

I. PREFACE: IS THE WOLF AT THE DOOR?



Over the past four years, Florida has lost international trade and market share to domestic and global competitors. The primary cause: global economic conditions and direct competition from domestic and global seaports building new facilities and capacity at our state's expense. The 2002 decline of just over half a percentage point in the state's share of U.S. trade represented \$3 billion in the value of that trade.

To achieve and maintain a competitive advantage in today's global marketplace, Florida's transportation system must be able to provide better facilities and service than its competition, moving goods and people more efficiently and more cost effectively. Florida has a strategic advantage to accomplish this goal: geographic location. The state provides a land bridge between world markets and the nation. But this advantageous geographic location can also be an obstacle to successful trade relationships if the length of the Florida peninsula creates service inefficiencies and higher transportation costs that prevent the state from outperforming its competitors in these two critical areas.

Why is Florida losing market share? What must Florida do to sustain its role as a trading state and global economic leader? And where does it stand on the path to continuing international competitiveness and economic prosperity? To shape an answer to these serious questions, a recent study, *Competitive Issues Affecting Florida's Seaports*,¹ assessed the competitive position of Florida's seaports and reviewed what other states and port communities are doing to attract the new business and industry essential to a healthy international trade environment. This edition of the annual *Seaport Mission Plan* discusses the important findings of that study and places them in the context of current state and federal funding and policy issues. It also discusses the urgent need for a comprehensive approach to intermodal connectivity. This can be achieved only by a statewide commitment to improving the state's Corridors of Commerce.

Florida Must Build an Interconnected Transportation System to Stave off the Competitive Wolves at Our Borders

To overcome some of the transportation constraints that impede the flow of goods to and from Florida's seaport communities, the state must build interconnected transportation systems, not just discrete roadway improvements. This way of thinking is captured in the Florida Department of Transportation's (FDOT) new *Strategic Intermodal System (SIS)*, which was authorized by the Florida Legislature; but more is needed to make a difference in today's competitive environment. The state needs not only to identify "strategic statewide significant trade corridors" for federal and state funding consideration; but also to do battle to achieve that funding and see that the needed infrastructure, including critical connectors on the SIS, is built on a fast track. To date the only federally designated corridor in Florida is for high-speed rail. As a result, the state has not only been short-changed in the federal allocation of corridor dollars, but has been losing its competitive advantage to other corridor systems.

WHAT IS INTERNATIONAL TRADE?

- Trade is the annual aggregate volume of goods flowing through Florida's regional customs districts to (exports) and from (imports) world markets.
- Capturing trade is a dynamic process that depends upon the success of a seaport "Service Model" and the transportation component delivering goods to market.
- Trade flows over the cheapest, fastest, and most direct route from point of origin to point of destination.

¹*Competitive Issues Affecting Florida's Seaports*, prepared for the Florida Seaport Transportation and Economic Development Council and the Governor's Office of Tourism, Trade, and Economic Development, 2002.

Strategic Objectives

The seaports propose a strategic plan of action that involves the participation of their federal, state and local transportation community partners as well as the private sector to overcome the obstacles to Florida's competitive position in global commerce. The objectives of this plan at the state level include:

- Identify new funding from FDOT's work program that could be used for intermodal projects.
- Implement the SIS program, including the seaports and their connectors.
- Champion Florida's identified trade corridors for federal designation, making them eligible for federal funding, pending legislative changes in the next reauthorization of the Transportation Equity Act.
- Build on the intergovernmental efforts made on behalf of the Atlantic Commerce Corridor.
- Develop a financing plan that allows leveraging of local, state, federal, and private sector funds to build major regional projects in the designated trade corridors.
- Create an Advisory Council to foster the development of intermodal transportation projects and work with the executive and legislative branches, addressing the constraints to Florida's competitiveness and growth of international trade summarized in this document.

This plan of action also includes the following objectives at the federal level:

- Continue implementing an active Congressional outreach program.
- Continue educating federal policymakers about Florida's Corridors of Commerce.
- Participate in federal transportation funding development for the next reauthorization of the Transportation Equity Act.
- Secure federal rail funding to meet passenger and freight rail improvement plans.

To be effective, this plan of action requires the collaboration of all those involved in Florida's trade:

- All levels of government: federal, state and local.
- Private sector users and owners of Florida's trade and transport system.
- Modes of transportation: seaports, railroads, airports, highways, and space.

Only by a collaborative and focused effort can Florida's trade and transport community overcome the constraints to the state's competitiveness and see global commerce flourish in the years to come. **We all must work together to bring the economic benefits of achieving these transportation goals to Florida's people and commerce.**