

**FLORIDA PORTS COUNCIL MEETING**

**THURSDAY, JANUARY 22, 2004**

**MIAMI, FLORIDA**

**TAB 1**

**CALL TO ORDER**

## AGENDA

MEETING: FLORIDA PORTS COUNCIL

DATE: January 22, 2004

TIME: 4:00 p.m. to 6:00 p.m.

PLACE: Port of Miami-Dade  
2<sup>nd</sup> Floor Conference Room  
1015 North America Way  
Miami, Florida 33132  
305-371-7678

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1. Call to Order by Chairman.
2. Roll Call by Secretary.
3. Approval of Minutes of October 29, 2003 Meeting.
4. Discussion of 2004 Legislative Issues.
  - A. Seaport Security Issues/Legislation.
  - B. Transportation Funding Issues/Legislation.
5. Discussion of Future Meeting with Florida Legislature Cuban Caucus.
6. Discussion of Request from MARAD for Security Technical Assistance from Florida Ports.
7. Review of FPC Budget.
  - A. Reminder of Administrative Services Fees on Outstanding 320.20(3) and 320.20(4) Bond Program Balances as of December 31, 2003.
  - B. Other Issues.
8. Other Issues to be determined by the Chairman and Members.
9. Adjournment.

**TAB 2**

**ROLL CALL BY SECRETARY**

**ROLL CALL**

**MEMBER:**

**DESIGNEE:**

MAC MCLOUTH, CANAVERAL

KEN KRAUTER, EVERGLADES

VAL SCHWEC, FERNANDINA

DOUG ANDERSON, FT. PIERCE

RICK FERRIN, JACKSONVILLE

RAYMOND ARCHER, KEY WEST

DAVID McDONALD, MANATEE

CHUCK TOWSLEY, MIAMI-DADE

RICHARD WAINIO, PALM BEACH

WAYNE STUBBS, PANAMA CITY

CHUCK PORTER, PENSACOLA

TOMMY PITTS, PORT ST. JOE

MICHAEL D. PEREZ, ST. PETERSBURG

GEORGE WILLIAMSON, TAMPA

01/22/04

**TAB 3**

**APPROVAL OF MINUTES**

**OF**

**OCTOBER 29, 2003 MEETING**

**MINUTES**  
**FLORIDA PORTS COUNCIL**  
**OCTOBER 29, 2003**  
**TALLAHASSEE, FLORIDA**

The meeting was called to order by the Chairman at 1:00 p.m. on Wednesday, October 29, 2003. The Secretary called the roll and announced the presence of a quorum. (Attendance list attached)

The minutes of the FPC meeting held on June 30, 2003, were approved. Mr. LaCapra presented a proposed FPC 2003/04 work program as directed by the Council at its June 2003 meeting. (See attached). The work program was accepted and the Council agreed to meet in an Executive Committee to discuss work program and 2003/04 and 2004/05 budget issues. The Port of Pensacola reported on its work product relating to FPC employee benefits. The Council agreed to include this discussion in its budget discussion.

The Council approved the Statement of Financial Activities dated September 30, 2003.

The Council approved a \$10,000 contribution to the FTAA meeting on November 18, 2003, to support the State of Florida activities at this event. An assessment was approved for the \$10,000 – on a pro-rata basis as measured by the FPC dues structure.

A discussion on the Trade and Transport Council was conducted by the Chairman. The

Council recommended that Richard Wainio/Lori Baer work with Carlos Valdes to develop a suggested membership structure and action agenda.

Mike Rubin discussed the Governor's Strategic Development Plan. Darrell Kelley, President, Enterprise Florida, joined the discussion by telephone and explained Enterprise Florida's priority economic development strategies.

Doug Callaway, President of Floridians for Better Transportation, briefed the Council on federal and state transportation funding issues. He requested that the FPC join the FBT organization as a member of the Board of Directors. The annual dues for this level of membership is \$5,000 beginning January 2004.

Mr. LaCapra and Mr. Rubin led a discussion of seaport legislative issues – relating to seaport security, economic development, and cruises-to-nowhere.

The meeting was adjourned at 5:00 p.m.

## **FLORIDA PORTS COUNCIL FY 03/04 WORK PROGRAM**

The Florida Ports Council (FPC), in addition to providing services to a professional association of port directors, provides administrative support services on matters related to the Florida Seaport Transportation and Economic Development (FSTED) Council, the FSTED Program, the Florida Ports Financing Commission (FPFC) and the FPFC Program.

**In that capacity, the FPC will work with state and federal agencies and governments leaders to develop public policy and funding strategies related to:**

- TRANSPORTATION AND ECONOMIC DEVELOPMENT
- INTERNATIONAL TRADE
- SECURITY AND HIGHWAY SAFETY
- ENVIRONMENTAL PROTECTION AND LAND USE PLANNING

### **TRANSPORTATION AND ECONOMIC DEVELOPMENT**

1. Promote a positive working relationship with the Florida Department of Transportation (FDOT) and partner with FDOT to accomplish a state and federal position for increased transportation funding.
  - a. Facilitate discussions with Secretary Abreu and staff and assist with planning and development of various documents and publications such as the Atlantic Coast Commerce Corridor initiative, the Macroeconomic Analysis initiative, the Short Sea Shipping initiative, the FDOT Strategic Intermodal Systems (SIS) planning process, FDOT's regional economic impact study, the Trends and Conditions Guide, the Florida Statewide Freight and Goods Mobility Plan and the 2020 Florida Transportation Plan Updates.
  - b. Work with the Florida Transportation Commission to pursue an improved philosophical approach to regional and intermodal input in the planning for and governing of the SIS and other transportation systems.
  - c. Work with FDOT partners, the state legislature and federal contacts to develop TIFIA application.
  - d. Work with FDOT partners, the state legislature and federal contacts regarding TEA-21 re-authorization.
  - e. Facilitate appropriate meetings with Executive Branch to present and advocate seaport issues.
  - f. Facilitate appropriate meeting with Legislative Branch to present and advocate seaport issues.

## **FLORIDA PORTS COUNCIL FY 03/04 WORK PROGRAM**

### **PAGE 2**

1. Work with Enterprise Florida to develop economic development strategies and promote a statewide strategic plan for economic development.
  - a. Participate in and report on statewide strategic economic planning sessions.
  - b. Facilitate interagency and private sector meetings to enhance information exchange and public awareness on seaport development issues.
  - c. Work with Enterprise Florida to strengthen Florida's economy.
  - d. Facilitate appropriate meetings with Executive Branch to advocate seaport economic issues.
  - e. Facilitate appropriate meeting with Legislative Branch to present and advocate statewide economic development issues.
  
3. Take necessary steps at the state and federal level to secure funding for transportation projects.
  - a. Work with appropriate state agency partners to develop and promote programs and strategies for transportation funding.
  - b. Work with appropriate federal agencies to develop and promote programs and strategies for transportation funding.
  - c. Work with FPFC to develop a financial strategy for transportation and corridor projects to include a potential bond funding program.
  - d. Work with FDOT to secure additional federal funds for Florida.
  - e. Work with Congressional Delegation members, as appropriate, to secure additional federal funds for Florida.
  - f. Facilitate appropriate meetings with Executive Branch to present and advocate seaport transportation issues.
  - g. Facilitate appropriate meeting with Legislative Branch to present and advocate seaport transportation issues.
  
4. Develop and implement specific seaport materials related to FSTED Program funding and project accomplishments.
  - a. Prepare surveys and follow-up with port staff to obtain data.

**FLORIDA PORTS COUNCIL FY03/04 WORK PROGRAM**  
**PAGE 3**

- b. Research financial reports, Five-Year plans and other relevant materials.
- c. Prepare a historical view of Florida seaports through the years.
- d. Facilitate appropriate meetings with Executive Branch to present and advocate seaport issues.
- e. Facilitate appropriate meeting with Legislative Branch to present and advocate seaport issues.

**INTERNATIONAL TRADE**

- 5. Develop reports and presentations on trade forecasts, competitive issues and seaport economic impacts of Florida's Seaports.
  - a. Work with consultants on the development of scopes of work, seaport surveys, data acquisition, document reviews, and document publication, distribution and discussions.
  - b. Prepare final reports and presentations for submission to various entities.
- 6. Educate local, state, and federal stakeholders and officials regarding Florida's seaport community and its role in the international marketplace.
- 7. Implement a grass roots political program with the assistance of individual seaports, the Trade and Transport Council (TTC), the International Council of Cruise Lines (ICCL), and other maritime industry organizations.
  - a. Organize meetings with various legislators.
  - b. Prepare and distribute appropriate materials related to maritime issues.
- 8. Coordinate with the FDOT and the U.S. Maritime Administration on the short sea shipping program.

**SECURITY AND HIGHWAY SAFETY**

- 9. Work with the Florida Department of Law Enforcement, the Florida Department of Highway Safety and Motor Vehicles, the Governor's Office of Drug Control, the federal Transportation Security Administration and the congressional offices of Florida's delegation to address security issues.
  - a. Take necessary steps at the state and federal level to secure funding for security

**FLORIDA PORTS COUNCIL FY03/04 WORK PROGRAM**  
**PAGE 4**

projects.

- b. Work with appropriate state agency partners and federal agencies to develop and promote programs and strategies that will help Florida's seaports meet their security requirements.
  - c. Administer state and federal funding programs for security projects, as necessary.
  - d. Facilitate appropriate meetings with Executive Branch to present and advocate seaport security issues.
  - e. Facilitate appropriate meeting with Legislative Branch to present and advocate seaport security issues.
10. Work with members, both individually and through the Seaport Security Committee, to address seaport security issues and to facilitate receipt of state and federal funding to meet port security requirements.

**ENVIRONMENTAL PROTECTION AND LAND USE PLANNING**

- 11. Coordinate federal grant applications with the Florida Department of Environmental Protection State Clearinghouse.
- 12. Support the work of the Seaport Environmental Management Committee and coordinate environmental matters as required. (e.g., MOU between the DEP and the cruise industry).
- 13. Coordinate and participate with the Department of Community Affairs on land use planning issues, project applications, conferences and legislative matters.

**ADMINISTRATIVE**

- 14. Oversee and implement FSTED, FPFC, FPC and Seaport Environmental Management programs.
  - a. Work with members, agency partners, trustees, project monitors, and consultants to manage port projects and related funding, both 311 and bond funds.
  - b. Work with public finance groups to develop financial concepts for FPFC funding programs.
  - c. Work with members, agency partners, and consultants to manage online seaport project application and accountability program.
  - d. Manage and provide documentation of spend downs for Chapter 311 and bond program funds.

**FLORIDA PORTS COUNCIL FY03/04 WORK PROGRAM**  
**PAGE 5**

- e. Coordinate with FDOT, the Trustees, bond counsel, project monitors, auditors, and consultants to carry out overview and support functions and report to members.
  - f. Document and maintain records and files for audit purposes and public record requirements.
  - g. Respond to inquiries and provide written correspondence as necessary to members, state agencies, federal agencies, legislators and legislative staff, Congressional delegations members and staff, professional organizations, students, educators, media and other stakeholders.
15. Facilitate FSTED, FPFC, FPC and Seaport Environmental Management meetings.
- a. Prepare meeting materials, including agendas, budgets, charts, letters and other documents for information, review and approval. Implement and manage web-based distribution of public meeting materials and general information.
  - b. Secure venues, speakers, AV equipment and food services.
  - c. Coordinate with port directors and port staff on all meeting dates and materials.
15. Manage FPC office space.
- a. Secure regular maintenance, signage, parking, landscaping and repairs as needed.
  - b. Manage rental offices within FPC office.
  - c. Plan for future expansion and development of the office and adjacent vacant parcel.
16. Business and Human Resource Management.
- a. Perform activities related to payroll, taxes and benefits, accounts receivables and payables, financial reports, reconciling bank statements, and monthly statements of activities and respond to inquiries from program auditors.
  - b. Purchase all office equipment and supplies.
  - c. Promote staff development through continuing education.

/njl

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**FPC MEETING – OCTOBER 29,2003**  
**ATTENDANCE LIST**

**MEMBER:**

**DESIGNEE:**

MAC MCLOUTH, CANAVERAL

KEN KRAUTER, EVERGLADES

VAL SCHWEC, FERNANDINA

DOUG ANDERSON, FT. PIERCE

RICK FERRIN, JACKSONVILLE

DAVID KAUFMAN

RAYMOND ARCHER, KEY WEST

RICK WATSON

DAVID McDONALD, MANATEE

CHUCK TOWSLEY, MIAMI-DADE

RICHARD WAINIO, PALM BEACH

LORI BAER

WAYNE STUBBS, PANAMA CITY

CHUCK PORTER, PENSACOLA

MIKE POOLE

TOMMY PITTS, PORT ST. JOE

MICHAEL D. PEREZ, ST. PETERSBURG

GEORGE WILLIAMSON, TAMPA

ZELKO KIRINCICH

**OTHER ATTENDEES**

BERT FRANCIS, CANAVERAL

JOHN THORINGTON, TAMPA

JOHN LACAPRA, FPC

NANCY LEIKAUF, FPC

MIKE RUBIN, FPC

TOY KELLER, FPC

**TAB 4**

**DISCUSSION OF 2004 LEGISLATIVE ISSUES**

**TAB 4A**

**SEAPORT SECURITY ISSUES/LEGISLATION**

**TO BE DISCUSSED AT MEETING**

**TAB 4B**

**FSTED PROGRAM FUNDING  
ISSUES/LEGISLATION**

## FUNDING OPTIONS

1. Federal “Economic Development” Dollars allocated to Florida in 2003.
2. Additional Chapter 311 Funds.
3. Refinance Existing Bonds.
4. New Bond Programs.

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Jan. 13, 2004, 10:45PM

## Dynamics of cargo shifting

### With more coming in, port wants better rail

By **BILL HENSEL JR.**

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THE Port of Houston Authority is trying to get \$3 billion from the federal government to consolidate freight lines, a move that would reduce both traffic congestion and horns blaring in neighborhoods.

The project is akin to the Alameda Corridor in California, where rail lines recently were consolidated to improve service at the bustling ports of Los Angeles and Long Beach.

Houston port officials are hoping federal highway funds can be secured to pursue the deal, which would help build on an increasing shift of cargo to Houston from some of those same ports on the West Coast.

A massive labor slowdown at West Coast ports in 2002 triggered that move, as shippers saw some of their key products stalled or blocked from moving across the docks.

Port of Houston Executive Director Tom Kornegay said Houston is a logical destination for many kinds of cargo, and the number of containers moving through the port is increasing annually.

Dubbed the "Harris County Freight Railroad Corridors and Urban Mobility Program," the project would consolidate the lines into three train corridors and expand them with grade-separated roadways.

The port wants to move now on the proposal because a new six-year funding cycle for the highway funds is coming before Congress next month.

Currently, 11 train lines operate in the Houston area. Traffic on some lines could be eliminated, while traffic on other lines could be rescheduled to off-peak times.

As proposed, the north corridor would stretch from Conroe to inside the Loop, down the Hardy Toll Road. The west corridor would travel from the port out along the West Belt past the University of Houston and then southwest along U.S. 90A.

The port corridor would use the Union Pacific Railroad's Harrisburg Branch through the East End and the expanded Port Terminal Railroad Association's tracks along Texas 225 to the rail corridor down Texas 146.

That would provide connections between the north and west corridors, the Bayport Industrial Complex, the Barbours Cut container terminal, petrochemical facilities on the Houston Ship Channel and the proposed Bayport terminal, which has just been permitted.

Port officials hope the Bayport terminal will begin operating in early 2006, barring any further delays by the federal courts. A hearing on the project is scheduled next month.

Port officials believe the rail consolidation project is needed because of the growth in cargo moving through the port. Big companies like Wal-Mart and Home Depot want to make sure they can get their products to the marketplace, Port Chairman Jim Edmonds noted Tuesday.

"The market demands product and the most efficient way to do it is in big containers," Edmonds said.

On the Gulf Coast, the Port of Houston handles about two-thirds of all container moves.

The Alameda Corridor project in California, which was completed last year, involved the operations of three freight railroad carriers being consolidated into one high-speed, high-capacity corridor.

Kornegay said he was hesitant to compare the Houston project with the Alameda Corridor, because considerable rights of way had to be acquired for that project, along with extensive construction.

"There was a huge congestion issue, not same as what we have," Kornegay said. "We are absolutely trying to get more trains through faster, and that is what is similar."

No new right of way acquisitions would be needed for the project in its current form, port officials said.

Congressional officials have indicated a willingness to fund a demonstration project, according to Edmonds.

"We've asked to be that demonstration project," he said.

Union Pacific spokesman Mark Davis said the railroad, which has a significant presence in Houston, has yet to be approached about the project.

"We would sit down and work with those sponsoring a project like this to ensure our service remains intact and safety is preserved," Davis said.

One thing Union Pacific would have to ensure is that operations in the Houston area "would remain at or better than what they are now," Davis said.

Houston port officials weren't sure what to expect when the Pacific Maritime Association, which represents shipping companies, locked out dockworkers at 29 major Pacific ports for 10 days. To avoid an economic crisis, President Bush invoked a little-used law to open the docks Oct. 9, 2002.

The West Coast ports handle more than \$300 billion in trade each year, and economists estimated shippers were losing \$1 billion a day as cargo lay idle.

During the slowdown, among the most affected shippers were companies sending products from Asia to the United States. Many began eyeing Gulf and East Coast ports to ship through.

Freight and warehouse operators in the Houston area saw a significant increase in cargo.

Gulf Winds International President Steve Stewart said his company benefited after the labor slowdown.

"There is no question that has diverted cargo to the Gulf," Stewart said.

Gulf Winds delivered tons of cargo when the slowdown occurred, he said, "and a lot of people came back and said they were not going to allow themselves to be held hostage."



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**TAB 5**

**DISCUSSION OF FUTURE MEETING WITH  
FLORIDA LEGISLATIVE CUBAN CAUCUS**

# PORT Manatee

The right turn on Tampa Bay.

**Manatee County Port Authority  
300 Regal Cruise Way, Suite 1  
Palmetto, FL 34221  
941-722-6621 (phone)  
941-729-1463 (FAX)**

**Date:** December 24, 2003  
**To Fax #:** 954-455-8799  
**Attention:** *Mr. John LaCapra, President  
Florida Ports Council*  
**From:** *David McDonald, PPM®  
Executive Director*

**TOTAL NUMBER OF PAGES INCLUDING COVER: 4**

John, here is the MOU we recently spoke of. It was approved during last Thursday's session by an overwhelming majority, however, by the Authority's request, will be contingent upon final review of the county attorney's office. It was already reviewed and approved by the Port Authority's attorney, Mr. Fay, prior to being placed on the agenda.

Wishing you Happy Holidays,  
David

**MEMORANDUM OF UNDERSTANDING  
BETWEEN  
ALIMPORT AND THE MANATEE COUNTY PORT AUTHORITY**

Senior executives of Port Manatee, Tampa Bay, Florida, USA, visited Cuba from November 17 to 21, 2003. At their several meetings with their Cuban counterparts, both parties exchanged views and ideas on the possible use of Port Manatee's facilities (hereinafter the "Port Facilities") for the shipment of U. S. licensed food and agricultural items to Cuba.

At the end of their discussions, Port Manatee, represented by its Executive Director, Mr. David L. McDonald, PPM®, and Empresa Cubana Comercializadora de Alimentos ("Alimport"), represented by its Chairman and CEO, Mr. Pedro Alvarez Borrego (hereinafter the "Parties"), agreed to enter into a Memorandum of Understanding ("MOU") as follows:

**THE PARTIES**

**Alimport**

As Cuba's single largest importer of food supplies, Alimport is mandated to secure food for the 11 million-strong Cuban population.

Further to U. S. Congressional approval in 2001, Alimport has steadily increased its food and agricultural purchases from American suppliers and indicated interest in increasing its business operations with the U. S. on the basis of competitive quality, prices, delivery and other terms and conditions.

In its newly established relations with the U. S. market, Alimport has been consistently sending a message of peace and friendship to the American public and

*expressed its desire for normalized relations between Cuba and the U. S., two neighborly nations with shared history and traditions.*

#### Port Manatee

An efficient and cost-effective business, Port Manatee (owned and operated by the Manatee County Port Authority, a public entity of the State of Florida) provides access to many agricultural commodities and services native to the region, including paper and lumber warehouses, fertilizer facilities, and both regular and chartered boat services.

**BOTH PARTIES** recognize the cultural and language links existing between the Republic of Cuba and the State of Florida of which are located in the Americas, a continent with a common heritage.

#### UNDERTAKINGS BY THE PARTIES

1. Alimport will review its current U. S. cargo schedule in order to ship one or more of its U. S. contracted cargoes using the Port Facilities.
2. Port Manatee will strive to offer competitive tariffs and rates to U. S. companies that are and may be engaged in business transactions with Alimport, which may agree to ship their cargoes out of Port Manatee.
3. Alimport and Port Manatee will keep the Dicalcium Phosphate shipments through Port Manatee and will commence to build additional shipments as the business grows. In parallel, both parties will review the possible use of the Port Facilities for cattle, refrigerated cargoes, lumber, paper, bulk and containerized shipments.

4. Port Manatee will strive to identify additional exporters and shippers both in Florida and elsewhere in the U. S., which will be prepared to utilize the Port Facilities for their actual supply and shipping contracts with Alimport.

5. Each Party agrees to keep the other Party informed of the operation of the MOU and in the further identification of mutual business opportunities.

6. Alimport hereby extends an invitation to Port Manatee executives to visit Cuba in occasion of the tenders for U. S. products to be negotiated while commemorating the second anniversary of the first U. S. commercial shipment to Cuba from December 14 - 19, 2003.

7. An invitation is also extended to Port Manatee executives to visit with Alimport to review the progress of this MOU, possibly during next first quarter of 2004, or at any time that is deemed reasonably convenient.

The discussions of reference were held between the Parties in a candid and friendly atmosphere.

Approved in Open Session  
By The Manatee County Port Authority  
December 18, 2003



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Posted on Thu, Jan. 08, 2004

U.S.-CUBA

## Migration talks canceled

The State Department calls off a meeting with Cuban officials over immigration, accusing Havana of stalling.

BY JUAN O. TAMAYO  
[jtamayo@herald.com](mailto:jtamayo@herald.com)

Enforcing President Bush's get-tough policy on Havana, the State Department has canceled a meeting with Cuban officials on immigration set for today, charging that Havana has long been stalling on five critical issues.

"The U.S. is willing to reconsider scheduling the next round of migration talks at such time as Cuba agrees to a productive agenda, including a commitment to discussions of these five issues," a knowledgeable department official said Wednesday.

The cancellation was another sign of Bush's decision last year to toughen U.S. policies on Cuba, including enforcement of the trade embargo and tourism ban, amid complaints by Cuban Americans that he had done little to oppose the government of President Fidel Castro.

"The president's direction is to do everything we can to advance his policy goals. We frankly came to the conclusion that it doesn't suit any national interests to hold these meetings," the State Department official said.

### CONDEMNATION

The Cuban government condemned the U.S. decision. "The U.S. rejection is an irresponsible action that does not serve the true national interests of the United States," the Foreign Ministry said in a statement issued late Tuesday.

The biannual migration talks, hosted alternately by Cuba and the United States, were launched in 1994 to seek the safe, orderly and legal migration of Cubans to the United States and avoid chaos such as the *balsero* crisis in 1994 and the Mariel boatlift in 1980.

More than 21,000 Cubans received U.S. immigration visas in 2003 alone, while several thousand would-be migrants intercepted at sea were repatriated aboard U.S. Coast Guard cutters.

### UPS AND DOWNS

While the meetings almost never stray outside immigration issues and into more significant political or trade questions, they tend to reflect the ups and downs in U.S.-Cuba relations -- now at their worst point since Cuba's 1996 killing of four Miamians and members of the Brothers to the Rescue group.

Bush administration officials said the decision to cancel the meeting today resulted from years of frustration with Cuba's failure to address the five critical U.S. concerns.

They involve Cuba's refusal to allow some of its citizens to emigrate; its veto of a new U.S. visa lottery for

Cubans; its refusal to allow U.S. diplomats in Havana to check on the welfare of repatriated Cubans; its refusal to accept the deportation of Cubans convicted of crimes in the United States, and its restriction of Coast Guard repatriation trips to the shallow-water port of Cabañas.

Cuba's foreign ministry late Tuesday called the U.S. explanation of the cancellations "unrealistic and absurd" and said it only served the interests of `` a small group of ultra-reactionary people interested in continuing the U.S. policy of hostility and aggression toward Cuba."

U.S. officials said they informed Havana of the decision to cancel the meeting on Monday. There was no immediate explanation for why Havana took so long to make the cancellation public.

The five U.S. issues, the Cuban ministry statement added, lacked "the slightest significance to the advancement of the Migration Accords" signed in 1994 after the *balsero* crisis.

"Clearly," the statement added, 'in the imperial language of the U.S. officials, `dealing seriously' means that Cuba should be willing to make every unilateral concession needed and give in to every whim and demand of the U.S. authorities."

After underscoring that it has "never refused to discuss and analyze any issue brought up by U.S. officials" during the migration talks, the Foreign Ministry said it was ``willing to seriously discuss . . . all the issues mentioned by U.S. authorities."

The statement added that the U.S. decision had more to do with "Miami politics" -- a reference to the Cuban exile community that opposes the Castro government.

**TAB 6**

**DISCUSSION OF REQUEST FROM MARAD FOR  
SECURITY TECHNICAL ASSISTANCE FROM  
FLORIDA PORTS**



502 East Jefferson Street, Tallahassee, Florida 32301

Telephone: (850) 222-8028

Fax: (850) 222-7552

www.flaports.org - E-Mail: info@flaports.org

### MEMORANDUM

DATE: January 14, 2004

TO: Florida Port Directors

FROM: John R. LaCapra

SUBJECT: **SEAPORT SECURITY FUNDING/CARIBBEAN BASIN-CENTRAL AMERICA**

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Pursuant to our December 17, 2003, memorandum to Pamella Dana, Governor's Office of Tourism, Trade and Economic Development (OTTED), and Florida's Free Trade Area of the Americas (FTAA) Executive Director, Jorge Arrizurieta, we have been working with the Florida FTAA to assist the Caribbean Basin/Central America on seaport security funding initiatives.

On January 12, 2004, we met with the Interamerican Development Bank (IDB) in Washington, D.C. to discuss funding security consultants and security infrastructure for the Caribbean Basin and Central American seaports. In attendance were leaders from the Caribbean Common Market (CARICOM), Central America, the Florida FTAA, USAID, the Caribbean Shipping Association, the Caribbean Central American Action (CCAA) coalition, and the Maritime Administration (MARAD).

It appears that the IDB will initiate a funding proposal for both the Caribbean Basin and Central America to finance seaport security infrastructure projects. All parties are attempting to focus on this issue, including the International Maritime Organization (IMO) and the Organization of American States (OAS).

The FPC is performing the appropriate role of advising the several entities on the complexity of seaport security issues, especially with a view to implementing minimum standards for access control. Our experience in managing the project implementation process seems to be an important aspect to the IDB.

All parties are hoping to find answers to funding issues relating to consultancy and infrastructure by the February 25-27 OAS/MARAD meetings in Florida.

We are working closely with the Florida FTAA and the CCAA to assist the development of these seaport security initiatives. We believe this will translate into positive results for the State of Florida.

JRL/mlr

M:\WPDOCS\FPC Cons. Inc\Port Director Memo 011404.wpd

# **Florida Ports** **C O U N C I L**

502 East Jefferson Street, Tallahassee, Florida 32301

Telephone: (850) 222-8028

Fax: (850) 222-7552

www.flaports.org - E-Mail: info@flaports.org

## MEMORANDUM

DATE: December 17, 2003

TO: Dr. Pamella J. Dana, Director  
Governor's Office of Tourism, Trade and Economic Development

COPY TO: Jorge L. Arrizurieta, Executive Director  
Florida FTAA

J. Antonio Villamil, Vice-Chair  
Florida FTAA

FROM: John R. LaCapra

SUBJECT: **MARITIME SECURITY/CARIBBEAN BASIN AND CENTRAL AMERICA**

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The International Maritime Organization (IMO)/International Ship and Port Facility Security (ISPS) Code implementation date of July 1, 2004, is looming for Florida's seaports and our trading partners in the Caribbean Basin Region. [For purposes of this memorandum, "Caribbean Basin Region" refers to both Caribbean and Central American states]. In the past three (3) months, the Maritime Administration (MARAD) of the U.S. Department of Transportation and the port security committee of the Organization of American States (OAS) have been discussing with Florida's seaports the possibility of a technical assistance program emanating from Florida's seaports to the Caribbean Basin Region ports. The Port of Miami has played a prominent role in these discussions.

Most recently, the Florida Ports Council (FPC) was requested by the MARAD to assist the Caribbean Central American Action (CCAA) Conference in Miami by putting together panel discussions on the subject of port security. In addition, the MARAD requested that members of the OAS port security committee and the FPC engage in a mutual discussion with Caribbean Basin Region port groups on the implementation of the IMO/ISPS Code by July 1, 2004. The three (3) day Conference was held in Miami on December 8-10, 2003.

The following is a summary of the discussion outcomes of the Miami Conference and the MARAD/OAS initiatives:

1. Full compliance by the Caribbean Basin Region ports with the IMO/ISPS Code by July 1,

2004, is problematic – even for the larger ports in the region with operational and fiscal capabilities.

2. The comments from the Caribbean Basin Region representatives indicate that funding of security measures generally does not exist within the region.
3. There is no central information/communication capability between the Caribbean Basin Region and the IMO on the subject of port security. It appears that while many groups have sponsored port security conferences in the Caribbean Basin Region, only a handful of ports in the region are engaged in ISPS compliance procedures.
4. The shipping lines and cruise lines have attempted to inform the appropriate authorities in the region of the implications of non-compliance with the ISPS Code by July 1, 2004.
5. The U.S. Coast Guard, as enforcer of the ISPS Code provisions, has clearly indicated that non-compliance with the ISPS Code will result in significant delays and even the loss of access to U.S. ports by ships visiting non-compliant ports/countries. The U.S. Coast Guard also stressed that compliance means full compliance with ISPS and Maritime Transportation Security Act of 2002 (MTSA) security measures. (While the ISPS requires compliance for vessels over 500 gross tons, the MTSA requires compliance for vessels over 100 gross tons).

The following is a summary of action outcomes emanating from the Miami Conference and MARAD/OAS initiatives:

1. As a part of the MARAD/OAS initiatives, Florida's seaports and the Florida Ports Council have offered to provide limited port security technical assistance to the Caribbean Basin Region ports.

This assistance is tempered by the time and revenues required by Florida's seaports to meet U.S. Coast Guard MTSA requirements, and to substantially comply with section 311.12, Florida Statutes. Generally speaking, based upon the existing port security demands on Florida's seaports, port security technical assistance to the Caribbean Basin Region must be limited. Obviously, funding for port security technical assistance would benefit the Caribbean Basin Region ports.

2. The U.S. Coast Guard has indicated to the Florida Ports Council that it is considering how it may assist with IMO/ISPS Code compliance by the Caribbean Basin Region ports.
3. Funding of security measures in the Caribbean Basin Region may become an action item for USAID and the Inter-American Development Bank.
4. Port security will be linked to trade issues in the FTAA discussions.
5. The State of Florida's initiative to headquarter the FTAA Secretariat in Miami may be linked to the State's ability to assist with port security technical assistance and funding of security measures.

6. It is our understanding that the Caribbean Common Market (CARICOM) has made a request to Governor Bush that the State of Florida provide port security technical assistance to the ports in the Caribbean Basin Region. The Assistant Secretary General of CARICOM, Byron Blake, indicated that he had discussed this issue with the Governor.

We expect that the next 30 days may provide a clearer view of the specific needs and issues involved with compliance with the IMO/ISPS Code by Caribbean Basin Region ports. As many participants to the overall discussion stated – “this is not rocket science.” However, there are complexities for lesser developed and poorer economies in this hemispheric integration of economies that spill over into international port security compliance – including the region’s trade relationships and comparative economic competitiveness for its major industries.

The Florida Ports Council is discussing the issue of port security with the Caribbean Shipping Association and the Caribbean Port Managers Association. Consequently, from a Florida Ports Council viewpoint, we desire to interface with the Governor’s Office and his FTAA representatives to better understand how the Florida Ports Council might proceed in this venue to accomplish the request for port security technical assistance by CARICOM and the missions of the State of Florida.

Thank you for your assistance in this matter. We appreciate your timely advice and input on this pressing issue.

**FPC CONSULTING GROUP, INC.**

**ARTICLES OF INCORPORATION**

**OF**

**FPC CONSULTING GROUP, INC.**

The undersigned, for the purpose of forming a not for profit corporation under Chapter 617, Florida Statutes, does hereby adopt the following Articles of Incorporation:

**ARTICLE I: NAME**

The name of the corporation is FPC CONSULTING GROUP, INC.

**ARTICLE II: PRINCIPAL OFFICE**

The principal place of business and mailing address of the corporation is 502 East Jefferson St., Tallahassee, FL 32301

**ARTICLE III: PURPOSE**

To provide consulting services to domestic and international seaports on maritime issues.

**ARTICLE IV: QUALIFICATION**

The qualifications for members and the manner of their admission are stated in the bylaws of the corporation.

**ARTICLE V: INITIAL BOARD OF DIRECTORS**

The number of persons constituting the Board of Directors of the corporation is initially five (5). The manner in which the directors are elected is stated in the corporate bylaws. The name and address of each person who is to serve as a member of the initial Board of Directors is

Charles Towsley  
Port of Miami  
1015 N. America Way  
Miami, FL 33132

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David McDonald  
Manatee County Port Authority  
300 Regal Cruise Way, Suite 1  
Palmetto, FL 34221

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Ken Krauter

Port Everglades  
1850 Eller Drive  
Ft. Lauderdale, FL 33316

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Richard Wainio  
Port of Palm Beach  
1 East 11<sup>th</sup> Street, 6<sup>th</sup> Floor  
Riviera Beach, FL 33404

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George Williamson  
Tampa Port Authority  
1101 Channelside Drive  
Tampa, FL 33602

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#### **ARTICLE VI: INITIAL REGISTERED OFFICE AND AGENT**

The initial registered office and agent of the corporation is Michael L. Rubin, 502 East Jefferson St., Tallahassee, FL 32301.

*Having been named as registered agent to accept service of process for the above stated corporation at the place designated in this certificate, I am familiar with and accept the appointment as registered agent and agree to act in this capacity.*

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*Michael L. Rubin*

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*Date*

#### **ARTICLE VII: INCORPORATOR**

The name and address of the incorporator of these Articles of Incorporation is Michael L. Rubin, 502 East Jefferson St., Tallahassee, FL 32301.

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*Michael L. Rubin*

---

*Date*

#### **ARTICLE VII: DISSOLUTION**

In the event of dissolution, the residual assets of the corporation will be turned over to one or more organizations which themselves are exempt as organizations described in sections 501(c)(3) and 170(c)(2) of the Internal Revenue Code of 1954 or corresponding sections of any

prior or future law, or to the Federal, State or local government for exclusive public purpose.

#### **ARTICLE IX: NON-STOCK BASIS**

The corporation is organized under a non-stock basis.

#### **ARTICLE X: AMENDMENTS**

The corporation reserves the right to amend or repeal any provisions of these Articles of incorporation, or any amendment(s) thereto.

#### **ARTICLE XI: CORPORATE POWERS**

The corporate powers of this corporation are as provided in section 617.0302, Florida Statutes.

FPC Consulting Group, Inc.  
(a not-for-profit corporation)

Business Plan

Introduction

During the past three (3) years, Florida's seaports have experienced significant insight into security management practices at seaport facilities. As a consequence, seaport security has been raised to a higher level in Florida's individual seaport management structures.

Security management has followed a more comprehensive and rapid evolution at Florida's seaports. Our ability to transfer this acquired security management knowledge to our international seaport trading partners is a benefit to the flow of international commerce – especially in view of the regulatory security environment created by the International Ship and Port Facility (ISPS) Code of the International Maritime Organization (IMO), and the Maritime Transportation Security Act (MTSA) regulations promulgated by the U.S. Coast Guard.

Based upon both the acquired security management capacity of the Florida seaports, and the potential inability of our trading partner seaports to comply with the ISPS Code and U.S. Coast Guard mandates by July 1, 2004, it is proposed that Florida's seaports create a security management consulting group to assist trading partner seaports in the Caribbean Basin and in the Americas. A summarized business plan is presented for consideration by FPC members.

Strategic Business Objectives

The strategic business objectives of the not-for-profit corporation include maintenance and protection of Florida's international trade in the Caribbean Basin and Americas by providing a valuable service in security management to our international seaport trading partners. The ISPS Code and the MTSA Regulations have an implementation date of July 1, 2004. If Florida's international trading partners are not in compliance with these regulations by that date, Florida could see a disruption in the flow of international commerce, or, at a minimum, the redirection of the flow of international commerce by shipping companies until compliance is obtained at the specific international seaports.

Vision Statement

The Florida seaports should be prepared to assist trading partner seaports in the Caribbean Basin and Americas to comply with the ISPS Code and U.S. Coast Guard security mandates. Strong support from the federal government (MARAD) and Florida-based shipping lines will assist in achieving this vision. The State of Florida in its FTAA headquarters discussions with the Caribbean Basin and Americas' nations also may assist in hemispheric solutions involving trading partners.

## Mission Statement

The mission of the not-for-profit corporation is to provide a consulting capability to Caribbean Basin and Americas seaports that will provide assistance with security management practices and other security measures required by the ISPS Code and U.S. Coast Guard security mandates. This consulting service will enable those seaports to comply with ISPS Code and U.S. Coast Guard security mandates in a timely manner.

The not-for-profit corporation will prepare a “one-stop” compliance procedure that will utilize seaport capabilities and other security management abilities as required.

## Organizational Overview

The FPC Consulting Group, Inc., is incorporated as a not-for-profit private corporation under the provisions of Chapter 617, Florida Statutes. Oversight of the corporation will be provided by a Board of Directors which will consist of a minimum of five (5) port directors from Florida’s seaports listed in section 311.07, Florida Statutes. Only port directors may serve as a member of the Board. Management staff will be selected by the board.

## Operations Plan

The operations of the not-for-profit corporation will be prioritized to deliver security management services to Florida’s seaport trading partners in advance of July 1, 2004, to enable them to comply with the ISPS Code and U.S. Coast Guard security mandates as follows:

1. The seaport must have an ISPS-compliant Port Facility Security Plan.
2. The seaport must have a Port Vulnerability Assessment (PVA).
3. The seaport must have a designated Port Facility Security Officer.
4. The seaport must have an ISPS-compliant security training program for all personnel.

## Management Team

The initial security deployment teams of the not-for-profit corporation should consist of security officers from participating Florida seaports. The security deployment teams should have a back-up capability with one or more security consulting firms approved by the participating seaport or the not-for-profit corporation.

The executive staff of the not-for-profit corporation will facilitate the placement of the security teams with the requesting seaport, and provide other “one-stop” management capabilities necessary to enable the requesting seaport to achieve successful and efficient implementation of ISPS-compliant security measures.

## Service Strategies

Services provided by the not-for-profit corporation shall include consulting services to achieve the following:

1. Selecting of a Port Facility Security Officer for seaport and terminal operations.
2. Conducting a Port Facility Security Assessment.
3. Developing a Port Facility Security Plan.
4. Establishing an ISPS-compliant security training program.
5. Obtaining requisite security infrastructure and technology.
6. Performing security measures and improvement identified by the Port Facility Security Assessment.
7. Obtaining security compliant certification from governmental entities.

#### Financial Plan

The not-for-profit corporation will assess charges for its services. It is envisioned that the requesting international seaport may not have funds immediately available to pay for such services. Appropriate decisions can be made by participating seaports to advance expenses as required to achieve the mission and operations of the not-for-profit corporation.

It is envisioned that the executive staff of the not-for-profit corporation will interact with federal and state governmental entities, as well as international governmental financing institutions in order to construct a creative financing package for the “one-stop” services provided by the corporation. This financing package would include consulting services, acquisition of security equipment, and other implementation assistance for security measures.

#### Summary

This summarized business plan has been prepared to address emerging security issues in the Caribbean Basin and Americas. Florida’s seaports may have to take necessary steps to protect their international commerce by providing security management consulting services to seaports in the Americas Hemisphere.

The ISPS Code compliance implementation date of July 1, 2004, places a premium on immediate and effective action by Florida’s seaports choosing to participate in the transfer of security management expertise to Florida’s trading partners.

**TAB 7**

**REVIEW OF FPC BUDGET**

**TAB 7A**

**REMINDER OF ADMINISTRATIVE SERVICES  
FEE ON OUTSTANDING 320.20(3) AND 320.20(4)  
BOND PROGRAM BALANCES AS OF  
DECEMBER 31, 2003**

**FLORIDA PORTS FINANCING COMMISSION**  
**ADMINISTRATIVE FEE POLICY**

Approved by the FPFC - October 1, 2002 as follows:

Administration Fee on the Outstanding Construction Account Balances of both the 1996 and 1999 Bond Programs – effective December 31, 2002, and annually thereafter.

Approved an annual fee of .15% of the construction account balance. The fee would be effective as of December 31st of each year for both the 1996 and 1999 bond programs.

Any 1996 Bond Program re-allocations and excess interest earnings on the 1999 Bond Program will be deducted from the construction account balances [for the 2002 calculations].

[Annually thereafter, the annual fee will be assessed on the entire December 31<sup>st</sup> Construction Fund Balance for both the 1996 and 1999 Bond Programs.]

/njl

N:\FPFC Administration - FY03-04\FPFC Administrative Fee Policy as Approved - 10-1-02.wpd

1/15/2004

**FLORIDA PORTS FINANCING COMMISSION PROGRAM  
ADMINISTRATIVE SERVICES FEES  
12/31/03**

<b>PORT</b>	<b>1996 BOND PROGRAM BALANCE IN CONSTRUCTION ACCOUNT AS OF 12/31/2003</b>	<b>0.15% ADMINISTRATIVE SERVICES FEES</b>	<b>1999 BOND PROGRAM BALANCE IN CONSTRUCTION ACCOUNT AS OF 12/31/2003</b>	<b>0.15% ADMINISTRATIVE SERVICES FEES</b>	<b>TOTAL ADMINISTRATIVE SERVICES FEES DUE</b>
CANAVERAL	\$ -	\$ -	\$ 1,233,227.39	\$ 1,849.84	\$ 1,849.84
EVERGLADES	\$ 2,635,208.11	\$ 3,952.81	\$ 17,080,534.24	\$ 25,620.80	\$ 29,573.61
FERNANDINA	\$ -	\$ -	\$ 100,968.52	\$ 151.45	\$ 151.45
FT. PIERCE	\$ -	\$ -	\$ -	\$ -	\$ -
JACKSONVILLE	\$ 1,325,116.74	\$ 1,987.68	\$ 731.04	\$ 1.10	\$ 1,988.77
KEY WEST	\$ -	\$ -	\$ -	\$ -	\$ -
MANATEE	\$ -	\$ -	\$ 3,472,539.25	\$ 5,208.81	\$ 5,208.81
MIAMI	\$ -	\$ -	\$ 27,795,926.96	\$ 41,693.89	\$ 41,693.89
PALM BEACH	\$ 229,143.96	\$ 343.72	\$ 1,292,079.94	\$ 1,938.12	\$ 2,281.84
PANAMA CITY	\$ -	\$ -	\$ 1,447,395.27	\$ 2,171.09	\$ 2,171.09
PENSACOLA	\$ -	\$ -	\$ 515,282.08	\$ 772.92	\$ 772.92
PORT ST. JOE	\$ -	\$ -	\$ -	\$ -	\$ -
ST. PETERSBURG	\$ -	\$ -	\$ -	\$ -	\$ -
TAMPA	\$ -	\$ -	\$ 11,138,096.03	\$ 16,707.14	\$ 16,707.14
<b>TOTAL</b>	<b>\$ 4,189,468.81</b>	<b>\$ 6,284.20</b>	<b>\$ 64,076,780.72</b>	<b>\$ 96,115.17</b>	<b>\$ 102,399.37</b>

FPFC - Administrative Services Fees - Approved on October 1, 2002.

**TAB 7B**

**OTHER ISSUES**

**TAB 8**

**OTHER ISSUES**



502 East Jefferson Street, Tallahassee, Florida 32301

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Fax: (850) 222-7552

www.flaports.org - E-Mail: info@flaports.org

**MEMORANDUM**

DATE: January 5, 2004

TO: Bryant J. Salter, Director, African Trade  
Enterprise Florida, Inc.

FROM: John R. LaCapra

SUBJECT: **JANUARY 2, 2004 MEETING**

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Thank you for taking time to meet with me and Dwayne Wynn to discuss African trade expansion.

Based upon the telephone discussion with Representative Ed Jennings, and the above described meeting, it appears that a South African ports/Florida ports technical assistance program may be advantageous to State of Florida trade programs in Africa.

The Florida Ports Council does not have the authority or funds to support such a program. Perhaps Florida's major seaports are best suited to work with Enterprise Florida to attain a meaningful long term program with the African Continent. We are pleased to assist in this effort with Enterprise Florida.

As discussed, if Manny Mencia desires to discuss these opportunities with Florida's ports, we will provide agenda time at our next meeting on January 22, 2004, at 4:00 p.m. in the Port of Miami conference room.

Thank you.

M:\WPDOCS\FPC\Salter memo 010504.wpd

**TAB 9**

**ADJOURNMENT**