

August 30, 2001 Minutes

MEETING SUMMARY

FLORIDA SEAPORT TRANSPORTATION AND ECONOMIC DEVELOPMENT COUNCIL

Meeting of August 30, 2001
EL Committee Room
Senate Office Building
Tallahassee, Florida

A meeting of the Florida Seaport Transportation and Economic Development (FSTED) Council was held on Thursday, August 30, 2001 at 9:00 a.m. in Tallahassee, Florida. Chairman Towsley called the meeting to order and reminded the Council that from 11:30 to 1:00 the South Florida Rail Committee would meet. Assistant Secretary, Mike Rubin called the roll. Members present were:

Mac McLouth, Canaveral
Phil Allen, Everglades
Val Schwec, Fernandina
Robert Bradshaw for Doug Anderson, Ft. Pierce
Rick Ferrin, Jacksonville
Raymond Archer, Key West
David McDonald, Manatee
Chuck Towsley, Miami
Anthony Taormina, Palm Beach
Wayne Stubbs, Panama City
Chuck Porter, Pensacola
Tommy Pitts, Port St. Joe
Michael Perez, St. Petersburg
George Williamson, Tampa.
Debra Corkhill for Governor's Office of Tourism, Trade and Economic Development
Toy Keller for the Florida Department of Community Affairs
Lorenzo Alexander for Florida Department of Transportation

A quorum was present. Also in attendance were:

John R. LaCapra-FPC	Diane Camacho-Miami	John Wright-Parsons
Nancy Leikauf-FPC	Ken Scarbrough-Manatee	Jeff Brown-Everglades
Mike Rubin-FPC	Brenda Menendez-DCA	Helene Dudley-Miami
Ram Kancharla-Tampa	Mike Poole-Pensacola	Chris Novack-Everglades
David Kaufman-Jaxport	Tom Giblin-Nabor,Giblin,Nickerson	Ken Midkiff-DOT
Joe Lapolla-Canaveral	Charles Bronson-Ag. Commissioner	Rob Hebert-WSA
Bert Francis-Canaveral	Steve Seibert-Secretary DCA	Dan Cummings-BSO
Khalid Salahuddin-Miami	Steve Lauer-FDLE	David Hebert-CH2M Hill
Elizabeth Hawkins-House App.Staff	Joyce Pugh-House Trans. Staff	Bruce Grant-ODC
Frannie Hutchinson-Comm. St. Lucie Co.	John Thorington-Tampa	Curt Kiser-Holland&Knight

Lisa Derryberry-SunTrust

Agenda Item 3, Approval of the Minutes, was taken up. The FSTED Council voted to approve the September 27, 2000, FSTED Council meeting minutes.

Agenda Item 4, Report on Revisions to FSTED Council Rules, was taken up. Mr. Rubin reported that the rule, currently noticed in the Florida Administrative Weekly, is required to run for 21 days (ending August 31). No requests for a public hearing on the rule have yet been made. Mr. Rubin reported that the rule is basically unchanged from the last review and should be finalized by mid-September.

Agenda Item 5, Election of Officers and Appointment of Committees, was taken up. Mr. Rubin reported the vice-chair position on the FSTED Council, recently held by Ken Krauter, was vacant. After nomination and unanimous approval, George Williamson was elected vice-chair. Current officers were also affirmed by the Council. Chairman Towsley indicated that Mr. Williamson's move to vice-chair left a vacancy in the treasurer position. Mr. LaCapra asked for clarification that the treasurer is a title required by the bylaws, but without necessarily the responsibility as chair of the Ways and Means Committee. This was affirmed by Chairman Towsley who indicated that he would be satisfied for George to continue in both positions. Mr. Williamson agreed to do so and was unanimously approved by the Council.

Next, Chairman Towsley informed the FSTED Council of committee vacancies. He said that during the last FSTED Council Seaport Environmental Management Committee (SEMC) meeting, Mac McLouth was elected chairman, replacing David McDonald, effective as of the date of this FSTED Council meeting. Robert Bradshaw, representing the Port of Ft. Pierce, was approved by the FSTED Council as vice-chair.

Mr. McDonald indicated that as chairman of the SEMC, he also served as vice-chair of the Florida Ocean Alliance, a committee upon which the ports are represented. He suggested that the FSTED Council approve Mr. McLouth, in his capacity as chair of the SEMC, to take his place on the Florida Ocean Alliance Committee. Mr. McLouth agreed to do so and was approved by the FSTED Council.

Regarding the FSTED Council Seaport Security Committee, the FSTED Council reaffirmed Jeff Brown as chair. The make-up of the Committee was also changed to include the "high-risk" seaports (Everglades, Jacksonville, Miami, and Tampa), and Mr. Porter from Pensacola.

Next, Chairman Towsley indicated the need to select a chair for the Project Review Committee. David Kaufman was nominated and unanimously approved by the FSTED Council. Other members of the Project Review Committee were reaffirmed by the Council.

Agenda Item Six A, Agency Reports, was taken up. Lorenzo Alexander, Florida Department of Transportation (FDOT), first addressed the FSTED Council regarding the Transportation Outreach Program (TOP). He indicated that the deadline for applications is August 31, 2002. He also highlighted three public meetings scheduled around the state to allow the TOP Council to hear project proposals and ask the applicants questions. The first meeting is scheduled for September 28th, in Miami. The second meeting will be October 12th, in Orlando at the County Commission's chambers. The third meeting will be October 26th, in Tallahassee. A final meeting will take place on November 8th with the Council making actual project selections or final ranking for the projects they have reviewed. Mr. Alexander stated that the FDOT is hoping to have the process completed and submitted to the Legislative by December 14th.

Next, Mr. Alexander discussed the development of an automated capital improvement program (CIP) that will be used to track port projects. It will allow real-time access to information and enhance the ability to monitor projects. Mr. Alexander directed the FSTED Council members to the scope of services enclosed in the agency report. He said the system will be paid by using escrowed interest from the project monitoring contract for each of the bond issues. The interest, as part of the master agreement, goes back to the Florida Ports Financing Commission (FPFC), and can be used for the development of this automated system, greatly benefitting the ports both individually and as a whole. Mr. Alexander also pointed out the need to provide for maintaining and updating the data from year to year. Mr. Alexander's report on the automated CIP was accepted and approved by the FSTED Council, with a recommendation to forward it to the FPFC with a positive endorsement to execute a contract.

Item Six B, Agency Reports, was presented by Brenda Menendez with the Department of Community Affairs. Ms. Menendez stated that the department was focusing on less minutiae and regulatory matters and more on the bigger picture. According to Ms. Menendez, this will have a direct impact on groups like the ports who operate regionally. Ms. Menendez reminded the FSTED Council that legislative committee meetings start next month and the department is setting strategies and laying ground rules for the coming session. She indicated that the department is internally organizing its staff on a "regional team" basis and will approach the growth management process in that fashion. She said that all sections of the department will provide services throughout the state along Regional Planning Council boundary lines. She said the agency heads, including Secretary Seibert, continue to meet with the Governor on a regular

basis in an effort to provide greater statewide continuity on issues. Ms. Menendez praised the work of the Florida Seaport Environmental Management Committee regarding the cruise industry and its environmental protection efforts. She also expressed appreciation for the Project Review Group process and emphasized the importance of successful intergovernmental coordination. Ms. Menendez's report was accepted and approved by the FSTED Council.

Item Six C, Agency Reports, was presented by Debra Corkhill with the Governor's Office of Tourism, Trade and Economic Development (OTTED). She acknowledged the monumental task the FSTED Council members face of keeping the ports viable and competitive in the global market. She also indicated that there is a strong interest on the part of the Governor to be sure that Florida trade is strong and the Florida ports are strong. Ms. Corkhill stated that there has been much discussion about the Florida forum on national transportation issues and the possibility of selecting the chair of the FSTED Council as the point of contact for the Marine Transportation System (MTS). She said someone will also represent the Governor in Washington to ensure coordination with all of the agencies and with the FSTED Council. Mr. LaCapra noted that the MTS Advisory Committee met in June and recommended to Secretary Mineta that the US DOT consider a SEA-21 funding process, which was focused on freight movements and seaport development, none of which are currently eligible for funding under federal US DOT programs. Ms. Leikauf directed the Council members to a letter in their notebook suggesting the chairman of the FSTED Council would be the appropriate person to represent Florida on the MTS. Ms. Corkhill's report on behalf of OTTED was accepted and approved. The letter recommending the Chairman of the FSTED Council as Florida's representative on the federal MTS was also approved with a directive to transmit it to the Governor for consideration.

Next on the agenda, discussions regarding security legislation at the federal level and the U.S. Chamber of Commerce study on port capacity. Mr. LaCapra reported that an article appeared in the "Journal of Commerce" where Senator Earnest Hollings (D-South Carolina), one of the sponsors of the security legislation, criticized the national port system, by identifying the American Association of Port Authorities (AAPA) for its lack of support of that legislation. Mr. LaCapra suggested because Florida is currently complying with similar legislation (fingerprint checks and security infrastructure planning) it might be appropriate for the FSTED Council to make a statement of support. Mr. Williamson suggested that the FSTED Council get a sense of the AAPA's position and analyze it closely before taking a position. The FSTED Council discussed the issue and decided to have the Security Committee place it on their work scope to examine and come back with a recommendation. Chairman Towsley also indicated that Florida's actions to adopt security plans show support of seaport security.

Another recent article appeared in the “Journal of Commerce”, reporting on the Chamber of Commerce study of port capacity and the need for investment in maritime infrastructure. Mr. LaCapra indicated that Port Everglades will be featured in the study. Mr. Allen added that Port Everglades is engaged in a master planning process to examine capacity needs and transportation demands and their process will be one of several ports featured in the study. The study will explore issues of transportation, both land (trucking and rail) and seaport, and how the national economy is dependent on the efficiency of the transportation system. Mr. LaCapra stated that the U.S. Chamber will be working closely with U.S.D.O.T. Secretary Mineta on recommendations for the Sea-21and/or Tea-21 reauthorization with regard to funding freight movements.

Agenda Item 7, Stolen Auto Recovery (STAR) Funding and Other Security Issues, was taken up. Ms. Leikauf reported on the Insurance Commissioner's funds which have been invested, providing \$154,983 in interest earnings that could be allocated to a port for another STAR unit. She indicated that Port Everglades requested an additional \$100,000 from the Insurance Commissioner's Funds to be allocated for STAR equipment. This project has already been approved by the Project Review Group. The FSTED Council approved the allocation of \$100,000 to Port Everglades for a STAR unit.

Mr. Brown reported on Security Legislation, stating that on July 18th, the FSTED Council Security Committee met at Port Everglades with 65 individuals attending. In addition to the ports’ attendance, there were local and federal members of Immigration and Naturalization Service (INS), United States Coast Guard, United States Customs, Florida National Guard, Florida Department of Law Enforcement (FDLE), the Executive Office of the Governor and local law enforcement officers attending the meeting. Mr. Brown reported that the committee was not prepared to give recommendations at this time, but is working hard on diverse and complex issues in an effort to formulate a uniform background check policy.

Bruce Grant from the Governor’s Office of Drug Control reported that after visiting many of the ports, they had approved the FSTED Council’s recommendation for the allocation of \$5.5 million for port security needs. He also indicated that within the next two weeks they would be working with the FDLE to develop some baseline standards in accordance with the new legislation in order to measure the progress being made to secure the ports. Mr. Grant reminded the FSTED Council that his job was to ensure compliance with the law. The Legislature approved a set of minimum standards, and he stressed the need to comply with those standards. He suggested that the ports look internally at their own resources and appropriations to help ensure compliance. Mr. Brown asked that the Security

Committee be permitted to look at project allocations and if any of the funds are not being spent in a timely manner, they could recommend reallocation of the expenditure of those funds. Mr. LaCapra pointed out that the FDLE may have funds for background checks and assistance with the uniform badging process, meaning an additional \$250,000 could be available to allocate to ports for security projects. Mr. Kaufman asked for consideration by the Security Committee of those ports who have separate marine terminals within, creating a need for duplicate equipment to accommodate their customers. The FSTED Council voted to approve the report, the recommendations and the allocations.

Next, Mr. Brown reported on the Security Consultant Selection Committee meeting of August 29, 2001. This meeting was held to interview five finalists for the port security consultant position. Mr. Brown stated that the committee was recommending the FSTED Council negotiate with Mr. Kim Petersen of Sea Secure, LLC as its first selection; as an alternate, if negotiations fail with Mr. Petersen, Applied Research and Associates. Mr. Brown said that the committee further recommended creating a select committee to negotiate the contract and develop a policy statement on seaport security for the FSTED Council. The policy statement would become the basis for writing the scope of services for the Security Committee and the consultant. The select committee would be composed of the four high risk ports, the vice-chair of the Florida Ports Council and the chair of the FSTED Council Security Committee. Mr. Brown suggested that the policy statement should include the following:

1. A mission statement underscoring the importance of seaport security to the health and welfare of the citizens of Florida and the United States;
2. Support for the establishment of minimum security standards at seaports within the state and within the United States;
3. Support the federal legislation proposed by Senator Hollings on seaport security standards as they would apply to Florida's seaports;
4. A scope of work for the security consultant with the emphasis on increasing the presence of the FSTED Council in Washington on security issues, especially in the identification of potential federal funding sources;
5. Delegation to the select committee, the power to establish a budget for the security consultant and the FSTED Council Security Committee and the power to finalize an assessment to pay for such budget; and
6. Give authority to the select committee to reallocate any savings from the Transportation Outreach Program security funds that have not been obligated by January 1st, 2002.

When asked how this last item might be accomplished, Mr. Alexander suggested that FDOT would join this basic

agreement with the FSTED Council and then transfer the money for this use. He further suggested a letter be written making such a request. Mr. LaCapra suggested a joint letter be prepared from the Council and the Governor's Office of Drug Control. Mr. Grant concurred. It was further agreed that security projects would be reviewed through the FSTED Council Project Review Group.

After discussion regarding the JPA project funding process and the amount of time it takes to get money to a port, Mr. LaCapra asked Mr. Alexander if it would be possible to maintain the money in a lump sum amount until the allocation process is complete so the correct amount could be allocated without delay. Mr. Alexander agreed to research the issue.

The FSTED Council approved the Security Committee's report and voted to approve the creation of a select committee according to the policy statements outlined above, with the exception of a change to the third item. George Williamson suggested that the Council take the opportunity to become more familiar with the federal legislation, revising statement three to read, "*addressing*," rather than "*supporting*" federal legislation. The FSTED Council also voted to authorize the select committee to begin negotiations with Sea Secure or Applied Research. A third vote by the FSTED Council approved the concept of a blanket assessment by the security committee in order to fund their budget.

Commissioner of Agriculture, Charles Bronson, arrived to join the FSTED Council meeting and was introduced by Mr. LaCapra. Commissioner Bronson acknowledged the importance of seaports to the state of Florida, and the high volume of imports and exports which are agricultural in nature. He described the monumental problem, not only in Florida, but nationally, with pests and diseases coming in with imports. He stated that Florida, above all states, is at risk with 38 ports and airports, most of them accommodating international travelers. Commissioner Bronson cited a report on animal and plant health inspections, showing how "at-risk" Florida is. The Commissioner indicated that the last outbreak of citrus canker cost over \$300 million at the state and federal level. According to Mr. Bronson, if Florida spent a few million dollars a year in prevention, it may have saved \$300 million worth of taxpayer dollars which could be used to fight a disease capable of ruining a \$9 billion dollar industry. In addition, he said that hoof and mouth disease has become one of the biggest scares in the animal portion of the agriculture industry. Commissioner Bronson explained that the scare of hoof and mouth disease, which does not affect humans, is often confused with mad cow disease, which does affect humans. The resulting fear generated by these diseases could cause people to avoid eating meat and thus cause serious repercussions within a multi-billion dollar industry. He said that they would like to do public service announcements on passenger ships, requesting that people not bring back any plant or animal products of any kind, unless they have been inspected at the ports. In closing, the Commissioner asked for any help the ports could provide,

especially in the area of purchasing dogs that are trained to do baggage inspections at cruise terminals.

Mr. LaCapra reported that the cruise industry has taken an active stance to do whatever is required regarding the prevention of bringing vegetables or fruits into the U.S. and especially into Florida. He indicated that they will work with the Commissioner to do whatever is necessary. He also stated that vessels pay fees to the U.S. Customs for agriculture inspections. Customs sends the money to Washington but Florida is deficient in what it receives relative to what it collects. Mr. LaCapra suggested the FSTED Council recommend to the state and lobby in Washington for Florida's fair share. In addition, he suggested the FSTED Council financially assist or advocate for the Commissioner through our security program, using the Security Committee. The Commissioner indicated that he is not trying to initiate any new fees but to coordinate the inspection program among the United States Department of Agriculture (USDA), Agriculture Food Inspection Service (AFIS), law enforcement and the US Customs inspecting program. In addition to the need for trained dogs, the Commissioner indicated that gamma ray machines, which can scan a container within 10 seconds without opening the container doors, are very effective and do not require additional personnel. Mr. LaCapra asked if Commissioner Bronson knew the amount of money necessary to fund these items so they could be included in the FSTED Council's TOP application. Commissioner Bronson responded saying it is about \$60,000 for the first year for the dog, its handler and its care; the gamma ray machines are \$900,000 for a truck-mounted unit. He said they are portable and can be set up at any port, at any interdiction station, and can actually view inside the transports.

Mr. Williamson asked if the FSTED Council's TOP application would reflect an additional amount, increased by the amount the Commissioner proposes. He also asked, if the amount actually awarded was to be substantially lower than the amount requested, would the amount to the department be prorated. Mr. Brown suggested that he meet with Commissioner Bronson's staff to determine a number and then come back to the Council before the end of the day with a recommendation and a modified application for approval. Mr. McDonald asked if the use of the gamma ray machines would be coordinated with US Customs and the USDA. Commissioner Bronson said they would try as much as possible to coordinate among all appropriate parties, including the AFIS. Chairman Towsley tabled the item until later in the day.

Chairman Towsley welcomed the Department of Community Affairs (DCA) Secretary Seibert to the meeting. Mr. LaCapra introduced the Secretary, highlighting the partnership existing between the ports, DOT and DCA. He pointed out the Secretary's imminent involvement in growth management and the management of congestion that comes from the growth of trade.

Secretary Seibert stated that the DCA is a very small agency with a budget ranging between \$500 and \$700 million, mostly federal dollars that come as a result of a particular emergency. He indicated that the department has a number of programs. First is emergency management, dealing with hurricanes, wildfires, drought, and agriculture emergencies such as hoof and mouth disease. Secretary Seibert indicated that the second agency program is housing and community development. That, in large part, is the community development block grant program -- the community development service grants, and the federal HUD programs that work in communities, particularly the rural ones. This program includes affordable housing, weatherization, and energy programs. Next, the Secretary discussed the community planning program. He indicated that the department is focusing on those matters that are truly important, such as the corridor concept about which Mr. LaCapra has spoken. The fourth program discussed by Secretary Seibert was the Florida Communities Trust Program. It is part of what used to be Preservation 2000, now Florida Forever. According to Secretary Seibert, in the 10 years of Preservation 2000, which was about a \$30 million a year program, the applicants were mostly local governments. The money addresses a specific need set forth in the local government's comprehensive plan, such as an historical site or a park or a floodplain. The money is up to \$66 million this year, and now allows not-for-profits to apply. Secretary Seibert indicated that another important focus for the department is an initiative known as "Front Porch," a program dealing with community revitalization. He said they are also focused on growth management reform, the cornerstone of which will be school overcrowding. According to Secretary Seibert, a third focus for the department involves interagency coordination. He has in place, a regionally-designated, cross-agency work team to address statewide issues. He stressed the importance of breaking down the institutional barriers within an organization, saying these teams work across division lines. The Secretary indicated that he is working with the other agency heads and they would all like to see this kind of coordination across agency lines for the purpose of providing a unified State response to problems. He recognized the applicability of this kind of coordination to transportation corridor planning.

Mr. LaCapra added that Ms. Menendez had volunteered to coordinate with DCA, the Corps of Engineers and the Seaport Environmental Management Committee to help develop our coastal corridors.

Agenda Item 8, a Discussion of Seaport Environmental Management Issues, was taken up. Mr. LaCapra gave the report stating that it was attended by the Department of Community Affairs, the deputy secretary from Department of Environmental Protection, the Army Corps of Engineers, and the Fish and Wildlife Commission. He stated that the meeting included an excellent discussion on the issues related to management of waste from the cruise ship industry. A summary of the meeting is available in the August 30, 2001, FSTED meeting notebook. Mr. LaCapra said they will

be meeting again in November at Canaveral to discuss the coastal corridor issue.

Steve Lauer, Director of Port Security Operations for the Florida Department of Law Enforcement (FDLE), gave a report, stating that he recently had a class with all of the port security managers. He said the role of the FDLE was to ensure that the ports become secure. According to Mr. Lauer, the intent of the legislation is to increase the security posture of the ports through the creation of a law which mandates certain minimum standards for each of the ports. He said that it is not expected that port authorities are going to go out and make drug smuggling arrests, but it is expected that the seaports will put in place the barriers, the procedures for law enforcement presence and activities on the port that allow law enforcement to do those things, such as arrest, investigate, and deter crime. This will include putting in physical barriers, access gates, fingerprint and background checks, and criminal history checks. Mr. Lauer stated that the inspection the ports receive from FDLE will look at the seaport as a whole, how well it is secured to deter crime. He said the three primary threats the bill is intended to address is drug smuggling, cargo theft and terrorism. According to Mr. Lauer, this includes assaults, petty thefts, the illegal importation or export of exotic plants and animals, and illegal alien smuggling. The seaport inspection's intent is to ensure compliance with the law, to identify areas of concern to the ports and to work in partnership to deter crime on the ports. He said inspections will begin on September 17th, and last until roughly November 14th. This will create a baseline for improvements made prior to next year's unannounced inspections. FDLE agents and members of the Florida National Guard will act as individual inspectors. The ports will receive a grade: fully compliant, substantially compliant, insufficiently compliant or not applicable. Recommendations will be made on how improve the security posture. The final report will be complete within seven days from the inspection, with a final Executive Summary and a complete listing of every inspectors' report. According to Mr. Lauer, port security plans should indicate what the proposed projects are and, if no money is available, a statement of where and what kind of security device will be built when the money is available. Mr. Lauer gave the schedule of inspections for each port. He said that port responses are due to FDLE no later than the 30th of November. Mr. Lauer answered several questions from FSTED Council members.

Agenda Item 9, Discussion of Seaport Mission Plan, was taken up. Mr. LaCapra stated that the plan stresses Florida's complete commitment to security and to the environment. He said that it included a report by Enterprise Florida, suggesting that Florida's percentage of the trade market had been reduced from 4.1 percent to 3.7 percent. According to Mr. LaCapra, containerization showed a very minimum growth, tonnage was flat, but significant growth in the cruise industry. He said the issues of freight movement and better, faster and cheaper movement of goods to market are essential to maintain market share. Mr. LaCapra suggested the types of projects to consider should have a focus on this issue. He indicated that the proposal for next year's plan, subject to the approval of the FSTED Council in terms

of budget, would be a very short Executive Summary briefing on the logistics issues. It will include a discussions on the handling of cargo along major seaport corridors, with a view to a simple education process of connectivity and will be completed by January 15th. According to Mr. LaCapra, this succinct Executive Summary format will prepare us to address the Florida Legislature on connectivity issues.

Several Council members asked questions about the new mission plan format and spoke about the need for better understanding at the state level of the competitive nature of seaports and the relationship between maintaining market share and the overarching economic development policy. Mr. Hebert with Wilbur Smith Associates explained the mission plan in greater detail. Mr. LaCapra said he had requested that the Governor's Office take a closer look at the competitive trade issue.

The FSTED Council meeting recessed at 11:30 for the purpose of conducting the South Florida Rail Committee meeting. Mr. LaCapra explained the format of the meeting which is the approval of projects that have previously been submitted by the seaports for funding. He said the loan agreements that were executed between the seaports and the FPFC had a requirement that projects be approved by the South Florida Rail Committee.

Chuck Towsley briefed the Rail Committee on two of the Port of Miami's projects relating to the rail issue. The first project is a transfer facility for \$12 million. The port has signed a letter of intent with the FEC to negotiate a purchase of property known as the Buena Vista property. According to Mr. Towsley, terms should be reached by the end of this year. An independent study confirmed the need for this property to augment off-port property needs. Mr. Towsley reported that the second project includes various rail improvements. According to Mr. Towsley, it bundles together some 33 different projects, which are cargo- and cruise-related, at an amount approximating \$111 million.

Next, Phil Allen reported on two specific projects at Port Everglades. The first project was an intermodal transfer facility and would be an alternate to the existing South Andrew's Transfer Facility presently operated by the FEC. Mr. Allen said that Port Everglades is in active discussions with the FEC about a potential partnership arrangement in managing that near dock facility. The FEC was looking for a domestic and international cargo point of approximately 120 acres; Port Everglades's master plan includes approximately 40 acres, primarily for international cargo. He said that the FEC has made a counter-proposal, reducing this size requirement to approximately 68 acres. Mr. Allen said they are in the process of looking at demand statistics reflecting the type of domestic and international traffic crossing their docks. He said this is a \$15 million project which will provide a rail yard on existing port land. According to Mr.

Allen, in order to make that project work, an overpass to one of the port's main entrance roads is needed. Mr. Allen explained that Port Everglades is involved in discussions with District IV, DOT, about combining this project into an existing project.

Finally, Mr. Taormina reported on the Port of Palm Beach's project. He said that their project is a linkage between the two rail projects in the Everglades and Miami-Dade area; how to plan for and implement future intermodal connections within the region. Mr. Taormina stated that they are proceeding with the planning aspects of off-dock rail and near transportation linkages to the main corridors, either the FEC or the I-95 corridor. He said that studies with the FEC involving Miami and Everglades identified a new rail technology known as Rail Runner, which may be a means of removing trucks from the I-95 corridor, specifically between certain regions. Mr. Taormina said that they have been able to get the cooperation of Rail Runner to attempt a trial. He said he would like to modify Palm Beach's project to spend about \$200,000 on this technology with the idea that they would actually purchase and put several systems into place. Mr. Taormina opined that the same technology could be used throughout the state, paralleling with highway technology and important in the regional context. He stated that he would like to use some of the money to integrate this process into the South Florida study. According to Mr. Taormina, the seaport mission plan could act as an framework and catalysts, of what is happening in the corridors. He said that these corridors should include Jacksonville to Miami and should include other major corridors within the state. A roll-call vote was taken and the projects were approved unanimously.

Ms. Leikauf reported on Agenda Item 10, Status of FY2000/01 FSTED Program Projects Approved for Funding. She directed the members' attention to a list of the funds being allocated to various ports. These projects have been previously approved or have been approved since last September by the Project Review Group. The report was accepted and approved by the FSTED Council.

Agenda Item 11, Agency Reports on Consistency Reviews, was taken up. Ms Leikauf directed the members to the agency reports in the notebooks. She pointed out that the list contained projects that were submitted to the State agencies for review or were submitted to the FSTED Council Project Review Group for consideration. Each agency was called upon to give their consistency findings. Mr. Alexander indicated that the projects submitted to the FDOT for review were found to be consistent with the requirements for Florida Statute 311.09. Debra Corkhill reported for OTTED. She said they had reviewed all the submitted applications and found them consistent with the five-year mission plan and that each project demonstrated economic benefit. Next, Brenda Menendez reported for the Department of Community Affairs, indicating that one project was inconsistent with Chapter 311.09. The Fort Pierce

project was inconsistent with its local government plan.

Ms. Leikauf asked Mr. Alexander if he wanted to discuss a Key West project dealing with security improvements. Mr. Alexander stated that FDOT is concerned that the statutes do not clearly allow a security project to be eligible to receive state transportation funds. He said the department had tentatively approved the project until further discussions have taken place. Mr. LaCapra informed the FSTED Council that an amendment was proposed during the last legislative session which would clarify the intent for security projects, stating that security projects would be funded 100 percent if so approved as 311 projects. Mr. Towsley noted that the intent of the \$10 million has always been to fund transportation infrastructure projects, and to use the funds for security projects would require a statutory clarification in Chapter 311. A motion was made to clarify that the original intent of the \$10 million in Chapter 311 was to finance transportation infrastructure costs, and to use the funds for security projects would require additional appropriations or statutory changes. The motion passed. The agency consistency reports were also accepted and approved by the FSTED Council.

Agenda Item 12, Consideration of the 320.20(3) FSTED Program Project Applications, was taken up. Ms. Leikauf directed the FSTED Council members to the list of current projects that have been submitted as of August 1st for consideration for 2002-2003 funding. She indicated that there are approximately 64 projects for \$134 million, noting that the need far exceeds the amount of money available. Ms. Leikauf asked that the FSTED Council approve a motion sending the projects to the three state agencies for review. The motion passed.

Agenda Item 13, Report on the 320.20(3) Bond Program, was taken up. Lisa Derryberry presented the Trustee's report for the 1996 bond issue, directing the FSTED Council members to the material in the notebooks. She indicated that the report reflects the activities in each port's construction fund and the balance on July 31st of this year. Mr. LaCapra pointed to the accounts of Fernandina and Fort Pierce, saying he is advised by bond council that the necessary paperwork has been accomplished to zero out those accounts. He said that these accounts were allocated to Palm Beach at the last meeting, approximating \$893,000, but more likely will reflect a number closer to \$1,010,000 upon closure. Mr. LaCapra requested that the FSTED Council adjust the amount that is subject to the two percent assessment from \$893,000 to whatever the ultimate closure amount is. The report was accepted and approved with an amendment to adjust the amount accordingly.

Next on the agenda, Mr. David Hebert reported that there were 54 active projects that have received funds; 1,400 records, contract documents, change orders and purchase orders his firm maintains. He said they are working with

all the ports to update these records. According to Mr. David Hebert, they have documented over \$492 million worth of contractors' work on approved FSTED bond projects from the 1996 bond program. Mr. Hebert said an additional \$26 million of contracted work has been approved, coming close to using up the funds. He said without reallocation, \$48 million of work must be contracted to use up the remaining bond funds. Mr. Hebert stated that ports who are 100 percent or more committed are: Canaveral, Jaxport, Palm Beach and Tampa. Others are at various percentages of completion. Mr. Hebert acknowledged the great cooperation he has received from the ports. His report was accepted and approved by the FSTED Council.

Mr. Hebert provided the next report, Report from Consultant on Status of Projects, stating that the FPFC meeting was held on August 17th, to discuss this information. He said that Wilbur Smith Associates had conducted site visits between the first of June and the middle of July at each of the ports affected by both bond programs. As of August 1, 2001, there was a balance in the construction accounts of about \$44.9 million. Estimated interest earnings on those accounts through December 31, 2001, will be approximately \$872,000. Mr. Hebert said they are projecting, based on the actual interest rate of 6.6 percent, plus the spend-downs, a balance of about \$843,694 as of August 1, 2002. Mr. LaCapra stated that in working with the spend-down requirements of the bond issue, some potential issues surfaced which could aid in the spend-down of this program. He advised the FSTED Council that Port Everglades will put \$2 million back on the table for reallocation. In addition, the Port of Panama City will put approximately \$410,000 on the table to close their account. The report was accepted and approved by the FSTED Council.

Agenda Item 14, Report on the 320.20(4) Intermodal Bond Program, was taken up. Ms. Derryberry directed the FSTED Council to a report in the notebook by SunTrust, the trustee for the 1999 bond program. She pointed out the activities in the construction funds for each port, together with a balance remaining in the accounts as of July 31, 2001. David Kaufman commented that the Port of Jacksonville had drawn down the remaining balance in the harbor deepening project. The report was accepted and approved by the FSTED Council. Ms. Leikauf commented that the trustee's report included approximately \$24,000 addressing arbitrage. She said that the FPFC had indicated a revision to the arbitrage calculations, and that the entity doing the calculations will reissue their report, the rebate being pretty close to zero. According to Ms. Leikauf, the figures shown in the report will go back into each port's account.

The Report from Project Monitor was given next. John Wright of Parsons Brinkerhoff, stated that detailed information, both contractual and on requisitions, was available on the compact disk the members received for this meeting. He said that as of April 15th, there were 88 requisitions for approximately \$50 million approved and approximately \$138 million under contract at the time. Several packages of additional information have been recently

submitted so, according to Mr. Wright, that figure will go up. He indicated that approximately 50 percent of the approved projects are currently underway. Mr. Wright indicated that Jacksonville, Pensacola, Palm Beach and Canaveral have probably drawn down the most amount of money at the present time. Pensacola is about 99 percent completed, having decided not to pursue two additional projects. He said that Panama City and Fernandina have two small projects either underway or about to be underway within the next couple of weeks. Tampa has three major projects underway. According to Mr. Wright, the next round of site visits will start next month. Mr. Kancharla pointed out that the Port of Tampa submitted a letter reducing the amount of allocation by \$2 million. Mr. Wright's report was accepted and approved by the FSTED Council.

Next, the Consultant's Report was given by Mr. Hebert. He indicated that site inspections of the ports took place during June and July and that the notebook included a summary of the status of the '99 bond issue for those ports. Mr. Hebert reported a balance of about \$105 million as of August 1st of this year. He indicated excess earnings on those dollars of \$2.2 million, with estimated interest earnings – given no allocations and no rebates – of about \$5.4 million between now and October 1, 2002. Mr. Hebert also estimated that the construction account balances will be reduced by about 50 percent by that time, and based on the spend-downs provided to his firm, the balance will be another 60 percent reduced by October 1, 2003, leaving approximately \$23.4 million. Mr. LaCapra pointed out that the actions by the Port of Tampa to reduce their allocation by \$2 million dollars has been reflected in this report. In addition, the Port of Pensacola was asked to reduce and close out their account under the '99 bond program, representing approximately \$1.2 million dollars. Mr. LaCapra suggested that these issues be considered when reallocations are discussed. Rob Hebert pointed out that the report also reflects the Port of Jacksonville's \$16.5 million dollar harbor dredging project.

Chairman Towsley indicated that during the earlier meeting of the South Florida Rail Committee, an action was taken by that committee but a motion was now needed to ratify and approve their recommendations. Mr. LaCapra asked Tom Giblin, Bond Counsel, to address the Port Everglades issue of whether their project complies with the provisions of the loan agreements. Mr. Giblin stated that, as well as he could remember, the committee was put together to review the rail project for the three ports. He said there was a report required within a year, addressing whether to proceed with that project or allocate the money to other projects. Mr. Giblin opined that even though the time had expired, whatever this board decides to do with that money, including keeping it in the rail project, will meet the requirements of the loan agreements. He said that this body ultimately decides where all the money goes, including the money allocated to the rail projects. Mr. LaCapra reminded the FSTED Council members that the South Florida Rail Committee unanimously approved the five projects, subject to Palm Beach's project being reviewed by the Project

Review Group in October. The South Florida Rail Committee report was accepted and approved by the FSTED Council.

The Arbitrage Report was discussed next. Mr. Giblin reported that a letter was received from the Internal Revenue Service several months ago indicating that they had completed their review and found no cause to proceed. On arbitrage issues, Mr. Giblin reported working with an arbitrage rebate firm regarding closing out some accounts. He said they had been unsure whether contractually they could ask these firms to proceed with the close-out. It has since been clarified and the first port affected will be the Port of Palm Beach, receiving excess money from Fernandina and from Fort Pierce. According to Mr. Giblin, that process should be completed shortly.

Next, Agenda Item 15, Consideration of Report from Florida Ports Financing Commission on Project Funding Issues for 320.20(3) and 320.20(4) Programs, was taken up. Mr. LaCapra directed the FSTED Council members to a two-page report of actions regarding the review of spend-down plans approved by the FPFC as recommendations to the FSTED Council. These are reallocations offered both from the '96 and '99 bond programs. Mr. LaCapra indicated that the FPFC recommended \$2 million from Everglades and \$410,000 from Panama City, be allocated to Tampa from the '96 bond proceeds. In the '99 program, by adding excess earnings to funds available from Pensacola and with \$2 million available from Tampa, a total of \$2.5 million would be available for allocation to Panama City. Mr. LaCapra pointed out that all the projects Tampa and Panama City are proposing have been approved by the Project Review Group. He completed the report by saying that the bond counsel has suggested that these accounts need to be closed. Closing Pensacola's account would provide approximately \$700,000 to allocate to a port. Regarding future allocations, Mr. LaCapra reported that ports have been a bit slow to spend down funds, thus creating excess earnings. He said the FPFC is recommending a spend-down program which encompasses both the accumulation of excess funds to be allocated to new projects a year from now, and a quarterly spend-down monitoring of each port, so that additional voluntary reallocations by ports might be used, too. In addition, Mr. LaCapra stated that the FPFC recommends quarterly spend-down reports from the consultant be sent to each Port Director their for review. He suggested using the FPFC as a working body to review projects and the only ports who can receive these bond funds are ports who are in the bonds program. The projects are concurrently reviewed and approved by the agencies through the Project Review Group. Bert Francis commended the ports for all their time and effort updating their spend-down plans. The report, as verbally given by the administrator, was accepted and approved by the FSTED Council.

Next on the agenda, Mr. LaCapra directed the FSTED Council to letters of request relating to funding or allocations from both bond programs. The first letter of request came from the Port of Miami, requesting any consideration for

additional funds from the '96 bond program. He said the request had been presented to the FPFC and was not acted upon. Next, he stated that the Port of Palm Beach submitted a request for two separate projects under the excess funds provisions of the '96 bond program. One involves the completion of a current project, the cruise terminal/office building and the second request is for a parking facility for cruise passengers. Mr. LaCapra pointed out that again, the FPFC did not act upon this but these requests are outstanding if '96 funds are available. Next, he indicated that the Port of Tampa had submitted a request from the '96 bond program involving the development of a cruise terminal, including acquisition of land and pier and bulk heading. According to Mr. LaCapra, this request was addressed by the FPFC and approved for allocation in the amount of \$2,410,000.

The issue of project modifications from the '99 bond program was taken up next. Port Canaveral made a request relating to four different projects which have been considered and approved by the agencies through the Project Review Group. Mr. LaCapra explained that funds have already been allocated to Canaveral for these projects but there were additional costs associated with construction. He said the FPFC reviewed these projects and recommended moving them to the "A" list in the '99 bond program. The "B" list contains approved projects, but not approved for funding, while the "A" list is approved for funding. Mr. LaCapra then discussed a request letter from the Port of Fernandina for a pier rehabilitation under the '99 bond program. He said that because it would be a 50-50 cost share project, Fernandina has consented to use 311 funds instead. Mr. LaCapra discussed Jacksonville's letter of request. He said they have two separate projects. One is a dredging project, which is currently approved for funding in the '99 bond program, and they are looking to add to that dredging project. Because of the requirement for Corps approval and studies, the exact cost has not yet been identified but they would like to have the project put on the "A". The FPFC approved the request. Mr. LaCapra said the second project, the Dames Pointe project, was on the "B" list, and Jacksonville would like to move it to the "A" list for funding. David Kaufman recommended reallocating essentially all of the unspent funds in the bond program to this project, which will allow a shorter spend-down. He said there is about \$5 million left in the account because of savings on port projects. Mr. LaCapra pointed out that this would take separate approval from the FSTED Council because it is different than the Financing Commission recommendation. He confirmed that Jacksonville was suggesting to spend-down all the principal plus the excess earnings, pointing out that this is a departure from existing policy because excess earnings are treated as new funds based upon a decision made by the FSTED Council two years ago. David McDonald indicated that under the 320.20(4) program, excess earnings above the original allocation would go into a separate reallocation fund. He expressed concern that the reallocation system would come apart if that policy changed. David Kaufman explained his understanding of the intent of this policy, to discourage ports from holding on to money and not meeting spend-down provisions. If another port could use these funds more quickly, Mr. Kaufman said he would be happy to put the money back on the table. Mr.

LaCapra stated he has conducted a detailed analysis of the spend-down programs and recommends that the policy be maintained; that the excess earnings be kept for reallocation a year from now. A motion was made to authorize the transfer of the remainder of principal funds in Jacksonville's account for use on the Dames Pointe project, and that any uses of excess interest be made part of the FPFC/FSTED allocation process. This motion was approved by the FSTED Council.

The next request presented by Mr. LaCapra was from Manatee County relating to an emergency pier rehabilitation project as a result of Tropical Storm Barry. The original request was approved by the agencies but it was a 75-25 match, based on an assumed cost of \$2 million. Mr. McDonald said the cost had not been refined but they have agreed on \$1 million at a 75-25 match. Mr. LaCapra pointed out that these are not new funds, Port Manatee is requesting approval to move this project to the "A" list, thus depleting their existing account to accomplish the project. The FSTED Council approved this request. In addition, Mr. LaCapra presented Manatee's second request, a dredging project currently on the "A" list. He explained that funds were allocated under the '99 bond program and they are now requesting an increase of one million dollars, if funds are available in future years. The FSTED Council approved the request. Mr. LaCapra said that the Council also has a request from the Port of Miami to transfer \$200,000 from their harbor dredging project to the Port of Pensacola. However, the Port of Pensacola now has closed out its account and no longer needs that transfer. He asked for a vote by the FSTED Council to approve maintaining that \$200,000 in the harbor dredging account for the Port of Miami. The FSTED Council approved the request. Next, Mr. LaCapra presented a request from the Port of Panama City for a new project to be added to the "A" list in the '99 bond program for harbor dredging project. The project has been approved by the agencies and the Financing Commission recommended that it be funded in the amount of \$2,500,000. The FSTED Council approved the request. Mr. LaCapra went on to say that the Council had received a request from Pensacola for 311 funds to do a bulkheading and dredging project. He said the letter also indicated that funds (\$1,055,000) were being given back to the '99 bond. Mr. LaCapra asked that these recommendations, other than those singularly approved, be adopted by the FSTED Council. The FSTED Council approved the remainder of the FPFC's recommendations.

Agenda Item 16, Discussion of Florida Ports Financing Commission Application for TOP Funding, was presented by Mike Rubin. He reminded the FSTED Council that during the last meeting they discussed continuing a Phase II report based on the Phase I report prepared by Wilbur Smith Associates. Directing FSTED Council members to a TOP application in the notebook, he said they felt it would be prudent for the FPFC to submit an application for \$410,000 to finance a second follow-up study for that strategic corridor plan. He further recommended that the application be amended with to include a 50-50 match of \$410,000 which would be paid by the FSTED Council. Mr. Alexander asked

for clarification, stating that the FDOT is currently providing services that will continue the Phase I effort into a Phase II corridor analysis. He asked if the proposed TOP funding would be used to assist FDOT in continuing this effort or be an independent study on the part of the FSTED Council. Mr. LaCapra answered, saying he had requested the Department of Transportation to join in sponsoring this application and never received a definitive response. He explained that this is an issue of timing. According to Mr. LaCapra, the ports' time frames are immediate, responding to the 2003 reauthorization of TEA-21 projects. Mr. Alexander stated that the FDOT Office of Policy Planning is in the process of putting together a strategic intermodal system plan that will hopefully coincide with reauthorization. The plan will identify strategic corridors in Florida that could be possibly designated or used to position ourselves in the reauthorization. He said that almost \$3 million dollars have been allocated to accomplish this in a five-year period. In addition, FDOT is writing a Phase II scope to do a continuation of Phase I for an intermodal development plan. According to Mr. Alexander, the scope will be distributed to all the partners and stakeholders before the end of November. Mr. LaCapra indicated that Chapter 311 states that these plans will be developed in conjunction with the FSTED Council. He offered that opportunity to Mr. Lorenzo. Mr. Alexander suggested a modification in the approval of the TOP application to indicate that these funds will be used to assist the FDOT in its efforts toward the strategic corridor plan. After a lengthy discussion of this issue, the FSTED Council voted to submit the application with wording supportive of the FDOT effort, to be worked out between the administrator and FDOT. A copy of the final application will be sent to members of the FSTED Council.

Agenda Item 17, Consideration of Reallocation of 320.20(3) Bond Program Funds, was taken up. Mr. Williamson, Chair of the Ways and Means Committee, reported that, working with the FPFC, they reached the following recommendations for reallocating money. He explained that the reallocations on the 320.20(3) bond program are funds made available from Port Everglades in the amount of \$2 million, and the remaining balance from Panama City of approximately \$410,000, for a total of \$2,410,000. Mr. Williamson indicated that the recommendation was to reallocate the total amount to Tampa. The FSTED Council accepted and approved the recommendation.

Agenda Item 18, Consideration of Reallocation of 320.20(4) Bond Program Funds, was taken up. Mr. Williamson indicated that Tampa has made \$2 million available, and Pensacola has approximately \$1.2 million available, for a total of \$3.2 million. He said they recommend reallocating \$2 million dollars from Tampa and \$500,000 from Pensacola for a total of \$2.5 million to Panama City. That leaves a balance of \$700,000 remaining in Pensacola's account to be allocated to Port Canaveral, totaling the entire \$3.2 million available in the 320.20(4) program. The FSTED Council accepted and approved the recommendation.

Agenda Item 19, Consideration and Recommendation for Allocation of 311 Funds - FY2000/01 and FY2001/02, was taken up. Mr. Williamson directed the FSTED Council members to the proposed reallocation for 2001/2002, and requested approval for a total of \$10 million dollars. Mr. LaCapra pointed out that Canaveral had reviewed its 311 projects and indicated they could return \$300,000 to this year's allocation. The amount available to the FSTED Council is therefore, \$10,300,000. In addition, Mr. LaCapra pointed out that the Council has the added responsibility of funding trade data acquisition. He stated that the contract with PIERS for data acquisition is \$299,540, provided it is paid by November 1st, 2001. Otherwise, it will be \$315,000. Mr. LaCapra recommended consideration of Canaveral's \$300,000 for allocation to this year's contract with PIERS for trade data information. Mr. Williamson summarized the recommendations of \$4.2 million for Everglades, \$100,000 for their STAR program, \$125,000 to Fernandina, \$650,000 to Key West, \$1.2 million to Pensacola and \$3.725 million to Tampa. In addition, \$300,000 was recommended for a contract with PIERS providing trade data acquisition. The FSTED Council accepted and approved the recommendation.

Agenda Item 20, Consideration and Recommendation for Allocation of 311 Funds - FY2002/03 and FY2003/04, was taken up. Mr. Williamson presented for consideration, recommendations for allocation of 311 funds as described in the members' notebooks. He summarized the recommendation of matching funds of \$300,000 for Canaveral, \$3.6 million to Everglades, \$400,000 to Fernandina, \$700,000 to Fort Pierce, \$2,290,000 to Miami, \$575,000 to Port St. Joe, \$820,000 to St. Petersburg, and \$1 million to Tampa. He also pointed out the dedication of \$315,000 to the acquisition of trade data. The FSTED Council accepted and approved the recommendation. Mr. Williamson next pointed out the proposed allocations of \$5.5 million recommended for FY2003/04, indicating it was still a work in progress. He said the committee has shown \$4.4 million for Everglades and \$750,000 for Palm Beach, with the addition of \$325,000 for trade data acquisition, anticipating an increase in costs. Wayne Stubbs asked if this was a dollar for dollar exchange on the part of Everglades with funding from the bond program. Chris Novack explained that last year Everglades returned \$10,150,000 and another \$2 million was also reallocated, totaling 12 million reallocated through the '96 bond program. Mr. Allen pointed out that this allowed the small ports to use the money from the bond program earlier. Mr. Kaufman suggested having the bond administrator put together an accounting, prior to the next meeting, of each port relative to 311, 320.20(3), and 320.20(4) funds received or transferred. Mr. LaCapra indicated that this was already underway and a report will be sent to the members. Mr. Alexander suggested the FSTED Council discuss in May of next year, where the remaining funds could be allocated. This information could be provided to the FDOT work program coordinators and added to the schedule for DOT's work program which is then submitted to the Governor's office. He said that this would synchronize the processes and avoid work program amendments. Mr. LaCapra agreed, saying it would be best to show the allocation of all those funds for the Legislature's review as well. However, he

pointed out that the FSTED Council must also respond to the Auditor General, the Comptroller and other's comments relating to identification and prioritization of projects that are funded based upon need and immediacy. He said it was a dynamic process, requiring constant change. Mr. Alexander suggested considering a second meeting next year in May to discuss any projects that should be added to this list. This suggestion was well received by the FSTED Council. Finally, the FSTED Council accepted and approved the recommendation for FY2001/02 and 2003/04 Chapter 311 funding.

Ms. Leikauf recommended authority be given by the FSTED Council to assign a name and number to port projects so when individual projects are submitted, they become some elements of an overall project. For example, terms such as "project development" or "marine terminals project" would become an umbrella for individual projects in that category. According to Ms. Leikauf, that project would go to DOT with an assigned number which will show up in the work program. She said that individual projects approved by the agencies and the FSTED Council will become sub-elements of a larger project. The FSTED Council directed staff to group projects under a heading, with the recommendation of the DOT.

Next, the FSTED Council returned its attention to the security application discussed earlier in the meeting. Mr. Brown explained that he had included the enhancement of agricultural inspection capabilities as part of the TOP security application to assist Florida's economy. He said the additional allocation to the project was \$1.11 million, which includes the purchase of one mobile X-ray truck and two dogs for agriculture inspections. This brings the total request to \$26.977 million and takes into account all projects that were submitted by the ports last year but not funded. Mr. Brown indicated that in the second year work plan they will be requesting \$7.9 million from the TOP Council. He also reported that Commissioner Bronson agreed to provide a letter which will be attached to the application, indicating that any allocation received from this application will be utilized for the enhancement and protection of agriculture in the ports of Florida. Mr. Williamson asked if this additional allocation of 1.11 million comes off the top of any dollars that the ports might receive for security. Mr. Brown explained that this is a policy decision which must be made by the entire FSTED Council. Mr. LaCapra added that the Council must work with the Agricultural Commissioner to clearly identify his needs because transportation is the vehicle that brings greater emphasis to the need for security. Mr. Allen suggested an amendment to the application where the allocation of money would be tied to some kind of cooperative arrangement, whether by interlocal agreement or joint participation agreement, between U.S. Customs and the Agriculture Commissioner. This would ensure a cooperative attitude between the two agencies. For instance, Mr. Allen opined that if a portable unit is made available, it could be moved from port to port depending on the Department of Agriculture and US Customs' needs at that particular port.

The FSTED Council voted to approve the application for TOP security funding and the meeting was concluded at 3:00 p.m.