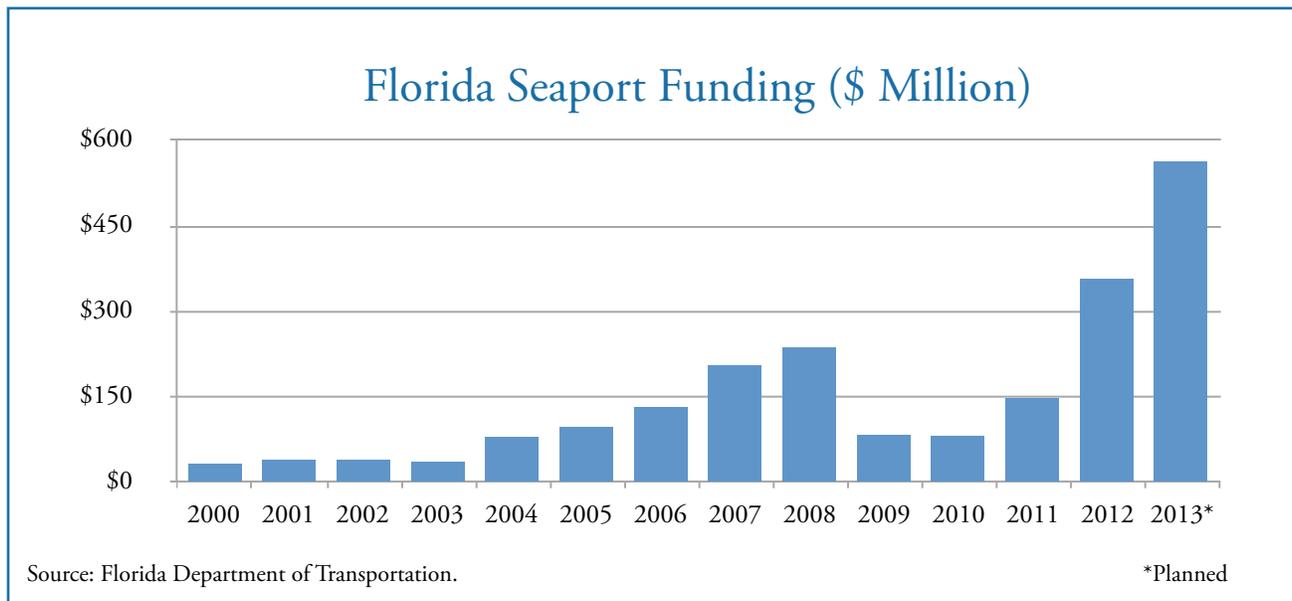


Florida Invests in Competitiveness

To diversify Florida's economy and make our state more competitive, Florida is investing in seaport and related infrastructure more than at any other time in our history. This new infrastructure will allow Florida companies to be more efficient handling freight, and will allow additional opportunities for companies to transport their goods to markets in and out of Florida.

The chart below shows Florida's investment in its seaports, showing significant increases during 2012 and planned for 2013. This is, in part, a response to the widening of the Panama Canal and the opportunities that will present themselves to Florida ports and companies.



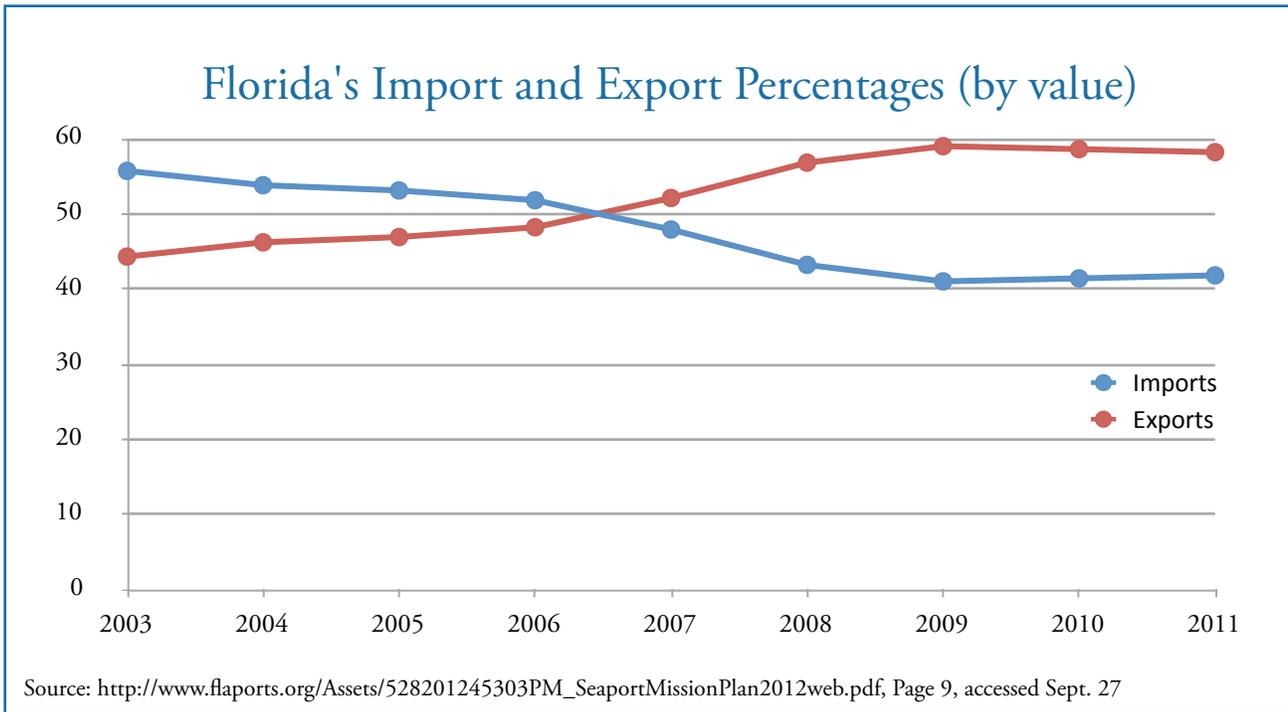
The Panama Canal Expansion

In a nationwide referendum in 2006, the people of Panama voted to allow an expansion of the Panama Canal. Expected to cost more than \$5 billion, the project includes the building of new locks on both the Atlantic and Pacific sides of the canal, building new channels to access the new larger locks, and dredging existing channels to accommodate larger ships. These improvements are expected to double the capacity of the 50-mile canal. The project is expected to be completed in 2014. This is likely to shift world trade logistics, and will result in an opportunity for Florida to increase its role in international trade.

The Panama Canal improvements will allow the use of significantly larger ships. The highly-specialized "post-Panamax" ships will have nearly three times the capacity of the older ships. The downside for many ports is that the newer ships when fully laden require around 50-foot



deep channels, and few U.S. ports have been dredged to that level. Fortunately, Port Miami had prior clearance from the Army Corps of Engineers to dredge to that level – and that work is already planned. When completed, Port Miami will be the closest U.S. 50' deepwater port to the Panama Canal.



How is Florida Getting Ready?

Florida is already the 4th largest exporting state, and has enjoyed a trade surplus since 2007. The chart above shows the time path of Florida’s transition to being an exporting state.

Florida had a record year in 2011 with \$149 billion in international trade, including a \$24.4 billion trade surplus. Waterborne trade was 55.4 percent of the total, with the majority of the remainder by air. Trade is diverse, with 31 countries that had at least \$1 billion in trade with Florida, with the top ten covering more than \$81 billion. Brazil is by far the largest, with \$18.5 billion in 2011.

In terms of total waterborne international trade, by value, none of Florida’s ports are currently in the top 10 of U.S. ports, although Port Miami is 6th in the U.S. for exports (as opposed to total trade which includes imports and exports) with \$26.6 billion in 2011. Miami is 12th overall in international trade, with a little over \$50 billion in 2011, and Tampa is 14th, with \$30.6 billion. No other Florida ports are in the top 35 for total international waterborne trade.

To prepare for taking a larger share of international waterborne trade, Florida is making some major investments to be prepared for the year 2014. These are detailed in the report “Florida Seaports: Charting our Future”¹, which is available at www.flaports.org. It closely examines each of the Florida ports, along with information about the \$2.68 billion in capital improvements planned for the years 2011 through 2016. These projects include some projects to help retain Florida’s leadership in cruises, as well as several to improve access to ports, infrastructure improvements, and material handling improvements. Two of the most important projects are those in process at Port Miami and the Port of Tampa, both of which relate to improving Florida’s role in international waterborne trade.



1. http://www.flaports.org/Assets/528201245303PM_SeaportMissionPlan2012web.pdf, accessed Sept. 27

Port Miami

Port Miami has three large projects underway, totaling more than \$1 billion in investment, to get itself ready for the future as a logistics hub. These projects include channel dredging, re-fitting and expanding a damaged rail line to the port, and digging a tunnel that will allow trucks better access to Interstate 95 from the port.

First, in March 2011, Governor Rick Scott directed the Florida Department of Transportation to include \$77 million for the Port Miami dredging project. The entrance channel will be dredged to a depth of 50 feet, so that “post-Panamax” ships will be able to reach the port. At the time, the improvements to Port Miami were projected to bring 30,000 new jobs to the area.

Second, the rail line that connected the port and the mainland was damaged during Hurricane Wilma in 2005. Since that time, containers unloaded at Port Miami have been offloaded to trucks. This rail line will be greatly expanded to include an on-dock intermodal container transfer facility that will allow easy double-stacking of containers on the train cars. The repaired rail line will allow direct connection with the Florida East Coast railway, allowing quicker deliveries to U.S. cities on the east coast and the Midwest.

Third, a tunnel is being dug under the channel, so that trucks will have access to the Interstate system instead of having to drive through downtown Miami. A giant tunnel boring machine has completed the eastbound tunnel, and will be turned around to dig the westbound tunnel. The tunnel will allow trucks to connect with I-395, avoiding trips and the traffic through downtown Miami to access the port.

Port of Tampa

To increase the speed of transporting containers and ethanol, the Port of Tampa entered a public-private partnership with CSX Corporation and Kinder Morgan Energy Partners. The group combined to build a two-mile rail loop for the dockside rail line that will allow unloading of ships onto trains with as many as 96 railroad cars. Known as the Tampa Gateway Rail Terminal, the \$11 million project will be completed within a few weeks. The rail loop will allow the use of “unit trains” – one train filled with one type of freight, all going to the same destination, which is efficient because it saves multiple train changes for freight cars and tankers. The Port of Tampa will be the only Florida Port with a “unit train” system, helping the Port of Tampa diversify its operations by increasing its shipments of containerized freight and ethanol.

The Florida Department of Transportation, along with Florida’s Turnpike Enterprise and the Tampa-Hillsborough County Expressway Authority are building an elevated toll road with exclusive truck lanes that will link the Lee Roy Selmon Expressway and Interstate 4, allowing trucks going to and leaving from the Port of Tampa much more efficient access to the interstate highway. Not only will truck travel be more efficient, the project will relieve the Ybor City National Historic District from a significant amount of heavy truck traffic.

Benefits to Florida

These improvements, along with many others currently in progress or planned will make Florida much more efficient handling freight and will lead to new opportunities for businesses in Florida, as well as increasing our state’s competitiveness in the world market. Existing businesses will be able to take advantage of low-cost, efficient freight service to increase their competitiveness and expand their businesses. Florida will also be able to use its system to attract new businesses to the state, providing jobs for Floridians and additional revenues for the state.



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