
	792.3 • Airfare	5,000.00
	792.4 • Rental Car/Gas/Parking	7,000.00
	792.5 • Speaking Engagements	1,500.00
	792.6 • Miscellaneous	500.00
Total 792 • TRAVEL EXPENSES		31,500.00
793 • MEETING EXPENSES		
	793.1 • Meals	17,000.00
	793.2 • Room Rental	2,000.00
	793.3 • Audio/Visual	2,000.00
	793.4 • Printing	250.00
	793.5 • Conference Calls	300.00
	793.6 • Miscellaneous	1,000.00
	793.7 • Notices(FAW)	500.00
Total 793 • MEETING EXPENSES		23,050.00
805 • OUTREACH		
	805.1 • Memberships	22,000.00
	805.2 • Sponsorships	3,000.00
	805.3 • Lobbying	5,000.00
Total 805 • OUTREACH		30,000.00
806 • Professional Development		1,000.00
930 • WEBSITE DEVELOPMENT		500.00
Total Expense		959,605.00
Net Income		2,630.12

TAB 3C
PRESIDENT'S COMMENTS

TO BE DISCUSSED AT MEETING

TAB 3D
GOVERNANCE



Port Canaveral

Port Citrus

Port Everglades

Port of Fernandina

Port of Fort Pierce

Port of Jacksonville

Port of Key West

Port Manatee

PortMiami

Port of Palm Beach

Port of Panama City

Port of Pensacola

Port of St. Petersburg

Port of Port St. Joe

Port Tampa Bay

FLORIDA PORTS COUNCIL

ELECTION OF OFFICERS

FPC Nominating Committee Recommended Slate of Officers 2014/2015

CURRENT OFFICERS

CHAIRMAN:
Val Schwec, Port of Fernandina

VICE CHAIRMAN:
Paul Anderson, Port Tampa Bay

SECRETARY/ TREASURER:
Steve Cernak, Port Everglades

2014/2015 NOMINEE

Val Schwec, Port of Fernandina

Paul Anderson, Port Tampa Bay

Steve Cernak, Port Everglades



Meeting Summary

Florida Ports Council – Board Nominating Committee Meeting

Friday, August 8, 2014

&

Tuesday, August 12, 2014

Port Canaveral

Port Citrus

Port Everglades

Port of Fernandina

Port of Fort Pierce

Port of Jacksonville

Port of Key West

Port Manatee

PortMiami

Port of Palm Beach

Port of Panama City

Port of Pensacola

Port of St. Petersburg

Port of Port St. Joe

Port Tampa Bay

1. **Call to Order:**

Chairman Brian Taylor called the meeting to order.

Taylor welcomed the committee and thanked them for their participation in the meeting.

2. **Roll Call:**

Attendance was taken and a quorum was present.

Members Present:

Brian Taylor (Chairman), Amy Miller (Port of Pensacola), John Walsh (Canaveral)

Staff Present:

Doug Wheeler

3. **Discussion of Nominations:**

Chairman Taylor asked Doug Wheeler to review the specific charges of the committee and to detail the names the committee would be considering based on those expressing an interest to serve. Wheeler noted that the Committee was charged with presenting a slate of recommended officers for Chair, Vice-Chair and Secretary/Treasurer to the Board for approval at the September Board meeting. Wheeler also referenced the by-laws as they pertain to officer terms and requirements. Wheeler stated that all three current officers had expressed an interest in serving a 2nd term and no other names had been submitted for consideration.

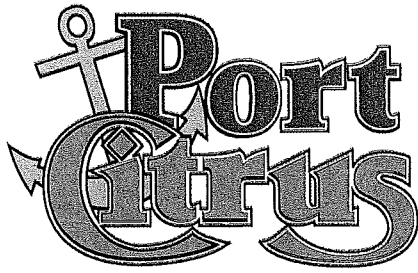
Taylor then asked for member comments related to the candidates under consideration and called on Amy Miller to begin with her thoughts. Miller stated that she felt the current officers had been doing a great job; she was pleased with their efforts and could easily support renewing their positions for a second and final term. John Walsh agreed with Miller, stating that he too thought the officers had done good work on behalf of the Council and he would also be supportive of them being recommended to serve a 2nd term.

Taylor suggested that the Committee take a few days to consider the discussion, perhaps speak with any directors, if they chose to do so, and then reconvene on the 12th for further discussion.

At the meeting on August 12, Miller and Walsh restated their support for recommending the re-election of the current officers and Taylor agreed, stating that he also felt that they had done a good job and deserved a 2nd term. Miller moved to nominate Val Schwec to a 2nd one-year term as Chairman of the Florida Ports Council and to nominate Paul Anderson to a 2nd one-year term as Vice Chairman and Steve Cernak to a 2nd one-year term as Secretary/Treasurer. The motion was seconded by Taylor and was approved unanimously.

4. **Adjournment:**

With there being no more business to discuss, the meeting was adjourned.



Citrus Port Authority

110 N. Apopka Avenue, 2nd Floor Administration

Inverness, Florida 34450

(352) 341-6560 – Phone

(352) 341-6584 – Fax

PAL 14-01

August 29, 2014

Mr. Doug Wheeler
President and CEO
Florida Ports Council
502 East Jefferson Street
Tallahassee, FL 32301

Subject: Port Citrus Interim Director

Dear Mr. Wheeler,

At the August 28, 2014 Board of County Commissioner Port Authority meeting, action was taken to appoint Ken Cheek as the Interim Port Director for Port Citrus. Mr. Cheek will be attending Port Council meetings and acting on behalf of Port Citrus until a permanent port director is appointed.

I trust that this letter will be sufficient for your purposes.

Sincerely,

Dennis Damato
Chairman
Port Authority for Port Citrus

dd:daw

cc: Citrus County Port Authority Members
Kerry Parsons, Port Legal Counsel

TAB 3E
OTHER ISSUES



Spring Board Meeting & Legislative Forum

DRAFT ITINERARY

Tuesday, March 24, 2015 – Wednesday, March 25, 2015
Hotel Duval
Tallahassee, Florida

Tuesday, March 24, 2015

1:00 p.m. – 5:30 p.m.	FPC Legislative Forum	TBD
6:00 p.m. – 7:30 p.m.	Reception	TBD
7:30 p.m. – 9:30 p.m.	Dinner (Private)	TBD



Presenting Sponsor:

Wednesday, March 25, 2015

8:00 a.m. – 9:00 a.m.	Port Director's Breakfast (Port Directors Only)	TBD
9:30 a.m. – 12:00 p.m.	FPC Board Meeting	TBD
12:00 p.m. – 1:00 p.m.	Lunch	TBD

For more information contact: Christy Gandy at (850) 222-8028 or christy.gandy@flaports.org

502 East Jefferson Street, Tallahassee, Florida 32301 · Phone: (850) 222-8028 · Fax: (850) 222-7552 · Email: info@flaports.org
www.flaports.org

TAB 4
COMMUNICATIONS UPDATE

Social Media - Twitter



FLORIDA PORTS COUNCIL

TWEETS 2,638 PHOTOS/VIDEOS 175 FOLLOWING 573 FOLLOWERS 1,894 FAVORITES 83 More ▾

FloridaPortsCouncil
@FloridaPorts

The Florida Ports Council advocates for Florida's 15 public ports before state/federal government. Florida ports are critical economic engines around the state.

📍 Florida
🌐 flaports.org
🕒 Joined October 2010

📷 175 Photos and videos



Tweets Tweets & replies

Retweeted by FloridaPortsCouncil

PortMiami @PortMiami · Sep 1

#HappyLaborDay! to the #Maritime #Workers we say.. #ThankYou! #PortMiami #cruise #Cargo #Transportation #Port



👍 2 ⭐ 4 🗨 0 ... View more photos and videos



Rick Scott 
@FLGovScott



Following

FL seaports support more than 680,000 jobs & contribute 96B to FL's economy.
#LetsKeepWorking & strengthen #FlaPorts. @FloridaPorts

↩ Reply ↻ Retweet ⭐ Favorite 📖 Storify ... More

RETWEETS 9 FAVORITES 7



11:50 AM - 22 Aug 2014

FloridaPortsCouncil @FloridaPorts · Aug 29
Come join Congressional Leaders and #FlaPorts to talk about #WRRDA and what it means for Fla. pic.twitter.com/E8Xx88j64H flaports.org/event/wrrda-to...



View more photos and videos



CareerSource Florida @CareerSourceFL · Aug 6

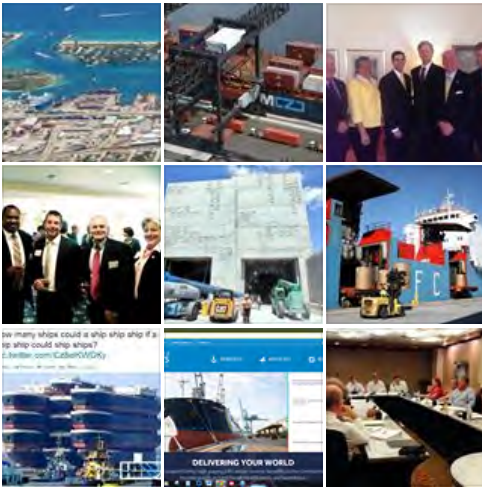
Great @floridatxwatch report on how #FL ports compare w global counterparts: cc @FloridaPorts shar.es/Lk1qG #CareerSourceFL #trade

↩ ↻ 2 ⭐ 2 🗨 ...



Lake G. Ray, III

PHOTOS



POSTS TO PAGE



Tampa Port

July 9 at 9:29am

LOVE your wallpaper! :)

Like · Comment



Mar Winstead

June 16 at 9:39am

Hello, From LaMar M Winstead sr. Here in Tampa, fl.

Like · Comment



Unlike · Comment · Share

Florida Ports Council and Port Tampa Bay like this.



Write a comment...



18 people reached

Boost Post



Florida Ports Council shared a link via Jacksonville Port Authority.

Posted by Jennifer Krell Davis [?] · August 27



JAXPORT - Forest Products

Jacksonville Florida is home to one of the busiest forest product ports in the southeastern United States.

Like · Comment · Share

41 people reached

Boost Post

See More Stories

TAB 5
MARKETING UPDATE



FLORIDA PORTS DELIVER MORE THAN JUST CARGO TO MARKETS AROUND THE WORLD.

Florida ports bring high-paying jobs and significant economic benefits to their local communities and the state. With the state's elected leaders investing in seaport infrastructure, Florida ports are ready to boost the state's economy and lower consumer costs, while efficiently and seamlessly moving products around the globe.

Florida Ports. Delivering Your World.
FlaPorts.org

Port Canaveral • Port Citrus • Port Everglades • Port of Fernandina • Port of Fort Pierce • JAXPORT • Port of Key West • Port Manatee
 PortMiami • Port of Palm Beach • Port Panama City • Port of Pensacola • Port of Port St. Joe • Port of St. Petersburg • Port Tampa Bay

FLORIDA
PORTS
COUNCIL

**FLORIDA IS YOUR PORTAL FOR EXPORTS AND IMPORTS
TO AND FROM MARKETS ALL OVER THE WORLD.**



**With a large built-in consumer market and connections
to every international market, Florida ports are equipped
and ready to launch your products around the globe.**

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JAXPORT • Port of Key West • Port Manatee • PortMiami • Port of Palm Beach • Port Panama City
Port of Pensacola • Port of Port St. Joe • Port of St. Petersburg • Port Tampa Bay

**FLORIDA
PORTS
COUNCIL**

DESTINATION: Rio de Janeiro, Brazil



FLORIDA IS YOUR PORTAL FOR EXPORTS AND IMPORTS TO AND FROM MARKETS ALL OVER THE WORLD.

Florida ports have cutting-edge intermodal transfer facilities and the capability to handle any cargo from containers, automobiles and bulk products to project and break bulk cargo. With a large built-in consumer market and connections to every international market, from Brazil to Bangladesh, Florida ports are equipped and ready to launch your products around the globe.

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PortMiami • Port of Palm Beach • Port Panama City • Port of Pensacola • Port of Port St. Joe • Port of St. Petersburg • Port Tampa Bay

FLORIDA
PORTS
COUNCIL

DESTINATION: The Fine Arts Palace in Mexico City



FLORIDA IS YOUR PORTAL FOR EXPORTS AND IMPORTS TO AND FROM MARKETS ALL OVER THE WORLD.

Florida ports have cutting-edge intermodal transfer facilities and the capability to handle any cargo from containers, automobiles and bulk products to project and break bulk cargo. With a large built-in consumer market and connections to every international market, from Mexico to Morocco, Florida ports are equipped and ready to launch your products around the globe.

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PortMiami • Port of Palm Beach • Port Panama City • Port of Pensacola • Port of Port St. Joe • Port of St. Petersburg • Port Tampa Bay

FLORIDA
PORTS
COUNCIL

PORT PRODUCTIVITY CONFERENCE

**Bahia Mar Resort
Fort Lauderdale, FL
FEBRUARY 4-5, 2014**



Presented by
Cargo Business News

Host Sponsor
Port Everglades





Join Governor Rick Scott on a

Team Florida Trade Mission to Santo Domingo, Dominican Republic

February 23-26, 2014
Santo Domingo, Dominican Republic

[Click here for further details](#)

The Dominican Republic has become a significant partner in hemispheric affairs due to its role as the second largest economy in the Caribbean and its large bilateral trade with the United States.

With a strategic geographic location, the Dominican Republic provides easy trade access among the markets of the United States, Caribbean and Latin America. The country has eleven important seaports and eight airports, which transport growing amounts of cargo and travelers each year. The country also enjoys a stable political climate and democratic consolidation, allowing for favorable foreign business investments.

The Dominican Republic currently ranks Florida's ninth largest merchandise trading partner, with over \$5.5 billion in exports. The Caribbean nation is the eighth top market for Florida merchandise exports, which amounted to just over \$3 billion in 2012. The country has long been viewed as primarily an exporter of coffee, sugar and tobacco. In recent years however, the service sector has surpassed agriculture as the economy's largest employer, thanks to a growth in tourism, telecommunications and free trade zones. Given Florida's solid relationship with the Dominican Republic and its open market policies, there are ample export opportunities for Florida firms in a variety of industries, ranging from telecommunications to medical equipment, building products and renewable energy.

Registration Options

Option 1. Gold Key Package

First Company Representative - \$1050.00

Additional Company Representative - \$500.00

Option 2. Delegate Package

Per Person - \$550.00



The Florida Ports Council Cordially Invites You to Our

2014 Washington D.C. Fly-In ***May 19 -20, 2014***

Monday:

4:40 p.m. “Focus on Freight” Congressional Staff Roundtable
With the Coalition for America’s Gateways and Trade Corridors
Location: Capitol Hill Club

5:30 - Congressional Appreciation Reception
7:30 p.m. *Location: Capitol Hill Club*

Tuesday:

8:00 a.m. Florida Ports Breakfast Briefing
Hosted by Congressman Southerland
Location: Florida House, 1 Second St. N. E.

3:00 p.m. Florida Ports Congressional Caucus Briefing
Hosted by Chairs Brown, Diaz-Balart, Posey and Wilson
Location: 421 Cannon House Office Building

Please join the port directors of Florida’s seaports, as well as Florida Department of Economic Opportunity Director Jesse Panuccio and the Florida Department of Transportation Assistant Secretary Richard Biter for discussions on critical seaport issues before the U.S. Congress and the Congressional Appreciation Reception.

In Partnership With:

Patton Boggs

Alcalde & Fay

For additional information and to RSVP, please contact Mike Rubin:

mike.rubin@flaports.org or 850.222.8028



Florida TaxWatch and FPC Report: Seaports Governance - How Florida Seaports Compare to U.S. and International Models



Gov. Scott Releases Policy Focused on Investing in Ports and Growing Trade in Florida



President Signs Critical Water Resources Legislation (WRRDA)



Fast Facts 2014



TAB 6
PROGRAM ADMINISTRATION

Seaport Governance Models

*How Florida's Seaports Compare to
U.S. and International Models*



A JOINT REPORT FROM





Dear Fellow Taxpayer:

Florida seaports are a crucial pillar of the state economy, impacting our balance of trade and bolstering the diversification of state revenues. As the gateway to South America and the Caribbean, Florida's geographic location positions the state to succeed in the global marketplace. However, as the trade and logistics industry continues to grow, and large strategic investments are channeled into ports around the world, Florida seaports will have to work harder to retain and continue to grow their market share.

With the Panama Canal expansion expected to be completed in 2015 and global trade lanes continuing to shift, Florida has the opportunity to capitalize on its unique location and existing infrastructure, further expanding our trade footprint. To ensure Florida ports remain competitive in the global marketplace, Florida ports must have an effective ports governance structure. This independent review of the current regional governance structure of Florida seaports seeks to analyze the current structures as well as other comparable models to identify the characteristics of successful port governance models.

The findings of this report will help Florida policymakers and industry leaders understand and support those successful characteristics of port governance policy to navigate its seaports through the global market.

Sincerely,

A handwritten signature in black ink that reads "Dominic M. Calabro".

Dominic M. Calabro
President & CEO
Florida TaxWatch

A handwritten signature in black ink that reads "Doug Wheeler".

Doug Wheeler
President & CEO
Florida Ports Council

INTRODUCTION

The global maritime industry is undergoing significant change with respect to vessel sizes, trade routes, global supply chains and carrier alliances. The industry, and especially carriers and vessel operators, came out of the recession with a need to fill empty container slots, reduce costs, and optimize scale economy investments. Network and operational adjustments are being made based on, or in response to, variations in trade growth and shifts in the geography of world production and consumption. There is a growing recognition within the maritime industry that the key to remaining relevant in this transformative global marketplace is to be reliable, competitive, and to provide carriers with a system that will efficiently deliver the goods. Consequently, many seaports in the U.S. and abroad are looking at how to increase channel depths, berthing and cargo capacity, and supply chain efficiencies.

The need for more efficiency, in addition to the shifting and integration of global trade lanes over the past few years, has led ports around the world to review whether their governance structures and operations are optimal in the new global marketplace. Some have suggested that publicly-owned ports, not subject to the full rigor of the market, are unable to effectively adjust to the new competitive pressures of globalization and are targets of city governments that want to “siphon off surplus funds”.^{1,2} Others in turn have suggested that private port authorities are less beneficial to the local economies that surround them as private ports aim at maximizing profits, and may not have any interest in controlling the negative externalities that can be imposed to third parties.³

Moreover, some favor a more centralized port governance structure, arguing that it would allow a better coordination and less cannibalization among ports. Opponents to centralization argue that a centralized structure would create more bureaucratic inefficiencies and a lack of cooperation with local communities and economies.

Given the economic and fiscal importance of ports to Floridians, and the aforementioned concern of identifying the optimal port governance structure, this paper will determine if there is enough evidence to support changing the current regional governance structure for Florida seaports.

1 Rodrigue, Jean-Paul. “Appropriate models of port governance: Lessons from the Port Authority of New York and New Jersey”.

2 Haarmeyer and York. “Port Privatization: An International Perspective”.

3 Trujillo and Nombela. “Privatization and Regulation of the Seaport Industry”.

SECTION I: GLOBAL SEAPORT GOVERNANCE

There is a vast array of studies that evaluate the different port governance structures (or models, as some call them) with mixed results regarding the most effective structure in increasing seaport efficiency. The majority of these studies examine port systems in Europe and the U.S., because there are many ambiguities about the governance of Chinese seaports. It is clear that these Chinese models are governed by a controlling nationalistic structure, and while very successful, it would be impossible to replicate a similar structure in the U.S. due to the differences in regulation and the governance structure of the nation as a whole.

Multiport governance structure reports

Among the U.S. and European seaport governance literature, one of the most cited port governance reviews is Peter De Langen's 2002 "Governance in Seaport Clusters," which examines three different governance structures: public national port authorities, public regional/municipal port authorities, and private port ownership.⁴ De Langen argues that the regional/municipal port authority is the most efficient form of port governance, as it does not have the political pressure that a public national authority has to redistribute funds to "competing ports." In addition, the public regional/municipal port authority does not have the pressure to increase profits exclusively for the private company with primary ownership.⁵

Another frequently cited paper is Ng and Pallis's 2010 review of port governance reforms in Asia and Europe, which explains how a more decentralized structure was implemented in high-traffic international ports. Busan, South Korea; Rotterdam, Netherlands; and Piraeus, Greece all created quasi-public legal corporations (Public Authority Corporations or PACs) – a legal status where the public governmental bodies hold the shares of separate entities with the responsibility for managing seaport operations. In Busan and Piraeus, both formally governed by national entities, this allowed for reforms to "address regional characteristics that had been overlooked by the national government-dominated system." In Rotterdam, a municipal port authority, this separate legal authority was devised from a desire to create an entity that was more "efficient and sensitive to cost, opportunities, and customer satisfaction." The National Government of the Netherlands also purchased 25 percent of the shares of the new Rotterdam PAC, but only after working out local government issues. The Rotterdam municipal government remained the most significant manager of the port system.⁶

Further, a 2010 European Sea Ports Organization (ESPO) report titled "European Port Governance 2010," found that regardless of port authority ownership, most of the surveyed ports maintained "intense contacts with local government." Nationalistic, governmental ownership/operator structures that were too distant to have adequate interaction with local stakeholders tended to devolve into a more political structure, abandoning market based decisions.

⁴ For simplicity purposes, this paper will focus on De Langen's three overarching categories. However, as noted in the Skagway Port Development Plan, some observers have identified as many as 11 different governance structures (or models).

⁵ De Langen, Peter. "Governance in Seaport Clusters". Erasmus University Rotterdam.

⁶ Ng and Pallis "Port Governance Reforms in Diversified Institutional Frameworks: Generic Solutions, Implementation Asymmetries." September 2010.

European ports governed by nationalistic authorities tend to be those newer seaports created after the fall of the “iron curtain.” Older and larger European seaports such as Rotterdam and Hamburg are governed by local municipal authorities, but have significant investments from their national governments.⁷

Single port governance reviews

While the aforementioned multiport studies seem to agree on the advantages of a more decentralized structure, several recent reviews of port governance for specific ports agree on two characteristics that are essential for effective governance, regardless of the structure: governance structure stability, and the trust of local entities in the port governance structure. Two of these reports were commissioned for ports in Virginia, and Texas.

In the case of Virginia seaports, which are governed by the Virginia Ports Authority (VPA), the recent recession and unstable politics placed significant stress on their governance model. This stress was exacerbated by proposals to “privatize” Virginia ports in 2012 and 2013. In fact, the VPA was poised to enter into a long-term contract with a sole private port operator to manage and operate Virginia Ports but ultimately rejected such offers in March 2013, mainly due to concerns from many with “port-related jobs who worried that a company would look out for its own interests above that of the people of Virginia and that a private operator would unfairly discriminate against competitors.”⁸

In their 2013 report “Review of the Virginia Port Authority’s Competitiveness”, the Joint Legislative Audit and Review Commission (JLARC) reported that the VPA was living a period of “uncertain and unstable leadership” which began with the Governor’s removal and replacement of 10 of the 11 governor-

appointed VPA board members in 2011. This action precipitated turnover in executive-level management at both VPA and Virginia International Terminals (VIT).⁹ The JLARC recommended that the Virginia Legislature amend VPA’s enabling statutes to allow for greater certainty and stability in the leadership of the VPA. The JLARC also specifically recognized the impact that the instability at VPA was having on existing and potential Virginia port users.¹⁰

GENERAL PRINCIPLES OF SUCCESSFUL PORTS

- Local Community integration and support
- Integration of localized logistics and freight firms
- Stable and predictable governance/management structures
- Effective Management
- Responsiveness to market opportunities vs. political pressures

7 European Sea Ports Organization (ESO) “European Port Governance: Report of an Enquiry into the Current Governance of European Seaports.”, dtd 2011

8 Richmond Times-Dispatch “Virginia Port Authority Will Not Privatize Operations.”, March 27, 2013.

9 In 1981, VPA created the VIT, a non-stock and non-profit affiliate of the VPA, to operate and manage the three seaports in order to circumvent state statutes prohibiting state agencies from entering into contracts with unionized labor.

10 Joint Legislative Audit and Review Commission. “Review of the Virginia Port Authority’s Competitiveness, Funding and Governance.” October 2013.

Florida's public seaports invest in competitiveness

Cargo and cruise activity on Florida's seaports currently support more than 680,000 jobs, and contribute \$96.6 billion of output to the state's economy, equivalent to about 13 percent of Florida's Gross Domestic Product. Maritime trade provides \$2.4 billion in tax revenue to state and local government coffers, according to the Five-Year Florida Seaport Mission Plan.¹

Florida's seaports have also been vital economic centers for their regions and their communities. Local citizens have been integral to the construction and operation of their seaports; whether through the passage of local revenue and development referendums, or other community outreach efforts. Florida's seaports are all creatures of local governments and continue to be dependent on local support.

Given their importance to the local and state economies, the state of Florida and the local government seaports have partnered over the past three years in investing in port capacity and off-port connector and distribution capacity.² These statewide investments have been noticed by maritime trade journals like the Journal of Commerce—and perhaps more importantly—logistics, distribution companies, and vessel operators.

As recently as 2012, Florida's seaports worked with the Florida Legislature and FDOT to pass a comprehensive Strategic Port Investment Initiative Program, with an expected minimum statewide investment of \$35 million, for projects that “meet the state's economic development goal of becoming a hub for trade, logistics, and export-oriented activities.” The 2012 legislation also created a new Intermodal Logistics Center Infrastructure Support Program to provide funds for roads, rail facilities, or other means of conveyance or shipment of goods through a seaport.³ Finally, the 2013 legislation directed FDOT to develop a Freight Mobility and Trade Plan that would include recommendations to increase the flow of domestic and international trade through the state's seaports and airports.⁴

A business environment has been created in Florida that promotes the growth of global maritime industries. Florida's seaports are discussing how to increase the movement of cargo and passengers through their ports and improve the economic competitiveness of Florida as the global gateway to the world. The seaports have also been working together to reduce and streamline regulations with state and federal governments for needed infrastructure funding, and they have been cooperating within the state to find more efficient and innovative ways to attract and grow business.

¹ Florida Ports Council. “2013/2014-2017/2018 Five Year Seaport Mission Plan.”

² Florida Invests in Competitiveness. Florida TaxWatch. September 2012.

³ Florida Statutes, Sec. 311.101.

⁴ Florida Statutes, Sec. 334.044.

In Texas, the state Legislature commissioned a review of the Port of Houston Authority in 2012, after concerns over misuse and misappropriation of Port Authority funds. The overall finding of the Texas Sunset Advisory Commission was that the Port of Houston Authority was not a “broken organization,” but they did express concern that it had lost the trust of the local community. The Authority is one of the more unique regulatory entities in the U.S., not only serving as the development and management board for the Port of Houston, but also serving as the regulatory body for the Houston Port Pilots. The “confusing set of governing laws” of the Authority led to some conflicting and potentially competitive business functions unique to the Port of Houston Authority.¹¹

The major issues and recommendations coming from the Sunset Advisory Commission involved actions to restore trust in the Port Authority’s ability to carry out its mission. The Commission specifically noted that the Authority needed to enact a proactive stakeholder engagement strategy, and add additional controls and transparency the Authority’s Promotion and Development Trust Fund. The Commission did not recommend a major change in the structure of the local government authority, but did recommend adding a Governor-appointed member with required business experience in addition to those appointments made by the City of Houston and Harris County.¹²

After reviewing the literature at both the multiport and the individual port level, it was concluded that while the regional structure has several advantages, essentially none of the different governance structures is so significantly superior that it should be chosen as the premier port governance structure. Yet two points are clear: first, successful port structures feature community integration, support, and trust, and second, they are stable and predictable. The JLARC of the Virginia Legislature had an insightful statement on the possible scenario if these two do not hold: “shippers and ocean carriers have the option of using other ports, and unpredictable or unstable governance could negatively impact their use.”¹³

SECTION II: FLORIDA SEAPORTS' GOVERNANCE STRUCTURE AND OPERATIONAL MODEL

Florida’s 15 public seaports are governed at the local level, either by an independent or dependent special district, by their county commission, or by the city (for a port-by-port governance explanation, please refer to the appendix). Port directors are usually appointed by the Special District’s board, the County Commission, the City, or the Mayor. All 15 port directors serve as the Board of Directors for the Florida Ports Council (FPC), a nonprofit corporation that provides leadership, advocacy, and information on seaports and related topics before the Florida and the U.S. legislative and executive branches. The FPC provides administrative support services on matters related to the Florida Seaport Transportation and Economic Development (FSTED) Council and its program. It also provides similar services to the Florida Ports Financing Commission.¹⁴

¹¹ Texas Sunset Advisory Commission. “Port of Houston Staff Report.” August 2012.

¹² *Ibid.*

¹³ Joint Legislative Audit and Review Commission. “Review of the Virginia Port Authority’s Competitiveness, Funding and Governance.” October 2013.

¹⁴ Florida Ports Council. About us.

The FSTED Council was created by the Florida Legislature within the Florida Department of Transportation (FDOT) to provide statewide input on the development and implementation “of port facilities and an intermodal transportation system consistent with the goals of the Florida Transportation Plan.” The FSTED Council consists of all 15 port directors in addition to a representative from FDOT and the Department of Economic Opportunity (DEO). Over the past 24 years, the FSTED Council has helped carry out the state’s economic development mission by facilitating the implementation of seaport capital improvement projects at the local level.

The FSTED Council is statutorily responsible for the preparation of a 5-year Florida Seaport Mission Plan that not only defines goals and objectives for the development of seaports in Florida, but also includes specific recommendations for the construction of transportation facilities or port facilities that enhance trade, promote cargo flow, increase cruise passenger movements, increase port revenues, and provide economic benefits to the state.

The FSTED Council also oversees the allocation of state funds under the FSTED port funding program to finance port transportation projects on a 50-50 matching basis.¹⁵ This FSTED port funding program created a partnership between the state and its local government seaports, and requires preparation of a seaport master plan which is consistent with state transportation and local comprehensive plans, and matching funds from each seaport; thus seaport investments are driven by a local commitment to meet the community’s strategic objectives. In addition, many of the seaports’ master planning processes are integrated into their regional visioning processes. Responsibility for project development through this program is initiated at the local level and coordinated at a regional level, based on an understanding of market demands and seaport opportunity and capacity to implement statewide goals. At the state level, project review is accomplished by the FDOT and DEO.

As for operations, most Florida seaports fall within the landlord/tenant category, where the seaport authority focuses on base infrastructure financing issues such as dredging and landside access, and enters into lease agreements with a variety of private sector terminal operators that provide the cargo and cruise operations.¹⁶ This model is different than the operational business model, where the port authority provides cargo and cruise operator services. Many U.S. and European ports currently follow this model, especially in response to the increasing financial strain of infrastructure costs and operational services.

SECTION III: THREE STATES WITH STRUCTURES SIMILAR TO FLORIDA

The states of California, Louisiana, and Texas, which have the longest coastlines in the continental U.S. after Florida, and who are home to some of the busiest ports in the country and the world, follow a seaport governance structure that is almost identical to Florida: local government seaports with statewide advocacy and system development organizations. It is also interesting to note that the local government port authority structure is the most common one in every U.S. state with significant ocean access and lengthy shore lines.

¹⁵ Section 311.09, F.S.

¹⁶ European Sea Ports Organization (ESO) “European Port Governance: Report of an Enquiry into the Current Governance of European Seaports.”, dtd 2011

As in Florida, the common theme for this type of governance is the important ability of these local government entities to interact with the local cluster of maritime stakeholders. Like Florida, even when these local government boards have gubernatorial appointments, they are generally statutorily required (through a local or state bill) to appoint leaders from the local area.

This structure seems to have worked positively for the ports, as these ports remain the top transited ports in the U.S., and have remained so for more than 10 years. In fact, California, Louisiana, and Texas are home to 9 out of the top 10 ports in 2012 by tonnage, and 16 out of the top 50 ports. These ports have retained these high rankings since 2001, and a majority have experienced an increase in tonnage from 2001 to 2012.

CONCLUSION

Florida seaports are of great importance to the local and state economies and should therefore remain competitive in this constantly changing maritime industry. In an effort to improve efficiency, several states have reviewed their governance structures in order to determine if it is the most optimal one for their performance. While the available literature shows mixed results regarding the most favorable structure, several researchers point out that the regional/municipal structure has several advantages over more centralized ones. Further, historical data shows that the top U.S. ports by tonnage, most of which are located in states with an almost identical structure to Florida's, have remained competitive for more than 10 years.

After reviewing the literature, we also found that regardless of the structure, successful seaport structures should have two main characteristics: stable and predictable governance structures, and local community integration, support, and trust.

This study leads to the following conclusion: none of the different governance structures is so superior that it would require one structure to be chosen as the universally superior port governance structure. Further, Florida seaports already follow the same structure that the top, successful ports follow, and are generally doing well. Moreover, our seaports interact with the local clusters of maritime stakeholders, and appoint leaders from the local areas, therefore fulfill the local element discussed above. Finally, the ports have been working together with the state Legislature to increase business and benefits in their local areas, which shows their commitment to making Florida a national and international leader in trade.

Top Ports by Total Tonnage (Domestic and Foreign)

Millions of Tons

2012 Ranking	PORT	2012 Tonnage
1	South Louisiana, LA	252.1
2	Houston, TX	238.2
3	New York, NY and NJ	132.0
4	New Orleans, LA	79.3
5	Beaumont, TX	78.5
6	Long Beach, CA	77.4
7	Corpus Christi, TX	69.0
8	Los Angeles, CA	61.8
9	Baton Rouge, LA	60.0
10	Plaquemines, LA	58.3

Source: U.S. Army Corps of Engineers, Waterborne Commerce Statistics Center.

Appendix: Florida's Port by Port Governance Structures and Operational Models

Seaport	Governance Structure	Port Management	Operational Model
Canaveral	Independent Special District with a board of five elected at-large officials serving four-year terms.	CEO/Port Director hired by the Board.	Landlord/Tenant Model
Citrus	Dependent Special District of Citrus County governed by Citrus County Commission.	County Administrator serves as Port Director.	Landlord/Tenant Model
Everglades	Department of Broward County governed by the County Commission.	CEO/Port Director hired by the County Administrator and confirmed by the County Commission.	Landlord/Tenant Model
Fernandina	Independent Special District with a board of five elected at-large officials serving four-year terms.	A private port operator company manages the port pursuant to a long term contract with the Port Authority	Landlord/Tenant Model
Ft. Pierce	Dependent Special District of St. Lucie County governed by the St. Lucie County Commission.	County Administrator serves as Port Director.	Landlord/Tenant Model
Jacksonville	Independent Special District with board of seven – four appointed by the Mayor and three appointed by the Governor – serving four-year terms.	CEO/Port Director hired by the Board.	Landlord/Tenant Model
Key West	Department of the City of Key West governed by the City Commission.	Department head hired by the City to oversee port and marina operations.	Operational business model
Manatee	Dependent Special District of Manatee County governed by Manatee County Port Authority.	CEO/Port Director hired by the Port Authority.	Landlord/Tenant Model
Miami	Department of Miami-Dade County governed by the County Commission.	CEO/Port Director hired by the Mayor of Miami-Dade County.	Landlord/Tenant Model
Palm Beach	Independent Special District with a board of five elected at-large officials serving four-year terms.	CEO/Port Director hired by the Board.	Landlord/Tenant Model
Panama City	Independent Special District with a board of five selected by the Panama City Commission.	CEO/Port Director hired by the Board.	Operational business model
Pensacola	Department of the City of Pensacola governed by the City Commission.	CEO/Port Director hired by the Mayor of the City of Pensacola.	Landlord/Tenant Model
Port St. Joe	Independent Special District with a board of five appointed by the Governor	Port Director hired by the Board.	Landlord/Tenant Model
St. Petersburg	Department of the City of St. Petersburg governed by the City Commission.	Department head hired by the Mayor to oversee port and marina operations.	Landlord/Tenant Model
Tampa Bay	Independent Special District with a board of seven – five appointed by the Governor, a County Commissioner and the Mayor of Tampa.	CEO/Port Director hired by the Board.	Landlord/Tenant Model

ABOUT FLORIDA TAXWATCH

As an independent, nonpartisan, nonprofit taxpayer research institute and government watchdog, it is the mission of Florida TaxWatch to provide the citizens of Florida and public officials with high quality, independent research and analysis of issues related to state and local government taxation, expenditures, policies, and programs. Florida TaxWatch works to improve the productivity and accountability of Florida government. Its research recommends productivity enhancements and explains the statewide impact of fiscal and economic policies and practices on citizens and businesses.

Florida TaxWatch is supported by voluntary, tax-deductible donations and private grants, and does not accept government funding. Donations provide a solid, lasting foundation that has enabled Florida TaxWatch to bring about a more effective, responsive government that is accountable to the citizens it serves for the last 34 years.

The findings in this *Report* are based on the data and sources referenced. Florida TaxWatch research is conducted with every reasonable attempt to verify the accuracy and reliability of the data, and the calculations and assumptions made herein. Please feel free to contact us if you feel that this paper is factually inaccurate.

The research findings and recommendations of Florida TaxWatch do not necessarily reflect the view of its members, staff, Executive Committee, or Board of Trustees; and are not influenced by the individuals or organizations who may have sponsored the research.

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This *Report* is intended for educational and informational purposes. If they appear, references to specific policy makers or private companies have been included solely to advance these purposes, and do not constitute an endorsement, sponsorship, or recommendation of or by the Florida TaxWatch Research Institute, Inc.

ABOUT THE FLORIDA PORTS COUNCIL

The Florida Ports Council (FPC) serves as the professional association for Florida's 15 public seaports. The FPC is governed by a Board of Directors comprised of Florida port directors with the association staff located in Tallahassee. The FPC provides leadership, advocacy and information on seaport-related issues before the legislative and executive branches of state and federal government.

Whether moving over a hundred million tons of cargo annually or millions of cruise passengers, Florida's 15 public seaports play a critical role in the lives of our citizens and continue to drive Florida's economy. From what we wear to what we eat, from building materials to automobiles, almost everything we use in our daily lives flows through our ports.

Currently, cargo and cruise activities at Florida seaports support more than 680,000 direct and indirect jobs, and contribute \$96 billion in economic value to the state. These activities contribute more than \$2.4 billion in state and local taxes. The Florida cruise industry alone generates more than 130,000 jobs and \$5.8 billion in wages for Florida workers.

A re-alignment of global trade routes is clearly underway, and Florida ports are strategically positioned take advantage of these opportunities. Our goals are to grow our economy by investing in infrastructure, improving the business climate, and capturing an even larger share of international trade to benefit the state of Florida and grow our economy.



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TAB 7
PARTNER UPDATES

CAGTC

(Coalition for America's Gateways and Trade Corridors)



The Trade Corridor Bulletin

Improving America's Intermodal Freight and Goods Movement

Volume Eight - No. 5

August 2014

www.tradecorridors.org

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Coalition Highlight

HTF Crisis Averted, but Freight Needs Remain

On the last day of July, 2014, Congress passed a bill that will keep the Highway Trust Fund solvent through May of 2015. While this bill represents a critically important step, it is just one in a long journey, particularly for freight. Plenty of freight travels on our nation's roads and bridges, benefiting from the Highway Trust Fund's resources. Our highways are a critical piece in a supply chain, but highways and roads are not the only piece. Goods also travel to, from and through the United States on ocean liners, barges, airplanes and trains. All of these modes must intersect to ensure the consumer receives goods and services and it is often at these points of intersection that gains in safety, reduced travel time, and increased reliability can be made, resulting in savings – to businesses and consumers.

Freight projects have no fund to call their own. Freight projects are typically large-scale, frequently multimodal and cross jurisdictional borders, making them difficult to fund through traditional distribution methods such as formula programs. Cycle after cycle, proves its worth by competing well in the TIGER discretionary grant program. These projects received a large portion of funding under the Projects of National and Regional Significance Program under SAFETEA-LU.

The ability to move goods swiftly and cost-effectively is paramount to supporting our nation's manufacturing base. Jobs, quality of life, and global economic competitiveness are depending on freight movement. And yet, freight has no dedicated funds to call its own. There is no federal program of funding designed solely to meet our nation's multimodal freight needs.

Published by:

CAGTC

Coalition for America's
Gateways & Trade Corridors
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These needs are real; they impact our states and communities. Congress is hearing our plea and Members are stepping forward with suggestions to improve goods movement throughout the United States through policy advances and increased funding.

On July 9, Congresswoman Janice Hahn (D-CA) of the House Transportation and Infrastructure Committee introduced a bill that would create and fund a Freight Trust Fund and distribute money through a competitive grant process. The National Freight Trust Fund Act, H.R. 5101, would transfer 5 percent of all import duties collected by U.S. Customs and Border Protection and place them in a Freight Trust Fund. According to Rep. Hahn's office, an estimated \$1.9 billion would be deposited into the fund each year. Through this proposal, Rep. Hahn, who also served on the Transportation & Infrastructure Committee's Special Panel on 21st Century Freight Infrastructure, has developed a competitive grant program that would provide resources for multimodal freight projects that do not receive funding through traditional distributions.

A newcomer to Congress, Senator Cory Booker (D-NJ) introduced the Freight Priorities Act, S. 2380 this spring, shortly after arriving in Washington. This legislation would call on USDOT to develop measures to assess the performance of a multimodal freight network in accordance with the National Freight Strategic Plan and create a pilot program for up to five urbanized areas to develop and deploy targets to improve multimodal freight movement in densely populated and congested urban areas.

Senator Maria Cantwell (D-WA), referred to as the "Freight Senator" by former U.S. Department of Transportation Secretary Ray LaHood, unveiled plans before the National Freight Advisory Committee (NFAC) on July 15 to introduce a "freight imperative" bill that would streamline permitting for multimodal projects, require multimodal state freight plans and local freight advisory committees, and invest in multimodal freight projects at key bottlenecks and "first-and-last-mile connectors" on critical trade corridors.

These various freight policy proposals provide a catalogue of ideas on how to advance our nation's freight infrastructure policy.

National Freight Advisory Committee Issues Recommendations to Improve National Freight System

On June 12, the National Freight Advisory Committee issued a set of recommendations to U.S. Transportation Secretary Anthony Foxx advising on issues related to the performance of the nation's freight transportation system. The 81 recommendations include suggestions to improve the safety and security of the freight rail network and summarize funding needs. These recommendations will be used to inform the development of the DOT National Freight Strategic Plan.

The 81 recommendations made by NFAC highlight the need for increased transportation investment and greater certainty to support the kind of research and planning such projects would require. To read the entire report, click here: <http://www.dot.gov/sites/dot.gov/files/docs/NFAC%20Task%201-Recommendations%20for%20NFSP-Final%286-12-14%29.pdf>



CAGTC Perspective Congress in your backyard

The Hill's "summer recess" is a tradition that dates back to 1791's second Congress. Washington D.C. is notorious for its swampy July and August months and Congressional representatives have long used the time to flee for their home districts, hoping to escape the heat. The tradition has carried forward, giving Members a chance to recharge and reconnect with constituents.

For those of us hoping to see long-term surface transportation legislation introduced this Congress, August recess can seem like a momentum-stopper. In reality, the next five weeks are full of opportunities for CAGTC members across the country -- Senators, Representatives, and key staff will be in your backyard! Use this time to invite them to your project sites, or at the very least, pay them a visit at their district offices to remind them of your needs.

One of the best methods of communicating the complex needs of our nation's freight infrastructure is through site visits. This was greatly evidenced last fall by the recommendations by the Panel on 21st Century Freight Transportation. The Panel conducted site-visits and partook in tours of freight facilities, afterward making bi-partisan and unanimous recommendations to increase funding for programs such as PNRS and TIGER.

Members of Congress who tour intermodal freight projects are more likely to understand varied supply chains and recognize the economic impact created by failure to invest. Whether your catalogue of projects consists of on-dock rail trackage, intermodal connectors, grade-separation projects or capacity enhancements at land-border crossings, Senators and Representatives need to see these projects with their own eyes so that they might better understand the significance of their votes and the impact a robustly funded transportation program would have on their district.

Furthermore, visiting projects provides Members of Congress with opportunities to connect with your customers, meet your project staff and develop personal relationships with your management. Making associations with voters and with community decision-makers goes a long way with elected officials.

Put a face on freight transportation. Show your Member of Congress a project that needs their help getting off the ground. Explain what is currently preventing the project from being realized. Your Member is representing you and your district in Washington. Let them know how they can help and provide them with the background and ammunition to make it happen.

So, pick up the phone and invite your Congressman or Senator to tour your project! At the very least, use the next five weeks to schedule in-person meetings at their district offices. If you need staffer names or email addresses, don't hesitate to contact CAGTC for that information. Let's make the most of the August recess so that come this fall, the momentum for funding freight infrastructure continues.



Leslie Blakey

Leslie Blakey, Executive Director

Obama Administration Develops Build America Investment Initiative

Initiative will focus on creative infrastructure financing

On July 17, President Obama announced a new executive action, the Build America Investment Initiative (the Initiative), to move infrastructure projects and the economy forward. The Initiative encourages private sector investments in the nation's infrastructure, fostered by the creation of a 'one-stop shop' at the Department of Transportation to establish partnerships between state and local governments and partnerships between public and private developers and investors. Many of the elements of the Build America Investment Initiative pull from recommendations issued by the U.S. Department of Transportation's National Freight Advisory Committee's (NFAC) recommendations on the MAP-21 mandated National Freight Strategic Plan.

The Initiative establishes the Build America Inter-agency Working Group, to be co-chaired by Department of Treasury Secretary Jack Lew and Department of Transportation Secretary Anthony Foxx. The group will work with state and local governments, project developers, investors and others to address barriers to private investments and partnerships. This effort will focus on improving coordination to accelerate financing and completion of projects of regional and national significance, particularly those that cross state lines.



President Obama Touting Need for Infrastructure Investment at Key Bridge, in Washington DC

The Build America Investment Initiative also calls for an Infrastructure Investment Summit, hosted by the Treasury Department, which will bring together leading project developers and institutional investors with state and local officials and their Federal counterparts to discuss innovative financing approaches to infrastructure and highlight other resources that support project development.

Additionally, the Obama executive action creates the Build America Transportation Investment Center. This center will allow state and local governments, public and private developers and investors to utilize innovative financing strategies for transportation infrastructure projects. The center will also raise awareness and provide hands-on support for DOT credit programs including the Transportation Infrastructure Finance and Innovation Act (TIFIA) program.

The Initiative was welcomed by transportation stakeholders across the country. Current Congressional efforts to find a temporary fix for the Highway Trust Fund shortfalls are a badly-needed Band-Aid but not a long-term fix. The Administration's focus on the need for long-term action and adequate resources is welcomed and the creation of institutions that move public-private partnerships through the process is an important step in finding investments in complex intermodal freight.

ANNOUNCING

the Eno Center for Transportation's



The Eno Center for Transportation is forming a Freight Funding Working Group that will bring together numerous stakeholders including truckers, railroads, ports, and shippers to discuss how to develop a specific proposal for funding a multimodal freight program. The group—led by former Minnesota Senator Norm Coleman and former New Jersey Governor Jim Florio—will develop a research and action plan that will tackle this issue over the next two years.

An initial scoping meeting will take place Thursday, September 16, in Washington, DC, in the Paris Ballroom of the Hotel Monaco (700 F Street, NW) with the meeting beginning at 9:00 am, lunch at 12:30 pm, and concluding by 2:00 pm.

If you would like to be considered as a working group member, contact Pam Shepherd, Senior Director of Communications, at pshepherd@enotrans.org or (202) 879-4705.



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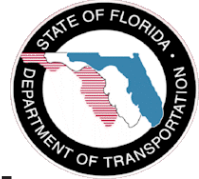
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Member Spotlight



Florida's Transportation Evolution

*Collaboration and Conversation to Move Florida Forward as a leader
in Freight and Logistics Activity*



*FDOT Intermodal Systems Development Leadership: L-R:
Aaron Smith, Jim Wood, Bob Romig, Richard Biter, Ed
Hutchinson, Juan Flores, Marjorie Bixby, Ed Coven*

Florida is receiving substantial recognition as a progressive leader in multimodal transportation activities. For two consecutive years (2012, 2013) the Sunshine State has been recognized by the U.S. Chamber of Commerce as number one in the nation for infrastructure. In 2013, The Florida Department of Transportation Office of Freight, Logistics and Passenger Operations (FLP) was also nationally recognized by the Brookings Institute, as one of the Top 10 State and Metropolitan Innovations to watch.

Recently, Governor Rick Scott announced a budget of \$10.1 billion in strategic transportation investments, funding the FDOT Work Program budget to the tune of \$9.4 billion. The budget also includes more than \$139.3 million for seaport infrastructure support activities.

Regarding Governor Scott's investments, FDOT Secretary Ananth Prasad said, "I appreciate Governor Scott's leadership in making transportation a priority. Governor Scott knows that good transportation infrastructure is a key ingredient for a thriving economy."

Since 2011, over \$688 Million have been invested in Florida seaports, improving access to our ports, and making it more efficient and attractive for private sector shippers to invest in Florida, grow our state's imports and exports, and improve our state's economy.

In preparation of the widening of the Panama Canal, FDOT has, as FDOT Secretary Ananth Prasad states, put 'skin in the game,' in the Port Miami dredging project. FDOT contributed \$117.5 million to the total cost of \$291 million. Upon completion, PortMiami will be one of only three east coast ports that will be able to accommodate larger, post-panamax size ships.



*Florida readying itself for the widening
of the Panama Canal*

Continued on Page 7

Continued from page 6

Keeping Florida ports competitive and increasing productivity the PortMiami tunnel project has recently been completed. Funded through a Public/Private Partnership, the tunnel provides a direct highway connection to the PortMiami on Dodge Island from Watson Island. The total cost of the tunnel was \$668.5 million, with the state paying for 50 percent of the capital costs, operations and maintenance. Fifty percent of the capital costs will be provided by Miami-Dade County and the City of Miami.

Funded through a public/private partnership between FDOT, Florida East Coast Railway and Broward County, the recently completed intermodal container transfer facility project at Port Everglades has added a freight rail line to the port, reducing congestion at the port and rail terminus.

“The new ICTF is a huge win for the port,” said Florida Department of Transportation Assistant Secretary Richard Biter. The State of Florida contributed \$18 million in grants to the \$72 million project and awarded a \$30 million state infrastructure bank loan to FEC. “The project will enhance the port’s competitiveness and will provide savings on a per container basis by shifting cargo from truck to rail.”

Florida’s airports and spaceports are also integral to the state’s multimodal transportation system. In 2012 and 2013, FDOT invested \$15 million per year on spaceport projects to help companies including SpaceX, Boeing and Virgin Galactic build launch pads and storage facilities along Florida’s Space Coast.

During the 2014 legislative session, \$337 million was budgeted for the Aviation and Spaceports Program. Over the next five years the Department plans to invest over \$1.1 billion in these modes. In 2014, spaceports were recognized as an official mode of transportation by the Florida legislature.



Port Everglades ICTF Opening from left: Florida Rep. George Moraitis, Jr., Broward County Mayor Barbara Sharief, FEC President and CEO Jim Herwig Port Everglades Chief Executive & Port Director Steven Cernak, FDOT Assistant Secretary Richard Biter. (Credit: Port Everglades)

In addition to modal investments, FDOT’s Intermodal Logistics Center’s (ILCs) aim to expand trade and logistics infrastructure by enhancing the state’s seaports, airports, railroads, and supporting intermodal highway connectors.

In 2012, Florida legislation was enacted to support ILC development through the ILC grant program, as well as inclusion of ILCs within the state’s Strategic Intermodal System. The ILC Program provides an annual allocation of \$5 Million with a 50 percent matching fund requirement from applicants. In 2013, FDOT provided ILC grants to the following entities: Port of Panama City Intermodal distribution Center, Keystone ILC Terminal, South Florida Logistics Center, and the Port Manatee Commerce Center.

Continued on Page 8

Continued from page 7

Capitalizing on the investments being made by the FLP office and working in coordination with FDOT District modal staff and Secretaries, the Department recently established District Freight Coordinators in all seven districts and Florida's Turnpike Enterprise – serving as the contact for their district in coordinating with public agencies and private industry on multimodal mobility matters including highways, air, marine, spaceports and rail; and overseeing the implementation of the FDOT Freight Mobility and Trade Plan.

At the nexus of the state's transportation initiatives is FDOT's Freight Mobility and Trade Plan (FMTP). Focusing on objectives and strategies to benefit the movement of goods, the FMTP takes the lead in implementing the suggested guidelines set out in the Moving Ahead for Progress in the 21st Century (MAP- 21).

The FMTP Policy Element, completed in June 2013, lays out objectives and strategies that will guide FDOT's future multimodal priorities, while informing the industry of freight-related directions. The Investment Element, projected to be completed by the end of summer 2014, will address how the state will identify and prioritize freight projects and consider financing associated with the list of proposed projects.



2013 FDOT Freight Leadership Forum: FDOT Secretary Ananth Prasad, CareerSource Florida President/CEO Chris Hart

Identified by FDOT Assistant Secretary Richard Biter as an “industry lead document”, gaining feedback and stakeholder knowledge from outreach with partners across the state is crucial to the FMTP's success. Under the leadership of Assistant Secretary Biter, The FMTP Business Forum and the Annual Freight Leadership Forum were created to promote the inclusion of a diverse range of strategic transportation visions in the development of the Freight Mobility and Trade Plan.

The FMTP Implementation Guide has been created, outlining the specific FDOT offices and partner agencies responsible for execution of the FMTP Policy Element. This guide assists in the initiation of policies set out in the FMTP –key not only for FDOT, but also for the progression of economic development and infrastructure growth within Florida's communities.

With the creation and implementation of the FMTP and the District Freight Coordinator positions, FDOT is truly institutionalizing freight planning within the state of Florida.

FDOT also continues to work closely with Enterprise Florida, Career Source Florida, and the Florida Chamber of Commerce to on initiatives, including the partnered supported www.freightmoves-florida.com logistics portal which serves as a one-stop shop for accessing, growing, and benefiting from Florida's freight system.

In meeting state goals, FDOT and its partners are taking the correct steps to keep Florida moving forward in becoming America's Gateway to the World, and with a governor who “gets it” when it comes to the far reaching effects of transportation on everyday life, Florida will continue to grow as an international hub for trade and logistics, and as a great place to work, live – and play.

Source: Florida Department of Transportation

Former FedEx Canada President to Head Port

Jon Slingerup named Chief Executive

The Long Beach Board of Harbor Commissioners voted in June to name Jon W. Slingerup, a veteran corporate executive with extensive experience in global logistics and environmental technologies, as the Port of Long Beach's new Chief Executive.

"After an extensive, nationwide search, the Board of Harbor Commissioners is very pleased to recommend the appointment of Jon Slingerup as the Port's new Chief Executive," said Harbor Commission President Doug Drummond. "He's an extremely capable leader, proven team-builder and expert at managing a world-class organization. In our highly competitive, quickly changing industry challenged by major environmental and energy issues, he's the perfect person for the job."

With the pending expansion of the Panama Canal and the aftermath of the 2008 recession, port communities throughout North America have been highly focused on maintaining and growing their business. At the same time, ports have faced public pressure to "green" their operations.

"With a strong operational and environmental track record, we're confident that Jon can move us ahead as the Best Green Seaport in the world while providing experienced leadership in developing advanced cargo-handling technology and infrastructure," said Drummond.

Harbor Commissioners made the decision on Slingerup in an executive session following their regular June 23 board meeting. Slingerup will succeed former Executive Director J. Christopher Lytle, who left the Port nearly a year ago for a similar position at the Port of Oakland.

"We undertook a rigorous and thorough review process," noted Commissioner Lori Ann Farrell, who chaired the Port's search committee in a national review coordinated by executive search firm Boyden. "In Jon we found the ideal combination of leadership, vision and execution that we need to take us strongly into the next decade."

With more than 30 years of corporate leadership experience, Slingerup has served the past two decades as a president, CEO and/or director of both public and private companies, having built businesses ranging from technology startups to a billion-dollar subsidiary of FedEx Corporation. During the last seven years of a distinguished 20-year career with FedEx, Slingerup served as President of FedEx Canada, which he transformed from a small regional domestic courier operation into Canada's leading international express logistics company. Since FedEx, he has served as a CEO and board director of environmental technology companies providing leading-edge solutions in marine ballast water treatment, renewable energy and distributed power generation to customers throughout the world.

Drummond also expressed his deep appreciation to Interim Executive Director Al Moro, previously the Port's Chief Harbor Engineer. "Al stepped into a challenging environment to calm the organization, keep our \$4 billion of improvement projects underway and assist the Board in getting to this exciting day. We thank Al and offer our deepest gratitude."

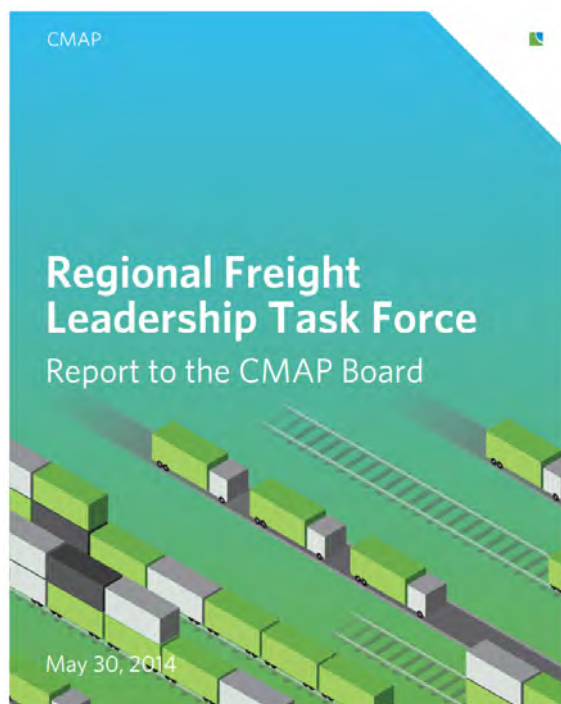
Source: Port of Long Beach

Metropolitan Chicago takes steps toward regional freight leadership

In 2013, the CMAP Board convened a Regional Freight Leadership Task Force as recommended by the GO TO 2040 plan to explore strategies for supporting the region's position as a multimodal hub for domestic and international freight. The group has now issued its advisory report to the Board.

Its recommendations focus on three components -- planning, funding, and programming -- to enhance the freight system in northeastern Illinois. The first is to incorporate robust, multimodal freight planning into the next regional comprehensive plan. The second is to secure new funding from user fees to invest in the regional freight system. And the third recommendation combines the first two, harnessing those new revenues strategically to build freight projects and fund operational programs as identified in the regional plan.

While meeting between October 2013 and May 2014, the Task Force also discussed options for regional freight governance. Consistent with the preference expressed in GO TO 2040, the Task Force recommends relying on existing institutions to deliver enhanced freight governance in the region rather than establishing a new, independent freight authority.



In a separate effort last winter, CMAP collaborated with other large U.S. metropolitan planning organizations to articulate reauthorization principles related to freight policy. This group supports three principles to (1) integrate metropolitan regions into the freight investment decision-making process, (2) dedicate \$2 billion annually from a variety of funding sources to freight improvements, and (3) redefine the National Freight Network to comprise a multimodal transportation system.

Read the report here: <http://www.cmap.illinois.gov/documents/10180/90501/FY14-0122%20REGIONAL%20FREIGHT%20LEADERSHIP%20TASK%20FORCE%20REPORT.pdf/be26ed-ae-1d8f-4377-b045-c1578bfb8a1a>

Regional Freight Leadership Task Force Advisory Report

Source: Chicago Metropolitan Agency for Planning (CMAP)

Member News



Washington State has new plan to keep freight moving

A new plan to ensure the safe, reliable and efficient movement of goods from supplier to customer is now ready for public review and comment. The Washington State DOT worked with private and public partners across the state on the plan. Once finalized, the Washington State Freight Mobility Plan will shape the future of Washington's multimodal freight transportation network and keep Washington's economy moving.

"Preserving and improving freight corridors remains vital to the state economy," said Barbara Ivanov, Director of WSDOT's Freight Systems Division. "We must put a priority on getting our goods to markets, both here in Washington and throughout the world."

The main objectives of the Washington State Freight Mobility Plan are to: guide state and federal investments in Washington state freight corridors; prioritize freight system improvement strategies; and address multimodal freight issues in a single state freight plan.

Public and stakeholder input is a vital component to WSDOT's planning process. Public comment will be taken at meetings in Seattle and Spokane. WSDOT will also accept comments via email at freight@wsdot.wa.gov through Aug. 8. Meeting schedule: 9:30 to 11:30 a.m., Friday, Aug. 1 at the Puget Sound Regional Transportation Council, 1011 Western Avenue, Suite 500, Seattle.

Source: Washington State Department of Transportation

Member News



OKI Awards More Than \$53 Million for Transportation Projects

Ohio-Kentucky-Indiana Regional Council of Governments (OKI) Board President and Hamilton County Commissioner Todd Portune announced today the award of more than \$53 million to be distributed to 25 transportation projects within southwest Ohio.

The funds were allocated through two federal programs: the Surface Transportation Program (STP) for Ohio and the Transportation Alternative program (TA) for Ohio.

"These projects form a comprehensive network that will improve the region's economy and quality of life," said OKI's CEO Mark Policinski. "They attack important roadway problems, while also funding transportation options like bike and pedestrian paths. The environment, the economy and safety of our region will be advanced by these wise expenditures."

Source: Ohio-Kentucky-Indiana Regional Council of Governments

Dewberry Welcomes Transportation Expertise of Rachel Vandenberg

Dewberry, a privately held professional services firm, has hired Rachel Vandenberg, PE, as the national director for ports and intermodal. She will oversee civil infrastructure, facility engineering, and architectural design projects in this market, and brings an in-depth understanding of transportation networks across multiple modes, including freight, intercity, transit, and commuter rail.

Vandenberg comes to Dewberry with more than 25 years of experience providing strategic planning, engineering, and project management for multimodal transportation projects. Her portfolio includes the management of technical and financial studies, environmental studies, design, and construction supervision of rail, freight, highway, and public transportation projects. She has managed relationships with a diverse client base that includes state departments of transportation, self-help counties, regional transportation and transit agencies, class-one railroads, cities, private operators and developers, and port authorities.



Rachel Vandenberg

“We are excited to have Rachel join our transportation group to lead our ports and intermodal market,” said Pam Townsend, senior vice president with Dewberry. “Her leadership and experience in this critical infrastructure market will be instrumental in leveraging our expertise enterprise-wide.”

Vandenberg is affiliated with the American Society of Civil Engineers and the American Railway Engineering and Maintenance-of-Way Association; serves as an executive board member for the California Transportation Foundation; is the Americas Vice Chair for the International Association of Ports and Harbors - Women’s Council; and is a member of Women’s Transportation Seminar (WTS) International. She has lectured and presented articles at several conferences around the world.

Vandenberg earned her bachelor’s degree in civil engineering from the University of California at Berkeley and a master’s degree in business administration, with a concentration in real estate and finance from the University of California, Los Angeles Anderson School of Management. She is a licensed professional engineer in California and Florida.

Source: Dewberry

New Campaign Aimed at Helping Congressmen and Senators With Highway Trust Fund/Transportation Investment Votes

A new website and social media campaign launched today by the American Road & Transportation Builders Association (ARTBA) provides members of Congress with plenty of sound bites to support their vote later this year to provide a sustainable, long-term revenue stream for future highway and transit investments through the Highway Trust Fund (HTF).

TMAW.ORG, the website for the group's "Transportation Makes America Work!" (TMAW) advocacy communications program, features infographics that show the value of transportation infrastructure investment and its impact on health and safety, children, family budgets, American quality of life and the economy.

"People's eyes glaze over when you talk about trillion dollar capital needs, 'X percent' of roads, bridges and transit systems that need repair, and multi-billion dollar government programs," ARTBA President & CEO Pete Ruane said. "What we are doing is taking that data, disaggregating it, and creating mind images that people can relate to. We're presenting facts in ways that families can talk about transportation issues around the dinner table—so they can understand where their gas tax dollars are going and why."

ARTBA's launch target is Capitol Hill. "This is information every member of Congress needs to know and be able to articulate to constituents," Ruane said. "Making sometimes hard decisions on federal investment in transportation infrastructure to secure and support the nation has been in the congressional job description since the first session of Congress in 1789. 2014 is a year they need to step-up to the plate and do what they all know is the right thing for their state and the nation—fix the Highway Trust Fund. We're trying to help them."

TMAW.ORG provides ammunition for politicians of all stripes. One section, for example, draws attention to what the nation's founding fathers and great leaders said about investing in transportation. Another shows graphic maps that depict the future cost of inaction on personal mobility, economic stability and the environment.

ARTBA is rolling out the campaign over two-weeks. The effort is supported by "The Shocking Truth" internet and print advertising in the D.C. market and an aggressive social media strategy. One new set of infographics by topic will be introduced each day, June 17-20 and June 24-28. Phase two of the strategy is pushing the infographics out to the transportation design and construction industry for use with their elected representative back home during the July 4 and August congressional recesses.

ARTBA launched a complementary website in March, www.transportationinvestment.org, introducing the TMAW-supported "Transportation Investment Advocacy Center" (TIAC).

Source: The American Road & Transportation Builders Association (ARTBA)

Research News

Partnership Financing: Improving Transportation Infrastructure Through Public Private Partnerships

Eno Center for Transportation
July 2014

Eno created its Public Private Partnership (P3) working group in 2012 to provide a better understanding of limited availability and the use of P3s as a potential project delivery method. Led by former U.S. Secretaries of Transportation Mary Peters and Norman Mineta, Eno's P3 working group brought together industry leaders and experts to identify barriers to the increased use of P3s and to outline approaches for overcoming these barriers.

In *Partnership Financing: Improving Transportation Infrastructure Through Public Private Partnerships*, the group studied both successful and unsuccessful P3 projects nationwide in an effort to identify lessons learned for policymakers, legislators, and officials interested in using P3s to deliver transportation infrastructure projects. The working group identified patterns in the challenges that localities have faced when using P3s and developed recommendations for federal and local policy to enable greater use of P3s as an infrastructure delivery mechanism in the future.

<https://www.enotrans.org/wp-content/uploads/wpsc/downloadables/P3-paper-04-14.pdf>

Surface Transportation: Actions needed to Improve Documentation of Key Decisions in TIGER Discretionary Grant Program

U.S. Government Accountability Office
May 28, 2014

In summary, we found that DOT did not document key decisions made during the TIGER V grant application evaluation and selection process and deviated from its established procedures and recognized internal control practices. Specifically, DOT did not document key decisions to accept and review applications received after the published deadline; (b) advance projects with lower technical ratings instead of more highly-rated projects, and its procedures were inconsistent with DOT's internal guidelines; and (c) change the technical ratings of lower-rated projects selected for funding to the highest technical rating category. An absence of documentation of such decisions can give rise to challenges to the integrity of the evaluation process and the rationale for the decisions made. We are recommending that DOT establish additional accountability measures for management of the TIGER program including clear procedures for addressing late-arriving applications and for documenting and approving major decisions in the application evaluation and project selection process.

<http://www.gao.gov/assets/670/663630.pdf>

Upcoming Events

September 9-11, 2014: FTR Associates
Transportation Conference
Indianapolis, Indiana



September 14-18, 2014: CVSA Annual
Conference & Exhibition
Buffalo, New York

September 17-19, 2014: National Waterways
Conference 2014 Annual Meeting
Bossier City, Louisiana



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September 21-23
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Long Beach, California

September 21-23, 2014: 2014 IANA Intermodal Expo
Long Beach, California

CAGTC & Freight in the News

DOT Secretary Foxx Urges Congress to Pass Long-Term Highway Bill

Material Handling & Logistics

July 23, 2014

<http://bit.ly/1z2HaZE>

DOT Secretary Foxx rips Congress's short-term extension as gimmicky "Band-Aid"

Logistics Management

July 22, 2014

<http://bit.ly/1nS9hbw>

CAGTC endorses Build America Investment Initiative

Railway Age

July 18, 2014

<http://bit.ly/1nSaeR6>

President Obama warns of job losses if Congress fails to act on transportation funding

American Journal of Transportation

July 02, 2014

<http://bit.ly/1nSa4sR>

DOT prepares stopgap plan as funding for Highway Trust Fund is nearly exhausted

Fleet Owner

July 01, 2014

<http://bit.ly/1nSarUs>

Why Join CAGTC?

Shape Policy

CAGTC Members have the opportunity to help shape policy and legislation with an organization that is known for getting results on the Hill. Membership gives you a seat at the table as our positions are vetted, debated, finalized and carried to the halls of Congress, where we then pull out the votes. All members are invited and encouraged to participate in our various policy and planning committees, which meet by phone, email and, occasionally, in person.

Up To Date Information

CAGTC strives to keep our members well informed and keyed in on important national freight developments. Because our work focuses solely on goods movement issues, we are able to disseminate concise, lightening-quick updates. Our members often tell us that CAGTC delivers information quicker than any of their other DC connections!

Access

CAGTC holds one annual, in-person meeting every spring, with impressive member turn out. In addition to our annual meeting, we hold smaller member events on a regular basis, such as our Congressional Goods Movement Briefing each spring and our Trade Corridor Summit in 2007. We also meet regularly with Congressional Members and staff and with the Administration. All of these meetings are free and open to members. Given that this is authorization time, we expect our calendar for Hill visits to book up quickly - in the run up to SAFETEA-LU, CAGTC held over 500 meetings with policy makers!

Up to Date Information

In all our endeavors, the Coalition highlights its member organizations as examples of good projects and how the process should work. We do this in our regular meetings on the Hill, at conferences and during presentations and in our newsletter, which goes out every other month. Members have a spotlight for recent achievements, a sounding board of experts for advice, as well as an opportunity to network with like-minded organizations.

To learn more contact:

Elaine Nessel

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For more information about **The Coalition for America's Gateways and Trade Corridors**
or for newsletter submissions,

please visit our website at www.tradecorridors.org or
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State of the U.S. Ocean and Coastal Economies 2014



Center for the Blue Economy
at the Monterey Institute of International Studies



About the Authors

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Dr. Charles S. Colgan, Chief Market Economist for the NOEP and Professor at the University of Southern Maine, received his PhD in Economic History from the University of Maine. His career spans over three decades of experience in government and academic settings addressing issues of regional economic management, change and planning, natural resource management, and environmental management with a focus on coastal and ocean resources.

Dr. Jason D. Scorse, Director, Center for the Blue Economy, received his PhD in Agricultural and Resource Economics from the University of California, Berkeley. He is the Chair of the International Environmental Policy Program at the Monterey Institute, and his research interests include environmental and natural resource economics, ocean economics, non-market valuation, economics of sustainable development, and behavioral economics.

Pat Johnston, Data Manager, Center for the Blue Economy, earned a BA in Math & Statistics from the University of West Florida. Most of his career has been spent building interactive information systems, and he has been working with the NOEP for over a decade.

Matt Nichols, Research Assistant, Center for the Blue Economy, is a master's candidate in the International Environmental Policy Program at the Monterey Institute.

Acknowledgements

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Finally, we want to thank NOAA's Coastal Service Center, particularly Jeff Adkins, for the timely transfer of data, and all of the others who have contributed data to the NOEP's efforts over many years.



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Definitions and Terminology

The following terms and definitions regarding economic indicators and valuation categories are presented in the beginning of this report to avoid repetition and for purposes of clarity so that the reader can understand fully the intent of the authors.

Coastal Economy

The sum of all economic activity occurring in counties defined by states as part of their coastal zone management program or part of a coastal watershed as defined by the U.S. Geological Survey. For purposes of analyzing the Florida coastal economy, counties are divided between shore-adjacent and inland counties more clearly to illuminate the differences between the shoreline and inland regions.

Consumer Surplus

Non-market values reflected in the difference between what consumers pay for a good and the maximum that they would be *willing* to pay for the same good.

Dead Zones

“Dead zones” in this context are areas where the bottom water (the water at the sea floor) is anoxic—meaning that it has very low (or completely zero) concentrations of dissolved oxygen. Because very few organisms can tolerate the lack of oxygen in these areas, they can destroy the habitat in which numerous organisms make their home (NASA 2009).

Dollar Values

Values are expressed in constant dollars with 2005 as the base year unless otherwise stated. Wages are adjusted using the U.S. Consumer Price Index (CPI). The Gross State Product (GDP-S) is estimated using U.S. Bureau of Economic Analysis (BEA) estimates of real GDP (Landefeld 1997).

Direct values are those activities associated only with the designated ocean sectors such as recreation & tourism and living resources (examples include labor and capital costs associated with fish processing or ship building).

“Chain weighted dollars” are a method of computing the difference in value arising solely from changes in price. This is done by first estimating changes in the quantities of goods and services produced at different time periods

and then separating overall changes in value into price and quantity changes. The result is a more accurate method of estimating the effects of inflation on changes in output than using multipliers. (For more information, see Yuskavage, Robert 1996 Improved Estimates of Gross Product by Industry 1959-1994. Survey of Current Business August 1996.)

Unless otherwise indicated, all measures are stated as direct values.

Employment

Annual average wage and salary employment (excluding self-employment) as reported in the Quarterly Census of Employment and Wages (formerly known as the ES-202 employment series). This definition covers about 90% of employment in the United States. It excludes farm employment, the military, railroads, and self-employment. Wage and salary employment measures employment by place of work, not by place of residence. It also measures jobs, not people. It does not distinguish between full- and part-time work, or year-round and part-year jobs. The data in the NOEP database are annual average employment.

Gross Domestic Product (GDP)

GDP-S is a measure of the contribution of the sector to the value of goods and services in the economy. GDP is a measure of value-added, or sales, minus the cost of inputs. Using this measure eliminates “double counting,” among sectors. GDP data are published only at the state level and for industry aggregations greater than used in the ocean economy definition. In order to estimate a share of GDP in an ocean or coastal economy industry, the proportion of the GDP for a given sector is calculated based on the proportion of total wages paid in that sector by a given establishment. Since wages often account for as much as 60% of GDP, this method is a reasonable approximation of individual establishments’ contribution to GDP.

Geography

“County” means a county or a county-equivalent area as defined by the Census. In most states, the county is an administrative unit of local government; this includes parishes in Louisiana. In Massachusetts and Connecticut the county has little or no administrative function, and historical county boundaries are used. In Alaska, the borough or the Census-designated area is used. In Virginia, counties

and cities are separate administrative units, and both are included as “counties” in the NOEP data. In Florida, the City of Miami consolidated with Dade County to create Miami-Dade County; this consolidated unit is used in all NOEP data.

North American Industrial Classification System (NAICS)

NOEP Economic statistics are grouped by a classification system known as the North American Industrial Classification System (NAICS), which imperfectly reflects the relationship between economic activity and the ocean. The NAICS is the successor to the Standard Industrial Classification. It was developed in the 1990s as a part of the North American Free Trade Agreement (NAFTA) to provide a common basis for the United States, Canada, and Mexico to measure their economic activity. The definition of the ocean economy industries is derived from the NAICS classification codes for the industries. The definitions can be found in Table 3.1.

The sectors marine construction, marine living resources, offshore minerals, ship & boat building and repair, coastal tourism & recreation, and marine transportation include specific industries that contribute to the ocean economy. Those industries shown in *italics* are considered ocean-related only when they are located in near-shore areas, which is defined by location in a shore-adjacent zip code. The use of NAICS codes and geography provides the best means of measuring the ocean economy. This methodology is based on available data consistent across all states and can provide information from the national to the local level.

National Ocean Economics Program (NOEP)

The National Ocean Economics Program is the core research activity of the Center for the Blue Economy at the Monterey Institute of International Studies. Funded by a private donation from the Loker Foundation and other generous donors, The NOEP compile, analyse and distribute data at www.oceaneconomics.org, to provides users with accurate and timely estimates of changes in the nature and value of the ocean and coastal-based economy.

Non-market Values

Values attributed to goods and services which are not exchanged in normal market transactions, but which have economic value nonetheless.

Ocean Economy

The concept of the ocean economy derives from the ocean (or Great Lakes) and its resources being a direct or indirect input of goods and/or services to an economic activity: a) an industry whose definition explicitly ties the activity to the ocean, or b) which is partially related to the ocean and is located in a shore-adjacent zip code. This is defined in part by the definition of an industry in the North American Industrial Classification System¹ (for example, deep sea freight transportation) and partly by geographic location (for example, a hotel in a coastal town).

Wages and Salaries

Total wages and salaries paid; all wages are shown in year 2005 dollars. Self-employed is included.

¹ As of 2000, all industries are classified using the North American Industry Classification System (NAICS) rather than the Standard Industrial Classification (SIC by BLS). NAICS focuses on how products and services are created, as opposed to SIC which focuses on what is produced. Using NAICS yields significantly different industry groupings from those produced using SIC.

Executive Summary

ES.1. Introduction

The nation's coasts and oceans contribute much to the United States economy. For the past 14 years, the National Ocean Economics Program (NOEP), now a program of the Center for the Blue Economy at the Monterey Institute of International Studies, has compiled time-series data that track economic activities, demographics, ports and cargo volume and value, natural resource production and value, non-market values, and federal expenditures in the U.S. coastal zone both on land and in the water. A report on the ocean and coastal economies of the United States was released by NOEP in 2009 covering data through 2005. This report is an update of that study covering the period 2007–2012. State summaries from this report are available on the NOEP website under publications. The major conclusions of the report are summarized here.

All of the data discussed in this report are available on the NOEP website at www.oceaneconomics.org. In 2010, the Coastal Services Center of the National Oceanic and Atmospheric Administration (NOAA) took over production of the Ocean Economy data series using a methodology developed by NOEP that combines existing federal data from the U.S. Bureau of Labor Statistics, U.S. Bureau of Economic Analysis, and the U.S. Census Bureau. Therefore, the Ocean Economy data are also available from NOAA's Coastal Services Center in a different format, at <http://www.csc.noaa.gov/digitalcoast/data/enow>.

To understand the economy of the ocean and coasts, we distinguish three different approaches to measurement:

- The coastal economy—total amount of economic activity originating in coastal regions. We measure this as employment, wages, and output in 10 sectors located in coastal states, in counties that are adjacent to the shoreline of the oceans and Great Lakes, those counties considered part of State Coastal Management Programs, in those counties located in coastal watersheds, and in inland counties that are not in watersheds.
- The ocean economy—we measure employment, wages, and output from 6 sectors and 21 industries whose goods and services derive in one way or another from the oceans and Great Lakes.
- The non-market values measured by the value people place on coastal and ocean resources above and beyond

what they buy in markets but which are often quite significant.

The chapters in this report cover each of these elements, using 4 indicators: employment, wages, number of establishments, and Real Gross Domestic Product (RGDP). In addition to these indicators, the Ocean Economy section (Chapter 3) also includes additional information that NOEP compiles related to several of the sectors: port and cargo information under “Marine Transportation”, beach nourishment data under Marine Construction, and Production and Value data under both “Marine Minerals” and “Fishing Industries.”

ES.2. The Coastal Economy

The coastal economy of the United States is big by any absolute or relative standard, and the economy of the coastal states largely drives the U.S. economy. Coastal states contributed 81% of U.S. employment in 2012 and 84% of total U.S. GDP. Within these states, the shore-adjacent counties comprise 37% of overall employment on just 17.5% of US land area, indicating that the concentration of the nation's economy is found near the oceans and Great Lakes.

Coastal waters are the great mixing zones of salt and fresh water, and thus the ecological definition of the coasts extends inland to include adjacent watersheds. By extension, the economic definition follows the ecological definition. When watershed counties are included (i.e., counties covered by the Federal Coastal Zone Management Program), 2012 values for employment rise to 67 million employees, representing just over half (51%) of all employment in the U.S. and two-thirds (56.1%) of U.S. GDP (see Figure ES.1).

The coastal economy is primarily an urban economy and the distribution of economic activity along the coasts is driven significantly by forces affecting urban regions, most notably the spread of population and economic activity away from the city centers in the pattern that has come to be known as “urban sprawl.” Over the past 20+ years, population growth has generally been faster away from the shore while employment growth has been faster nearest the shore, though employment growth has somewhat accelerated inland in recent years.

Recent changes in the coastal economy have been driven by a national economy that has undergone a significant recession followed by a slow recovery. Between 2007 and

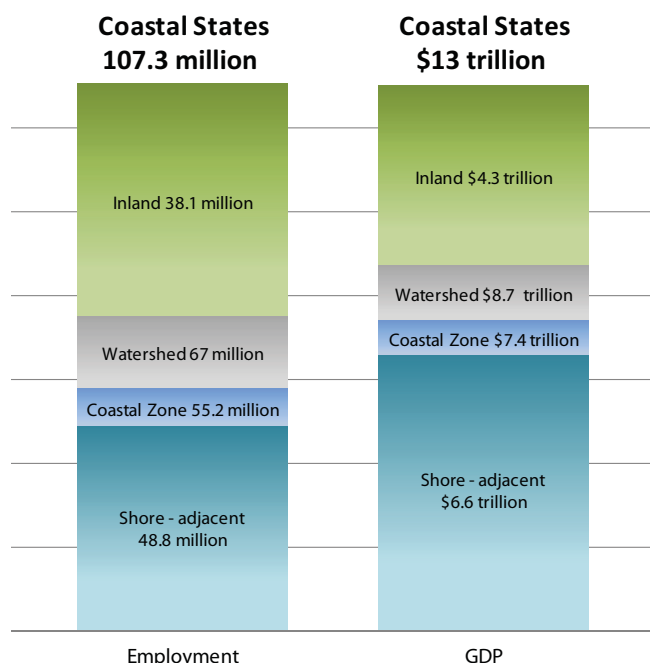


Figure ES.1. Components of the coastal states economy in 2012.

2012, coastal states lost 3.8 million jobs, accounting for 80.5% of national job losses, but contributed an additional \$260 billion to GDP, reflecting the faster recovery in GDP and slower recovery in employment. Shore-adjacent counties lost 1.6 million jobs, (44% of U.S. losses), while coastal watersheds lost 2.2 million jobs (61% of U.S.).

Employment growth in shore-adjacent areas has generally been fastest in the Gulf Coast states and slowest in the Great Lakes states. Growth in the shore-adjacent counties of the Gulf of Mexico has been variable, ranging from moderate growth in Louisiana, Mississippi, and Texas to a major decline in Florida. Alaska and New York were the only other states to show some recovery in their shore-adjacent counties between 2007 and 2012, while the other coastal states have not yet recovered from employment losses.

The geography of America's coasts is enormously varied, and reflecting this, coastal states exhibit great variety in the size and role of their coastal economies. Three states (Rhode Island, Delaware, and Hawaii) are entirely comprised of shore adjacent counties, though they are small, ranking 18th, 17th, and 20th respectively in shore-adjacent county employment. At the other extreme are the large states with large urban areas. California is the largest state in overall employment as well as the largest in employment in shore-adjacent counties. New York and Florida are also at the top of employment and near the top of the proportion of state employment in shore-adjacent

Table ES.1 Coastal state and shore-adjacent counties employment, 2012

State	Coastal State Employment		Shore-adjacent Counties	
	Employment	Rank	% of State	Rank
Alabama	224,090	26	12.3%	26
Alaska	279,771	24	85.5%	4
California	11,607,875	1	77.6%	5
Connecticut	951,307	14	58.4%	10
Delaware	405,214	20	100.0%	1
Florida	5,368,259	3	73.1%	7
Georgia	208,528	27	5.4%	29
Hawaii	604,874	17	100.0%	1
Illinois	2,727,015	5	48.4%	14
Indiana	285,786	23	10.2%	27
Louisiana	685,462	16	36.6%	16
Maine	322,929	21	55.4%	11
Maryland	1,277,132	10	50.8%	13
Massachusetts	1,712,214	9	52.8%	12
Michigan	1,731,046	8	44.0%	15
Minnesota	113,634	30	4.3%	30
Mississippi	143,874	29	13.3%	25
New Hampshire	180,304	28	29.4%	19
New Jersey	2,519,037	6	66.8%	9
New York	6,506,129	2	76.0%	6
North Carolina	321,477	22	8.2%	28
Ohio	1,170,118	13	23.2%	22
Oregon	249,700	25	15.2%	24
Pennsylvania	1,213,178	12	21.7%	23
Rhode Island	450,687	18	100.0%	1
South Carolina	422,718	19	23.4%	21
Texas	2,851,906	4	26.6%	20
Virginia	1,219,575	11	33.7%	18
Washington	2,078,302	7	71.8%	8
Wisconsin	947,724	15	35.2%	17

economies. Other states such as Alaska and Maine can be characterized as smaller in size, but the coastal economy is more essential to the state. On the other hand, states like Pennsylvania and Virginia rank highly in the size of their coastal economy, but much lower in the proportion of the state's economy in shore-adjacent economies (See Table ES.1).

ES.3. The Ocean Economy

In 2010 the ocean economy comprised over 2.7 million jobs and contributed over \$258 billion to the GDP of the United States. The largest sector by both employment and GDP is the Tourism & Recreation sector, accounting for 1.9 million jobs and \$89 billion in economic output (Table ES.2).

The size of the ocean economy can be appreciated by comparing it to employment and GDP in other regions and industries. In 2010:

- In terms of states, the ocean economy would be the 25th largest state by employment and the 20th largest state by GDP, the same size as Colorado.
- In terms of coastal states, the ocean economy would be the 14th largest coastal state by employment and the 18th largest coastal state by GDP.

Table ES.2. Ocean Economy by Sector 2010

Ocean Sector	Ocean Industry
Construction	Marine Related Construction
Living Resources	Fish Hatcheries & Aquaculture
	Fishing
	Seafood Markets
	Seafood Processing
Minerals	Sand & Gravel
	Oil & Gas Exploration and Production
Ship & Boat Building	Boat Building & Repair
	Ship Building & Repair
Tourism & Recreation	Amusement and Recreation Services
	Boat Dealers
	Eating & Drinking Places
	Hotels & Lodging Places
	Marinas
	Recreational Vehicle Parks & Campsites
	Scenic Water Tours
	Sporting Goods Retailers
	Zoos, Aquaria
Transportation	Deep Sea Freight Transportation
	Marine Passenger Transportation
	Marine Transportation Services
	Search and Navigation Equipment
	Warehousing

The multiplier effects of the ocean economy

The people and organizations in the ocean economy affect the total U.S. economy to a greater extent than is indicated by the employment and output measures discussed so far. The firms in the industry buy inputs from other industries whose sales are thus indirectly dependent on the ocean economy's success. The employees in the ocean industries spend their incomes and these sales to employees are said to be induced activity from the ocean economy. Together these effects are known as the "multiplier effect."

Multiplier effects are estimated using economic models that trace the purchases of firms and employees in the ocean economy (the "direct" effects) throughout indirect and induced effects. For the ocean economy, IMPLAN, one of the major economic models of this type, was used in this study. The resulting estimates indicate that the ocean economy has an employment multiplier of 1.92, meaning that the 2.8 million jobs in the ocean industry in 2010 were associated with indirect and induced jobs totaling 2.6 million. Thus the total employment associated with the ocean economy was 5.4 million jobs. The multiplier effect estimates for GDP is 2.45, meaning that an additional \$375 billion is generated on top of the \$258 billion that was directly generated. The total contribution of the ocean economy is thus estimated at \$633 billion or 4.4% of national GDP (Figure ES.2).

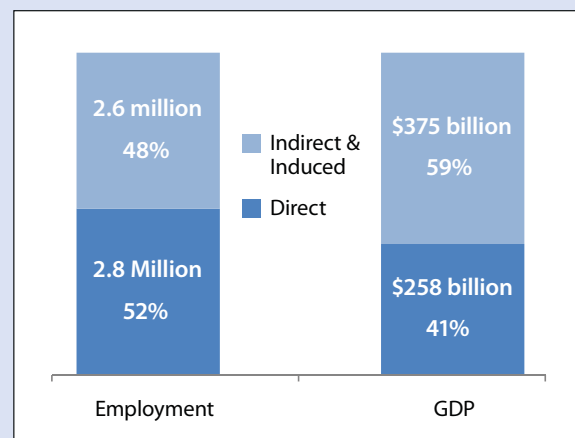


Figure ES.2. Ocean employment and GDP with multipliers, 2010

Table ES.3 Ocean economy sectors

Sector	Employment	"GDP (Billions of Dollars)*"
Construction	46,390	\$5.51
Living Resources	59,354	\$6.02
Minerals	143,995	\$87.37
Ship & Boat Building	144,066	\$10.84
Tourism & Recreation	1,931,746	\$89.25
Transportation	443,934	\$58.73
Total	2,770,000	\$258.00

- In terms of metropolitan areas, the ocean economy would be the 39th largest metropolitan area by employment, about the same size as Atlanta, and the 17th largest metropolitan area by GDP in the United States, slightly smaller than San Diego.
- In terms of industries, the ocean economy supports employment almost two and a half times larger than other natural resource industries such as farming, mining, and forest harvesting, which together employed 1.15 million in 2010.

These estimates likely understate the size of the ocean economy, as the limitations on government data series exclude some important ocean-related economic activities in inland states.

Taking into account the jobs supported indirectly by the ocean economy, the total jobs related to the ocean economy are estimated at 5.4 million in 2010, and the total 2010 GDP including indirect effects is \$633 billion (see sidebar).

Ocean Economy Sectors

Ocean sectors and related ocean industries are outlined in Table ES.3. Employment in the ocean economy grew from 2005 to 2008 in most sectors (except for living resources),

but employment then declined in all sectors during the following recessionary period from 2008 to 2010. The largest employment declines came in transportation (-34,650) and in tourism & recreation (-34,620). The largest rates of decline in real GDP were in the ship & boat building (-26.6%), minerals (-11.7%) and construction (-6.1%) industries. Minerals had the largest growth in employment relative to 2005 and a large decline relative to its peak.

Recent trends in the ocean economy also reflect important long-term trends, the most significant of which is the rise of tourism & recreation as the defining sector of ocean economy employment. Domestic travel and recreation remains affordable to most people, and the oceans and Great Lakes have been a center for U.S. vacations and leisure since the nineteenth century. At the same time, increasing productivity in sectors such as transportation and minerals allowed increases in per capita output with fewer employees. In the fishing industries that make up the majority of the living resources sector, tighter resource management restrictions and natural changes have reduced the significance of what was once a dominant ocean economy activity.

The ocean economy is distributed across the coastal states in ways that are both consistent with the distribution of the national economy as a whole and also unique to certain features of the ocean economy (Table ES.4). For example, four of the five largest states in terms of ocean economy employment are also the four largest states in terms of total employment. These are Texas, California, Florida, and New York. California is the only state ranked in the top five states by employment for five of the six ocean economy sectors and also in the top five in ocean economy overall. The state of Washington ranks highly among states in living resources and ship & boat building because it is the center for the Northwest Pacific fisheries.

Table ES.4. Top five GDP states by employment in ocean sectors and total ocean economy, 2010

Ocean Economy	Tourism & Recreation	Marine Construction	Living Resources	Minerals	Ship & Boat Building	Marine Transportation
Texas	New York	Texas	Washington	Texas	Washington	California
California	California	California	Alaska	Louisiana	Virginia	New Jersey
Florida	Florida	New York	Virginia	Alaska	Connecticut	Texas
New York	Hawaii	Louisiana	Massachusetts	California	Louisiana	New York
Louisiana	Washington	Florida	Louisiana	Michigan	California	Maryland

ES.4. Sector Highlights

Construction

Marine construction was severely affected by the recession, declining more than 13% in employment and 6% in output between 2008 and 2010. Both the decline in overall construction and a drop in oil exploration after the oil price decline in 2008 contributed to this decline. Marine construction is strongly connected to offshore oil activity and ports, which means that the changes in marine construction were greatest in Texas and Louisiana. Together, Texas, Louisiana, Florida, New York, and California accounted for 51% of total marine construction employment in the 27 states for which 2010 industry data are available.

Beach nourishment is another important part of marine construction that has been occurring for more than fifty years, with average annual national expenditures increasing from \$256,800 in the 1960s (in 2005 dollars) to over \$1.3 million a year in this decade. The volume of sand moved has increased in the past two decades, and the cost of each cubic yard of sand used for beach nourishment has increased by nearly 600% in real dollars since the 1960s. California has had the least expensive cost per volume of sand of all states.

Living Resources

Employment in the sector declined throughout the 2005–10 period, with the most severe drop occurring in 2007–08, when consumer demand fell dramatically during the onset of the recession. This drop in demand translated into sharp drops in both employment and GDP for the sector. Output had shown some recovery by 2010.

Measuring employment in the living resources sector is difficult because most fisheries employment is not included in standard employment data. Commercial fish harvesters are considered self-employed in most cases and not included in the Quarterly Census of Employment and Wages. Using data from the Census Non-employer Series, about half the living resources sector employment is comprised of self-employment, with an estimated 59,618 jobs in 2010. Both types of employment declined from 2005–2009.

The Northwest Pacific (i.e., AK, CA, HI, OR, and WA) fisheries remain the largest source of fish landings; this share increased from 68% to 72% between 1990 and 2011. After the Pacific, the two most important fisheries regions are the Gulf of Mexico and New England, both of which experienced a more than 10% decline in landings and employment over the past decade.

Minerals

The oil & gas exploration and production industries dominate the minerals sector, accounting for 94% of employment and 99% of sectoral GDP. Because of the dominance of oil and gas in this sector, employment and output growth are closely tied to world oil prices. Employment and output growth have risen and fallen with oil prices usually with a one-year lag in an inverse relationship. For example, in both 2008 and 2010, an increase in the price of crude oil corresponded to a decrease in GDP; in 2009, a drop in price corresponded to an increase in GDP.

Between 2005 and 2010, offshore (state & federal) crude production decreased in all regions except the Central Gulf region (Louisiana). This region accounted for 85% of 2012 production and generated a 35% increase for the period.

It appears that state offshore production has decreased in all states except Texas, offsetting the drop in the outer continental shelf (OCS). However, estimating Texas state production has been difficult and unreliable. In general, offshore production, both state and OCS has dropped in all states except in the Louisiana OCS.

Ship & Boat Building

Ship building, primarily for the U.S. Navy, comprises 85% of the employment in this sector. The boat building industry in the U.S. primarily serves the recreational market and demand in virtually all segments of the recreational boating market collapsed with the onset of the financial crisis and the recession. Therefore, while ship building remained fairly steady throughout the recession, the boat building industry suffered a significant decline, losing 57% of employment (28,095 jobs) from 2005 to 2010.

Tourism & Recreation

Eating and drinking establishments along with hotels and other lodging located in shore-adjacent zip codes make up the vast majority of both employment and output in this sector. These two sectors comprise 94% of employment (eating establishments are 74%) and 92% of GDP (eating establishments are 56%). Unlike other ocean economy sectors, tourism & recreation employment and GDP grew in all coastal states despite the economic effects of the recession. This continued growth is rather remarkable because much of the U.S. coast has already been intensively developed for tourism. While growth in new establishments varied greatly from state to state, overall eating and drinking establishments grew by about 12.4%, while hotels and lodging had only 0.5% growth between 2005 and 2010.

As with fish harvesting, the tourism and recreation sector is also characterized by a number of employees being self-employed, particularly in industries outside the lodging and eating industries. The Census Non-employer data series indicates that there are about 27,500 self-employed jobs in the tourism and recreation sector, accounting for 1.4% of overall sectorial employment.

Marine Transportation

The Marine Transportation sector comprises five industries: deep sea freight, marine passenger, marine transportation services, warehousing (when located in a shore-adjacent county), and search and navigation equipment. The industries are approximately equal in size in terms of employment. However, the search & navigation equipment industry dominates the share of GDP, comprising just over half of the sector. This distribution reflects the high output of the electronics equipment industry during this period, of which search & navigation equipment is part.

Employment in the marine transportation sector rose during the end of the last expansion period, but fell throughout the recession by nearly 8%. Meanwhile, GDP growth was consistent through the period, though it too fell sharply during 2008–09. This trend of GDP contribution rising faster than employment reflects long-term productivity improvements throughout this sector.

Data on cargo departing and arriving in US ports indicated a 2.4% (35 million ton) increase in volume and 30.9% (\$340 billion) increase in value of cargo during the period 2005–2008. During the recession (2008–2010), shipping weight declined by 5% (74 million tons) and shipping value declined by 12.7% (\$183 billion). Reflecting recovery after the recession (i.e., in 2010–2012), shipping weight increased by 0.4% (5 million tons) and shipping value increased by 21.5% (\$270 billion).

The Non-Market Ocean Economy

Economists refer to the values realized from the use of resources that is in excess of the values directly paid for as “non-market values”. Unlike other measures of the ocean economy, measurement of non-market values is done through many different studies of specific resources using a variety of measurement approaches to different resources, geographies, and time frames. In order to provide access to this array of measurements, the NOEP has developed a database that brings together key information from a large number of individual studies carried out by researchers around the U.S. available through the website at <http://oceanomics.org/nonmarket>.

Non-market values are critical to an increasing number of management decisions about resource management. For example, one of the most significant coastal resource management issues concerns wetlands, particularly in Louisiana and the Gulf of Mexico where development, hurricanes, and pollution threats like the Deepwater Horizon oil spill have resulted in significant degradation. Examples of studies of the economic value of Gulf of Mexico wetlands include an analysis of the value of restoring wetlands in the Barataria-Terrebonne estuary which measured at between \$105 million to \$201 million. Other studies have looked at the values of restoring barrier islands off Mississippi. Residents stated a willingness to pay of \$22 per household to maintain the current state of the islands for 30 years, but restoration to pre 1969’s Hurricane Camille was valued even higher at \$152 per household. Respondents indicated the most important reason to invest in barrier island restoration was hurricane protection.

ES.5. The Future: Measuring the Ocean Economy

The development of the measurements of the ocean and coastal economies that has made this report possible is still in its early stages. A number of efforts are underway in the U.S. by NOEP and NOAA to improve these measurements. In addition, a number of countries have undertaken to measure their ocean economies using approaches based in part on the methods developed by NOEP. The next several years could see significant expansion in our understanding of ocean and coastal regions and resources. Among the changes under development at NOEP:

- Measuring the ocean economy in inland states.
- Measuring new industries and improving the measurement of existing industries. Examples of new industries to be assessed include marine research and education, ocean-related financial industries, marine technology industries, tidal and wind energy, and coastal real estate.
- Improved measurement of the fisheries harvesting sector.
- Improved measurement of the ocean-related GDP through the construction of an ocean “satellite account” to the national income accounts.
- Improving the measurement of non-market values through constructing time series; broadening the geographic areas where nonmarket values have been estimated.

- Improved understanding of recreational non-market values and linking market and non-market values to improve decision making.

Ultimately, the ocean economy should be understood through an integration of the market values and the non-market values of coastal and ocean resources. Such an integrated view can be provided by incorporating “environmental accounting” into national income accounting. This has been done in several countries and the European Community, but Congress has limited the ability of federal agencies to make these modifications in the U.S. accounts. The development of an ocean satellite account noted above is an important step to both improving our current market estimation methods and to a more complete picture of the economic value of coastal and ocean resources.

Finally, the Center for the Blue Economy is creating a global network of researchers interested in improving our understanding of the economics of coastal regions and ocean resources through the establishment of a new peer-reviewed *Journal of Ocean and Coastal Economics*, and the organization of a series of workshops, symposia, and conferences.

DEPARTMENT OF TRANSPORTATION

TO BE DISCUSSED AT MEETING

TAB 8
LEGISLATIVE

TAB 8A
LEGISLATIVE:
STATE

Looking Ahead to 2015 Session



MEMORANDUM

DATE: September 9, 2014

TO: Paul Anderson, Steve Cernak
Chairmen, Legislative Committee

CC: Val Schwec, Chairman
Doug Wheeler, President and CEO

FROM: Michael Rubin, Vice President Governmental Affairs

SUBJECT: **2015 LEGISLATIVE PLATFORM**

As you know, the elections of November 2015 will bring a new legislative leadership and committee structure for the next two years. Speaker-Designate Steve Crisafulli (R- Merritt Island) will lead the House, and President-Designate Andy Gardiner (R-Orlando) will lead the Senate. We do not expect any official report on who the chairmen of the transportation or appropriations committees in the House or Senate may be until after the November elections.

The House and Senate will hold their "Organizational Session" on November 18, 2014. In recent years, these organizational sessions have been short meetings with basic briefings for newly-elected members. We may have the opportunity to provide some educational material to these members about the impact of Florida's seaports. It is our plan to provide the appropriate House and Senate committees with briefing materials, and request a formal presentation in front of those committees when they begin their formal committee hearing processes.

Our initial platform for Regular Session 2015 issues includes the following:

1. **Funding.** Over the past four fiscal years, the Governor and Florida Legislature have increased the total annual level of funding for seaports to over \$100 million. As you know, the statutory minimum for the Florida Seaport Transportation and Economic Development (FSTED) Program is a minimum of \$15 million, and an additional statutory minimum of \$35 million is provided for seaport projects in the Strategic Port Investment Initiative (SPII). The Governor's budget recommendation is not required to be provided to the Florida Legislature until the end of February 2015. Staff recommends that our initial legislative funding platform for Regular Session 2015 contain the following two elements:
 - a. **Increase the statutory minimum for the FSTED Program from \$15 million to \$25 million.** We also should seek to place this statutory change in the Florida

Department of Transportation (FDOT) legislative package for Regular Session 2015. The last statutory change was made in 2012, and was part of the overall FDOT legislation.

- b. **Continue the annual funding of seaport projects by the Governor and Legislature of over \$100 million.** The proposed FDOT Work Program for Fiscal Year 2015/2016 currently contains approximately \$70 million for seaport projects – this includes bond debt reserve payments of \$35 million, FSTED funds, SPII funds, growth management funds, Strategic Intermodal System funds, and district FDOT funds. These numbers are preliminary, but this would mean that the minimum statutory number of \$50 million for the FSTED Program and the SPII Program would not be funded. Staff has discussed this issue with FDOT staff, and they have stated they would provide funding for the minimum amounts of both programs in their recommended FY 2015/16 Work Program.
2. **Confidentiality of Rate Agreements.** Currently federal law (46 U.S.C. 40306) provides that rate agreements with carriers and other tenants that are filed with the Federal Maritime Commission are exempt from disclosure to the public – unless relevant to an administrative or judicial proceeding. Florida’s Sunshine Law does not provide a similar exemption, and such rate agreements are subject to release to any entity – including a competitive port entity in another state – that requests the documents containing the rate agreement. We recommend that legislation be introduced (would require a stand-alone bill) that would provide the same exemption available under federal law in Florida statutes.
3. **Non-divisible/Non-containerized Truck Weight Limits.** As you may recall, this issue has been an ongoing discussion with FDOT, especially after the rule change authorizing a weight limit increase for the transport of containerized cargo. Representative Adkins filed a bill last year, and may file similar legislation in the 2015 Regular Session. We continue to work internally with FDOT on the issue of non-divisible non-containerized cargo, and hope to seek resolution through the rule making process. If necessary, legislation may be required to direct the FDOT to increase these weight limits.
4. **Repeal of State Taxes not Imposed by Other Competitive States.** Economic development leaders in Florida continue to look at Florida’s tax structure to determine if there are any areas that impose an undue or non-competitive burden on the expansion or location of businesses in Florida. In past legislative sessions, there have been several bills introduced to repeal specific taxes – manufacturing, corporate income tax, motor vehicle license fees, sales tax on commercial rentals, etc. In addition the FPC has previously worked to introduce port tax credit legislation similar to those tax credits adopted in Virginia and other states. Generally, House and Senate leadership will decide upon a list of priority economic development incentives or tax repeals sometime during the session.

Staff recommends working with the Department of Economic Opportunity, Enterprise Florida, Florida Chamber, Associated Industries of Florida and other state economic

development organizations to present a list of possible incentives or repeals that could be passed during Regular Session 2015. This could include the following:

- a. **Repeal of Sales and Use Tax on Commercial Real Property Leases.** Currently, commercial rentals are taxed at 6 percent at the state level, plus the local discretionary surtax. Florida is the only state that imposes a specific sales tax on commercial leases. Legislation has been filed the past few years to phase out the sales tax over several years, but has not received a hearing to date in either the House or Senate. One of the reasons for the lack of interest by the House and Senate is the potential negative fiscal impact of this legislation. According to the state Revenue Estimating Conference, the current amount of state revenue being generated by this sales tax is approximately \$1.5 billion. Enterprise Florida and the Florida Chamber have identified this repeal as an issue to be presented to the Florida Legislature.
 - b. **Legislation to Authorize a Tax Credit for Investment/Development of Freight and Logistics Facility.** A freight and logistics facility tax credit for businesses expanding or creating such a facility was created by legislation in 2012. In that legislation, business were authorized a tax credit of \$3,000 per job created or equal to 5 percent of the capital investment in the facility. The legislation also capped the annual amount of tax credits that could be awarded at \$10 million. The tax credit legislation was not heard in the House or the Senate. Again, fiscal impact as well as other economic development incentive legislation worked against a hearing on this issue by the Florida Legislature.
5. **Other Regulatory or Permitting Issues.** The Seaport Environmental Management Committee of the FSTED Council will be meeting in September and discussing potential issues related to state and federal permitting procedures. Based on these discussions and other sessions with FPC consultants, there may be the potential for additional legislation related to these discussions.
 6. **FPC Partners Legislative Priorities:** Our partners (e.g. Enterprise Florida, Florida Chamber, AIF, etc.) often ask for our support of their legislative priorities. To date we have heard from Enterprise Florida and the Florida Chamber on some early issues for the 2015 Regular Session. These include – support the creation of an International Business Caucus, support level funding for Enterprise Florida international offices, and support a permanent consular corps staff position in the Governor’s Office.

Follow the Florida Ports Council to get the latest news on seaport issues:



TAB 8B
LEGISLATIVE:
FEDERAL

Federal Initiatives

Federal Issues

**Water Resources &
Reform Development Act
(WRRDA)**

WRRDA

STATEWIDE TOWN HALL

THE WATER RESOURCES REFORM & DEVELOPMENT ACT

AUGUST 29TH, 2014
10:00 A.M. - 12:00 P.M.

Port Tampa Bay Cruise Terminal 2
651 Channelside Drive, Tampa, FL 33602

Join various statewide port and community stakeholders as we gather to celebrate the passage of the WRRDA, a critically important piece of legislation that will dramatically improve our country's ports and their ability to compete on the global stage. Interact with multiple Florida members of the U.S. House Transportation and Infrastructure (T&I) Committee on the benefits of this historic, bi-partisan legislation recently signed into law by President Obama.



Congresswoman
Castor



Congressman
Webster



Congressman
Southerland



Congressman
Jolly

HOSTED BY



**FOR MORE INFORMATION REGARDING THIS
FREE EVENT CONTACT:**

Lynn Reece (813) 905-5130 lreece@tampaport.com

MAP-21

TO BE DISCUSSED AT MEETING

Miscellaneous

TO BE DISCUSSED AT MEETING

TAB 9
OTHER ISSUES



September 3, 2014

Port Canaveral

Governor Rick Scott
State of Florida

Port Citrus

The Capitol, 400 South Monroe
Tallahassee, FL 32399-0001

Port Everglades

Dear Governor Scott:

Port of Fernandina

As you reach the end of your first term as Governor, we wanted to take this moment to thank you for your consistent commitment to Florida's economy through your championship of Florida's seaports and maritime workers. As you know, the jobs of 680,000 Floridians are supported by maritime activity occurring at our seaports -- moving millions of cruise passengers and over 105 million tons of international and domestic cargo. Your leadership has helped us maintain and grow these high-paying blue-collar jobs in Florida.

Port of Fort Pierce

Port of Jacksonville

Your actions as Governor are unprecedented in Florida's maritime history. One of the first steps you took as Governor of this great state was to promote our maritime infrastructure and private sector industry by repealing an outdated and duplicative Florida credentialing law that negatively affected Florida's ability to grow commerce. This law was a precursor to robust federal credential regulations on our nation's seaports and previous efforts to repeal the law had been unsuccessful. In fact, longshoremen, truckers and other port workers had been working to repeal the law for years prior to you becoming Governor. This repeal alone saved Florida workers millions of dollars and demonstrated to international businesses everywhere that Florida was the place to conduct maritime business free of undue and duplicative regulations.

Port of Key West

Port Manatee

PortMiami

However, it is your efforts to invest in Florida freight mobility infrastructure that will truly shape Florida's economic future. Over the past four years, you have championed the efforts to invest over \$700 million in priority infrastructure projects that will enable Florida to capture growing cargo markets in the United States and Latin America. This amount exceeds any other investment made by previous administrations, and has already attracted the attention of maritime businesses and shipping companies around the world. Florida is now seen as a leader in freight mobility development in the U.S.

Port of Palm Beach

Port of Panama City

Port of Pensacola

We applaud you for your efforts to change the economic development landscape of the state of Florida. Under your administration, Florida has become the international trade pier for the U.S. to reach every corner of the globe. Florida is not only the primary destination point for the tourists of the world, but will soon become the primary cargo shipping point for the Americas and beyond. Thank you for everything you have done for the 680,000 Floridians that are employed by the growing commercial activities at Florida's seaports and the Florida families that depend on the efficient and effective flow of commercial goods throughout our state.

Port of St. Petersburg

Port of Port St. Joe

Respectfully,

A handwritten signature in black ink, appearing to read "Doug Wheeler".

Doug Wheeler, President and CEO
Florida Ports Council

Port Tampa Bay

TAB 10
ADJOURNMENT

GUEST SPEAKER BIOS



Manuel A. Mencia
Senior Vice President,
International Trade & Business Development



Manuel (Manny) A. Mencia is the senior vice president of the International Trade & Business Development division of Enterprise Florida, Inc., (EFI). The division is headquartered in Miami and maintains offices in six Florida cities as well as several countries around the world.

Manny joined Enterprise Florida in 1996. Prior to that, he served as vice president of World Marketing at The Beacon Council between 1992 and 1996. He has acquired extensive international trade expertise, having served in various executive positions at the Florida Department of Commerce between 1977 and 1991.

In 2009, EFI received the President's E Star Award for Export Promotion Excellence, our nation's highest trade development honor. In 2000, *Export Magazine* and the Council for Urban Economic Development (CUED) conferred their Gold Award to EFI's division of Trade Development, as the best statewide export development organization in the country.

Manny currently serves as president of State International Development Organizations (SIDO), the national organization of state trade development agencies. He also serves on the board of the Florida Export Finance Corporation, World Trade Center-Miami, Florida Trade Partners Alliance, and the Florida District Export Council. Manny obtained a Bachelor of Science degree from Florida International University in Education and a Bachelor of Arts degree from St. Thomas University in Political Science.





Mike Grissom

Senior Director of Political Affairs

Mike Grissom is Senior Director of Political Affairs for the Florida Chamber of Commerce, Florida's largest business federation, representing 139,000 companies, associations, state and local chambers. In his role with the Chamber, Grissom works side by side with leading Florida political strategist and Senior Vice President of Political Operations Marian Johnson recruiting candidates and working with campaigns as a non-partisan advocate for free enterprise.

Grissom has more than a decade of experience working in an impressive number of gubernatorial, state and local races across 13 states. During the election of 2012 he served as chief liaison between the Republican Party of Florida and the Mitt Romney Campaign and in 2010 played a role as a strategist for Governor Rick Scott's 2010 election. His successful focus on data and turnout operations helped lead the Governor to victory with just over 61,000 votes, one of the closest elections in the history of Florida.

From 2011 to 2013 Grissom served as the Executive Director of the Republican Party of Florida. He also served as Deputy Executive Director under Chairman Dave Bitner where he helped implement a number of reform initiatives in both positions.

A native of Tampa, Florida Grissom graduated from the University of Central Florida and currently resides in Tallahassee.

