

2010 SIS Strategic Plan Update

Trade and Logistics Breakout Group Meeting Summary

Meeting Date: 4/20/09

Meeting Time: 3 PM – 5 PM

Type of Meeting: Teleconference

Participants: Leadership Committee members: Toy Keller (Florida Ports Council), Debra Lemke (Florida Airports Council, designee for Bob Ball), Tony Carvajal (Florida Chamber Foundation)

Observers: Fred Springer (Olive Bryans Miller), Dave Tassinari (Florida Transportation Commission)

Support Staff: Meredith Dahlrose (FDOT Seaport Office, Lead Technical Advisor), Brian Watts (FDOT Office of Policy Planning), Huiwei Shen (FDOT Office of Policy Planning), Tom Duncan (FDOT Aviation Office), Lawrence Massey (FDOT District 1), Jason Alderman (FDOT District 3), Amie Goddeau (FDOT District 4), Jeff Weidner (FDOT District 4), John Zielinski (FDOT District 5), Theresa Jacobs (FDOT District 5), Susan Van Hoose (FDOT District 7), Hal Beardall (FCRC-Consensus Center), Rafael Montalvo (FCRC- Consensus Center), Michael Williamson (Cambridge Systematics), Sarah Adams (Cambridge Systematics), Tara Crawford (Cambridge Systematics)

Agenda:	3:00 Welcome and introductions	Hal Beardall
	Review Agenda and Teleconference Protocols	
	3:05 Review Breakout Group Charge, Purpose and Process	Hal Beardall
	Questions for clarification	
	3:15 Presentation: Domestic and International Trade Trends in Florida	Sarah Adams
	Questions for clarification	Michael Williamson
	3:30 Briefing: Status of Statewide Rail and Seaport Plans	Meredith Dahlrose
	3:45 Identify and Discuss Key Trade & Logistics Issues And Questions	All Members
	<ul style="list-style-type: none">• Review and clarify key issues and questions identified by the Leadership Committee• Identify additional key issues and questions• Identify initial draft policy recommendations for further discussion at the next teleconference	
	4:50 Next Steps and Schedule	Hal Beardall
	5:00 Adjourn	Hal Beardall

Key Discussion Comments:

Questions & Comments on Presentation:

- For Slide 5, why is waterborne trade flat?
 - The purpose of this slide was to show domestic waterborne tonnage nationwide. We projected waterborne trade out to 2035. The green block (which represents truck) represents the opportunity for increased trade, if we respond with the infrastructure for waterborne commerce relative to jobs and market capture. We must consider the assets and benefits with changing the paradigm to capitalize on this opportunity. We call this domestic because it's moving on the ground, but it includes international trade as it deals with nearby competitors, including Savannah, etc.
- How is this graph applicable?
 - The graph describes how cargo moves domestically within the U.S. The reason waterborne tonnage is a smaller portion is because the high growth in waterborne commerce is not in domestic trade, but in international trade.
- Does it include international trade, including trade with Asia?
 - No, but it represents Asian trade being trucked into Florida, instead of the cargo being in the ports.
 - The numbers do include the foreign trade, but when it moves from international shipment to the trucks.
- We are concerned that the graph depicts that ports are insignificant. We need another graph that shows international trade in relation to waterborne traffic, and how trade from other states relates to truck and rail in Florida.
 - Additional information can be provided.
- The same question applies to Florida Cargo Relies of All Modes (Slide 8)
 - These graphics came from the 2003 TRANSEARCH data set. However, we included what was handled in the ports. This slide represents what occurs for international and domestic ports. Updated graphs will be provided when additional data become available for all modes.
- Does this include double counting for the trucks handling cargo in the ports?
 - There is a small amount of double-counting. However, we will look into the data analysis for counting Florida cargo.
- Was there any use of the seaports data to verify some of the graphs?

- We validated the numbers from the ports' reported total in counties that had seaports.
- Why is the data so old? (referring to the 2003 information)
 - This data was originally used for the freight plan. The freight plan has been updated for a while, and this is the latest information that is available. We have not purchased a new data set to update these numbers, due to the high cost.
- Maybe we could say that the green slice (in slide 8) that represents trucks comes from out of state? Does the truck portion include what occurs within the state or from the seaports? How does that tonnage get to the state of Florida?
 - This includes all cargo movement, within Florida; intrastate and interstate.
- There is concern about the double counting for the movement within Florida.
- If the cargo is coming into the ports and transferred to trucks, then the double-counting does come into play when the state is investing in all the infrastructure to handle the cargo for both highway and seaport components. We need to consider a supply chain method of analysis instead of the current mode analysis for domestic trade.
- We need to come up with a better way of measuring cargo totals and movement within the state across the modes.
 - Additional analyses can be performed when new data is available.

Question #1: How can the SIS prepare for anticipated growth in global trade over the next few decades?

- Is the state going to position itself to handle the medium ships with the widening of the Panama Canal, or do we want to position the state to handle the larger ships? If we choose to not accept those ships but use the Bahamas (or other Caribbean ports), do we have a unified state plan for the seaports, or are we planning on leaving it up to the individual ports? Do we need to determine as a state how to position ourselves for the smaller Caribbean ships or the bigger Asian ships? What about the Santiago port?
 - First, we should consider that most of the consumer markets are in South Florida, which leaves the question as to whether we need the larger ships. In the northeast part of Florida, there may be a need for it because of the potential for east west trade. If we are considering this particular region, then we should rethink current dredging projects.
- It would be helpful to consider a trade flow analysis to determine and help plan for future distribution of goods within the state; from ports to trucks to consumers. FPC may have a sponsor for a trade flow analysis, and the data that come from this analysis could provide the state with the necessary information to help us with that. The market will help to determine which ports will handle the larger ships, be global ports, and/or regional distribution centers.
- If we are going after international trade we need to focus on the dredging.

- Not all ports will be global ports; the market should determine this and not the state.
- Are we setting up Jacksonville for international trade and the other ports for Florida (domestic) trade? If so, then the other ports will fall short. This is a very controversial issue. It doesn't seem that we have the information to fully determine this.
- It is very easy to distribute at the regional level, but how will we accommodate potential trade with Cuba in the next decade?
- With the lifting of the embargo, how are we going to position ourselves for the increased trade? If it's in Jacksonville, great, but if it's in South Florida, we need to expand rail operations.
- Freight is where SIS comes in play; SIS is missing a freight component. At the national level there is consensus around creating a freight funding source within the surface transportation act but also through fees collected to dedicate to freight mobility. This could translate to projects that can be implemented, and help Florida with a federal freight plan.
- We don't have the money for all the projects that are needed, and the SIS needs to respond.
- This is where having a state freight plan would be key. This is how we attract federal dollars. The SIS would be the perfect vehicle to administer this. Florida needs to be in position to accept federal dollars.
 - FDOT Seaport Office has drafted a Freight and Goods Mobility Plan but it has not been through the adoption process.
- The state should be aggressive in pursuing this.
- Perhaps we can invest in a regional, incentivized plan for freight to be able to accept money. The SIS would be a great place to insert this component. We need to be aggressive if we are going to compete with the West Coast ports. We should package this as a regional incentive program that brings together MPOs, modes, etc and this broad group of stakeholders will help attract federal money. This will make our chances for getting funding better.
- South Florida is in desperate need of truck stop facilities. We need a truck facility to ease mobility for load and cargo transfer. There is need for such facilities in RACEC areas. This initiative is something that we should go after with private partnership to help alleviate congestion in these areas. Is there a way to address this through the SIS?

Question #2: Should there be proactive efforts to develop inland ports and distribution networks?

- Ultimately, the market will determine the success of an inland distribution center.
- We're seeing these as private developments across the country, especially in the private sector (developers, truckers, shippers). This private business initiative is being seen all over Florida.

- We have to consider a trade flow analysis. The trade flow analysis would give us the patterns to understand the trade flow in our state. If you refer to Slide 10 in presentation, we can see where the population is concentrated. Those concentrated areas are where the population, money, and employment are found. These are all elements to consider for a successful inland port.
- Just because we have money and land does not mean that an inland port will work. Just because you build it doesn't mean they will come.
- Florida can help gather the information to determine where the need is for these types of centers. The shipper these days are very savvy and they know exactly what they need and are looking for. The state can help focus the thought process, and assist the private sector and market in providing for these consumers.
- The market will dictate whether we need an inland port. For example, the Port of Palm Beach has been pursuing an inland port concept and the FDOT has been supporting this effort.

Question #3: How should this opportunity be addressed in the SIS Strategic Plan?

- We need to consider where to address this in the SIS, which may make it narrower in scope.
- We should broaden ports to include a more descriptive focus that includes rail, drayage, dredge, etc. We should broaden our terminology to be more inclusive.
- The SIS Update should also consider freight villages in addition to the inland port. We are looking into several feasibility studies in District 5 within the Metroplan area.
- The Intermodal Logistics Center (ILC) is more descriptive and includes inland ports, freight villages, etc. This is a better way to describe this concept.
- Intermodal connectors are just as important to these centers and should be considered. Connectivity to rail and seaports will be critical.
- A statewide freight plan would help the FDOT know how to incorporate ILCs in the SIS including how to connect them.
- Is there a set of criteria for inland ports in the SIS?
 - There is none currently, but this is being addressed in the Seaports meeting. We also have to consider a higher level, state-level view to prioritize freight movement, within the state and hinterland, and the connectors that will support freight and cargo movement.

Question #4: What policy changes should be considered as part of the 2010 SIS Strategic Plan update?

- *Changes to goals and objectives*
- *Changes to designation criteria*
- *Changes to planning and prioritization processes*

- *Other*
- The SIS needs to have a freight mobility component, like a Freight Mobility Plan.
- We would like to understand the discrepancy in terms of eligibility among the modes in how they are able to use SIS money. Currently, it seems that the various modes have different support. For example, are airports allowed to use SIS funds for acquisition?

Question #5: *How can partner coordination be enhanced to address these issues?*

- Who would be the partners with the most to gain, if we do consider an inland port/ ILC?
Who does FDOT reach out to?
 - Seaports, private companies (for example, Wal-Mart)
- Who do we consider partnering with to construct an inland port/ ILC?
 - In addition to those already on the Leadership Committee, there are others including developers, shippers, economic development interests, work force, MPOs, local communities, etc.

Other Comments

- If we were to develop something like a logistics center, there seems to be confusion with the modes concerning the location and the dynamic mix of trade and flow movement.
 - We were talking about a freight vision. I think we should have a mission so the state can have a protocol for dealing with local governments that want to develop this. The real question is to consider: what is the role of FDOT? This will probably be defined in how FDOT chooses to deal with this topic.
- There is a need to focus towards leveraging outside funding sources. We need a greater state vision in this area whether it is for federal, private, or any other types of funds that we are going after. The SIS does not have enough funds to accomplish all the state's needs. We need to learn how to leverage funds, to encourage projects to be built.

Action Items:

- Next meeting will be May 11 from 1:00 PM to 3 PM.
- Staff will develop language for policy statements.
- Presentation or other materials will be provided in advance of the next meeting.
- Today's presentation and questions will be provided at sisupdate.org.