

Shaping the Future of Florida Transportation & Logistics

In 2010, transportation stakeholders gathered to address needed changes to Florida's transportation planning mechanisms. In collaboration with the Florida Department of Transportation (FDOT), the Florida Chamber Foundation brought together representatives from all sectors of the transportation industry, business, and state government to develop plans for Florida's transportation and logistics future.

The study was designed to identify the needs of the various components of the logistics system: roads, seaports, aviation, rail, spaceports, and pipelines. Trade flows were projected for the next 10, 25, and 50 years using research from outside experts on the current flow of freight into, within, and out of the state across all transportation sectors. Individual interviews were conducted with regular users of transportation services, as well as those tasked with planning for transportation needs, to help identify opportunities and develop strategies for Florida's transportation and logistics system.

The result of this collective effort was the *Florida Trade and Logistics Study*, the first transportation study in Florida that took into account such a wide variety of stakeholders and system components.

The study earned a significant amount of interest from the private sector and the state's transportation and economic development agencies. State officials recognized that a coordinated, system-wide plan would generate substantial increases in private-sector investments, which could create jobs. The release of the report brought needed attention to the importance of the trade and logistics sector in the future of Florida's economy.

THE IMPACT OF THE *FLORIDA TRADE & LOGISTICS STUDY*

Acknowledging the importance of a highly-developed and efficient logistics system to the health and vitality of the Florida economy, Enterprise Florida added Logistics to its Target Industry Sector List in 2011. The Target Industry list includes those sectors of the Florida economy that pay higher wages than average, have substantial positive effects on other sectors of the economy, and contribute to the diversification of the Florida economy. Companies in applicable industries are eligible for economic development incentives to assist them in expanding their presence or moving their business to Florida.

- 2010 Trade and Logistics Study Released
- 2011 Enterprise Florida, Inc. adds Logistics to the Qualified Target Industry List
Office of Freight, Logistics and Passenger Operations created within FDOT
- 2012 Florida Legislature passes HB 599; FDOT creates Strategic Port Investment Initiative and Intermodal Logistics Center Infrastructure Support Program
- 2013 Freight Mobility and Trade Plan Policy Element Completed
Trade and Logistics Study 2 Expected

According to Juan Flores, Florida’s State Freight and Logistics Administrator, the Study “...recognized the significant role that freight mobility plays as an economic driver for the state, creating a strategic outline for the development of the Office of Freight, Logistics, and Passenger Operations.”

In December 2011, the Office of Freight, Logistics and Passenger Operations was created within the FDOT, made up of specialized offices for Aviation and Spaceports, Rail and Motor Carriers, Seaports and Waterways, and Transit. These offices work with local and federal government partners to plan, coordinate, and finance projects. The creation of this office was a significant step toward making Florida a global hub for trade, logistics, and export-oriented manufacturing.

In 2012, the Florida legislature passed HB 599, which required FDOT to develop the Freight Mobility and Trade Plan. The goals of the plan included increasing the flow of trade in and through Florida, increasing intermodal centers, increasing the development of manufacturing industries, and increasing the use of natural gas and propane to reduce transportation costs in Florida.

The Freight plan established the Strategic Port Investment Initiative and the Intermodal Logistics Center Infrastructure Support Program within the FDOT. The Infrastructure Support Program provides seed funding for private-sector businesses that meet established criteria for projects that support Florida’s transportation network. The policy element of the Freight plan was completed in July of this year, and the investment element will be completed by July 2014.

The progress made through the system-wide planning effort positioned Florida well to benefit from new federal legislation. The Moving Ahead for Progress in the 21st Century Act (MAP- 21) was signed into law on July 6, 2012. MAP-21 required states seeking federal transportation dollars to develop and follow a logistics plan, required the U.S. DOT to designate the nation’s primary freight network, and allows states to designate critical rural freight corridors. MAP-21 also made some new activities eligible for these funds, extended the Highway Trust Fund through 2016, and provided states a statutory right to use tolls within Federal parameters if they use electronic toll collection.

MAP-21 breaks the trend of earmarking funds for specific projects. The more traditional funding structure saw more than \$20 billion in federal funds specifically assigned to more than 5,000 local projects, instead of a system-wide allocation to meet the entire nation’s needs.

FLORIDA HAS BENEFITTED SINCE THE RELEASE OF THE FIRST TRADE & LOGISTICS STUDY

Florida’s elected officials have started to understand the importance of efficient freight movement and its effect on the state’s economic vitality. It is clear that existing Florida companies can use more efficient logistics channels to increase their competitiveness and expand their revenues. In addition, system-wide improvements will also entice out-of-state and foreign companies to relocate trade-related businesses to Florida.

Tony Carvajal, Executive Vice President of the Florida Chamber Foundation said that the Study committee is aware “...that what was at stake was Florida’s once-in-a-generation opportunity to position us for global competitiveness.”

Doug Davidson, Florida TaxWatch Board Member and Chairman of the *Trade & Logistics 2* Steering Committee said that, “since the first Trade & Logistics Report was released in 2010, Florida exports have grown by \$8 billion – to a level of \$66 billion. There have been 19,600 Trade and Logistics jobs created since 2010, plus 8,500 manufacturing jobs. Now international trade and investment totals 18 percent of Florida’s economy.”



TRADE & LOGISTICS 2 REPORT

To continue the state’s progress, the second iteration of the *Trade & Logistics Report* is currently underway. The latest workgroup includes recurring participants such as Cambridge Systematics, Inc., the Florida Chamber Foundation, FDOT, industry professionals and members of the private sector. Chaired by Bank of America Market Executive Doug Davidson, the group has been meeting and analyzing the potential impacts of positioning Florida as a global hub.

The *Trade & Logistics 2 Report* will be released on October 14th at the Florida Chamber’s Future of Florida Forum at Disney’s Contemporary Resort in Orlando. The release will be followed by a summit, and regional rollouts, where *Trade & Logistics 2* can be discussed and further developed with input from stakeholders across all the regions in Florida.

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Economic Commentary written by
Jerry D. Parrish, Ph.D., Chief Economist, and
Executive Director of the Center for Competitive Florida,
with assistance from **Jennifer Linares, MS**, Research Analyst.

Robert Weissert, Chief Research Officer
Chris Barry, Director of Publications

John Zumwalt, III, Chair, Florida TaxWatch
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Dominic M. Calabro, President, Publisher, and Editor

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