

FLORIDA

Freight Mobility and Trade Plan

POLICY ELEMENT

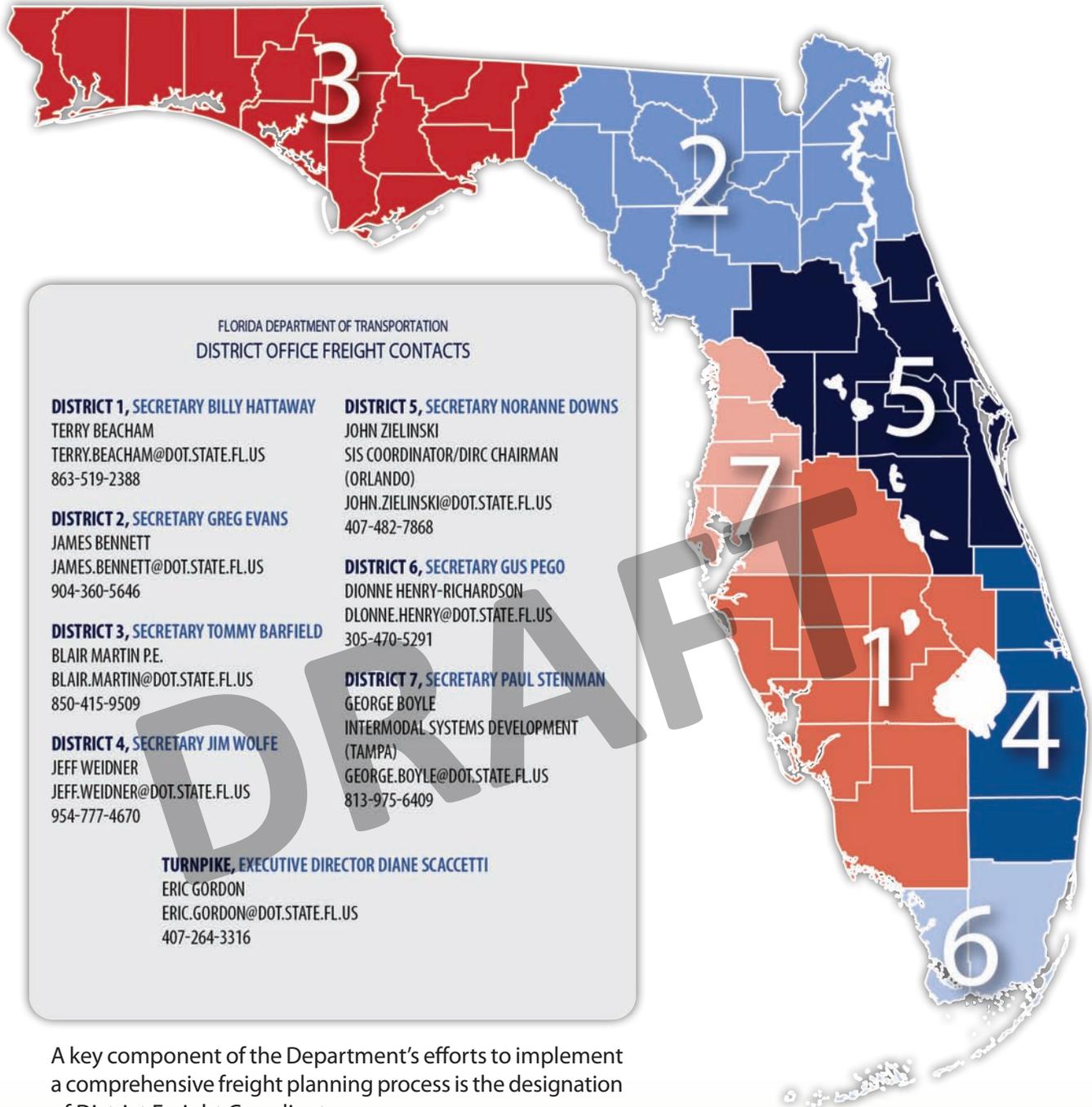
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EXECUTIVE SUMMARY



April 2013

FDOT District Map and Contacts



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A key component of the Department's efforts to implement a comprehensive freight planning process is the designation of District Freight Coordinators.

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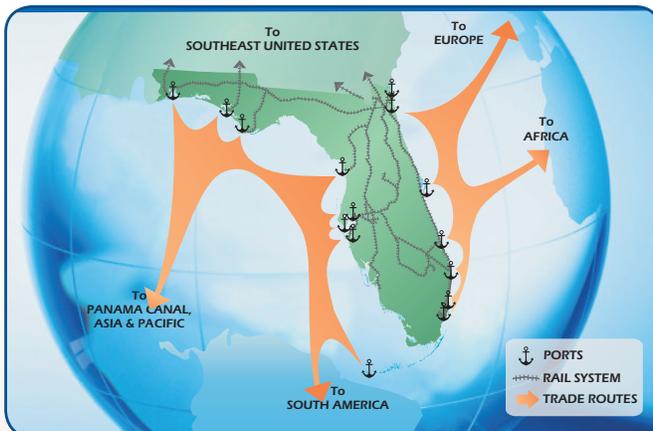
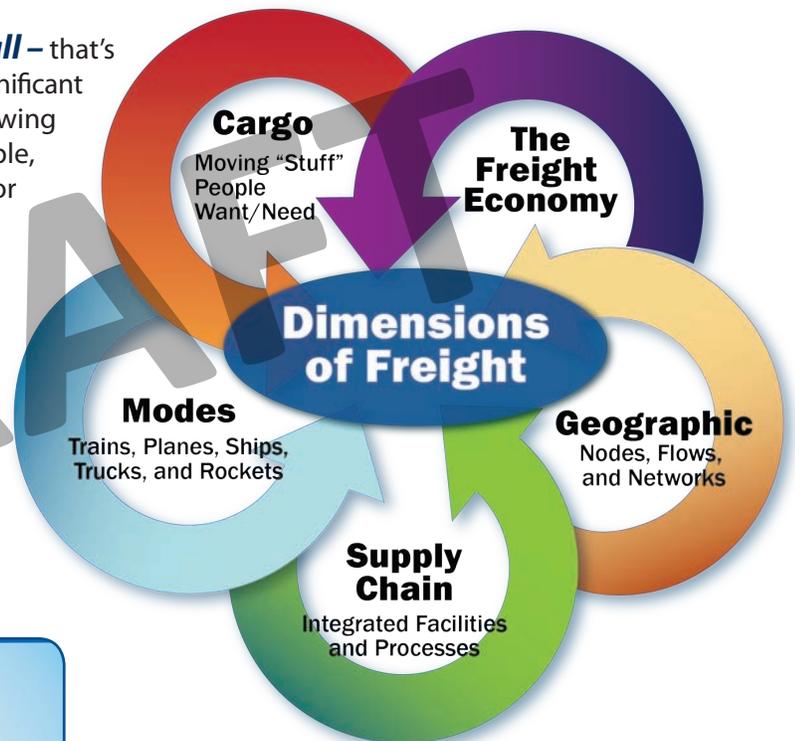
Introduction

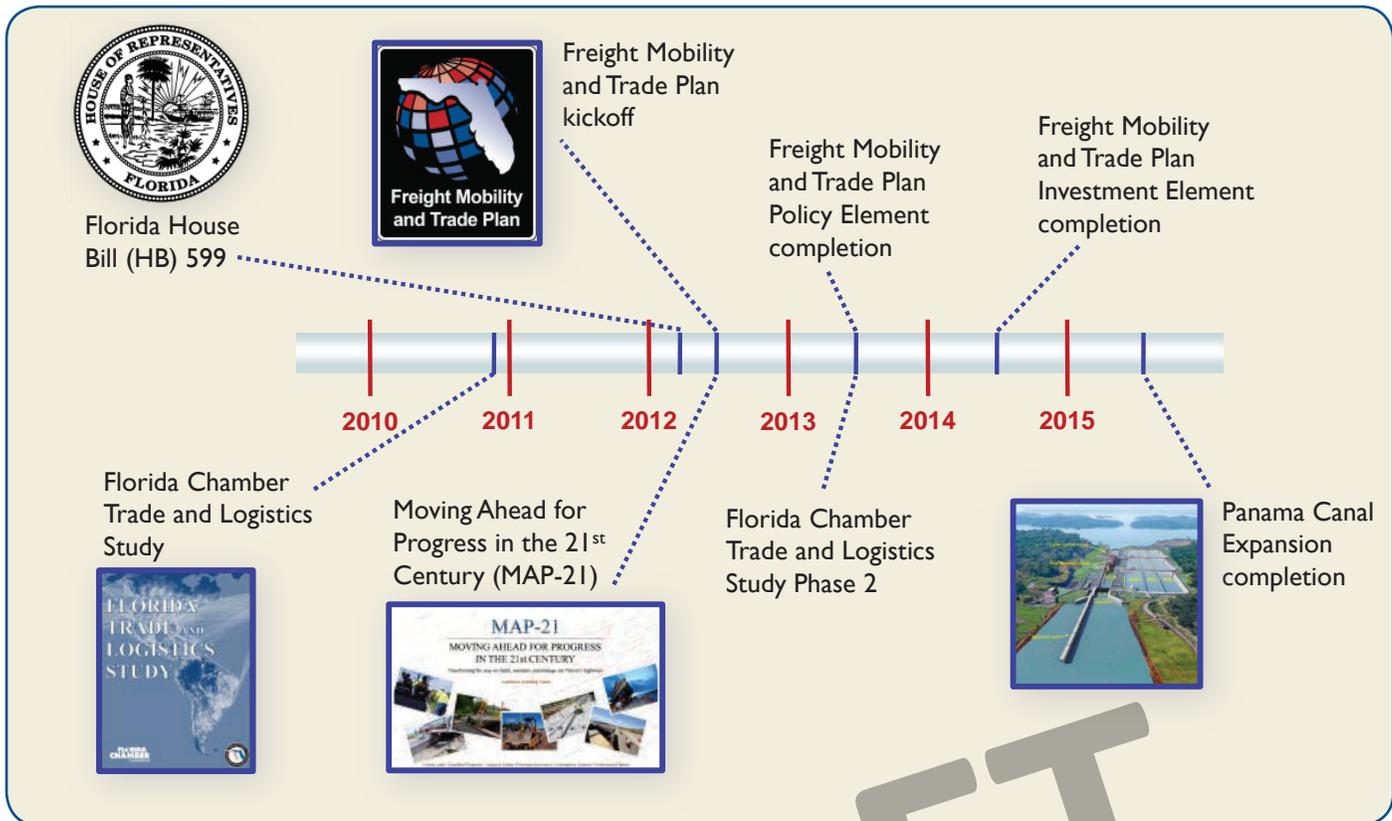
Florida is a freight mobility and international trade state. Freight, or the movement of goods and commodities, affects the state's economy and quality of life of all Floridians. From the movement of citrus products to the home delivery of Internet-ordered items, the safe and efficient movement of goods and commodities moves Florida. Freight is the economy in motion. Several conditions exist which underline the prominent role of freight in the Sunshine State:

- First, as the fourth most populous state in the United States, Florida consumes a significant amount of goods and commodities. These goods reach the consumer via many transportation modes, including truck, rail, ship, barge, aircraft, spacecraft, and pipeline, and by various means.
- Second, Florida has major agricultural and mining industries, which supply many markets, as well as diverse manufacturing and distribution industries and significant tourism.
- Third, Florida is strategically positioned geographically as a regional gateway and corridor, and as a national gateway to Western Hemisphere and other international points.
- Fourth, in Florida all freight transportation modes- trucking, rail, waterborne, air, pipeline, and even space- play critical roles in moving goods and commodities.

From a freight perspective, Florida has it all – that's the good news. The danger is that Florida moves a significant amount of freight, and must keep up with the growing demand. If the supply chain is not efficient, reliable, safe, secure, and cost-effective, then private sector industries cannot continue to be competitive.

The challenge for Florida is to continue to improve and expand transportation infrastructure and to set policies and regulations that allow the private sector markets to flourish. The Freight Mobility and Trade Plan (FMTP) Policy Element is a critical part of ensuring the policies and regulations keep Florida growing and allow Florida's economy to remain strong.





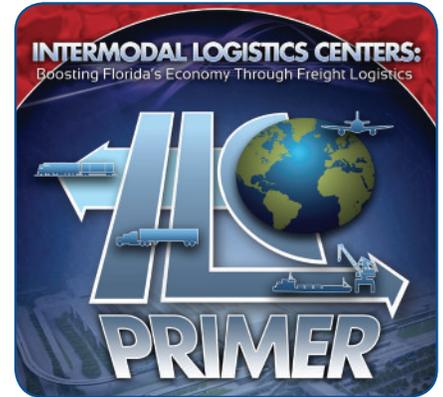
The FMTP provides the state with an integrated and comprehensive plan to focus on objectives and strategies to benefit the movement of goods, commodities, and services. The FMTP is comprised of two elements: this Policy Element and an Investment Element.

This Policy Element presents the objectives and strategies that will guide the programs, decisions and actions of the Florida Department of Transportation (FDOT), while informing the industry of freight-related directions.

The Investment Element, to be developed next, will address how the state will identify and prioritize freight projects. The Florida Trade and Logistics Study identified opportunities for Florida to compete globally and recommended strategies to pursue.

This study prompted the 2012 Florida Legislature to enact House Bill 599, which directed FDOT to develop the Freight Mobility and Trade Plan. Further, the federal reauthorization bill, Moving Ahead for Progress in the 21st Century (MAP-21), encouraged the creation of state freight plans. With a state freight plan, Florida freight projects could qualify for a higher federal share of funds.

Background



However, too often functions such as transportation freight plans are analyzed in an isolated method. Thus, while House Bill 599 initiated the FMTP, the FMTP is much broader than the key goals articulated in this legislation.

The first—and arguably the key—goal of the FMTP is to increase the flow of domestic and international trade through the state's seaports and airports. This can be achieved by improving transportation infrastructure of all modes, liberalizing trade regulation and policies, and expanding the diversification of energy sources to increase the flow of goods. Optimizing these measures requires a synchronized and integrated effort by all state and local public sector agencies. Further, the state needs to work with adjacent states to develop and maintain multi-jurisdictional freight corridors.

The second goal, to increase the development of intermodal logistics centers (ILCs) in the state, hinges on the success of achieving the first goal. If the flow of goods and commodities increases, then there will likely be increased demand for logistics services. All modes of carriers will rise to meet the demand. Local planning should be proactive in studying potential sites for ILC clusters with FDOT leadership and guidance.

The third goal, to increase the development of manufacturing industries in the state, can be challenging. Private sector investment in manufacturing is predicated on many variables, including transportation infrastructure, access to supply chains, workforce (availability, costs, skills), taxes, availability of resources (raw materials, funding, etc.), proximity to the market(s), energy and utility costs, capital building costs, regulatory and permitting processes, environmental conditions, and climate. Again, public planning is necessary to streamline processes to meet private sector needs, and a consistent outreach effort is needed to ensure the private sector knows that “Florida is open for business.” The FDOT will expand its collaboration with Enterprise Florida and Workforce Florida to accomplish this goal.

The fourth goal, to increase implementation of compressed natural gas (CNG) and liquefied natural gas (LNG) and propane energy policies, is intended to reduce transportation costs. These alternative energy types are cheaper than traditional fuel types; however, the higher costs for equipment may delay adaptation by many transportation carriers and manufacturers. The state, through the FDOT and the Department of Agriculture, and other public agencies may need to review policies and regulations that pertain to alternative transportation energy and enhance the private sector's efforts to make these energy sources available.

The FMTP is much more than just a freight plan. This effort couples commerce and energy with transportation to provide ***an integrated analysis to provide solutions to solve issues and needs in a cross-cutting, multi-functional approach.*** Freight movement is the economy in motion. Thus, while transportation, trade, and energy are functions which exist to support citizens and businesses, these activities are inherently linked and collectively impact and support the economic wellbeing of Florida.

The United States is the most consumer-driven market in the world, and Florida is characteristic of the high demand for goods, commodities, and services. **The average American consumes approximately 45 tons of goods each year.** Americans and Floridians expect and demand a high standard of living, and freight movement is a critical element in fulfilling this robust demand.

Population Demands

Florida's demographics are also having a keen effect on consumer demand. **In 2013, Florida's current permanent population is approximately 19.5 million, which is double the state's population in 1980.** This growth puts a tremendous strain on the transportation infrastructure, as roadway capacity has increased at a much lesser rate amount in the same time frame. Moreover Florida is an international destination; each day tourism adds another 1.4 million people to the total with their own mobility and consumption needs.

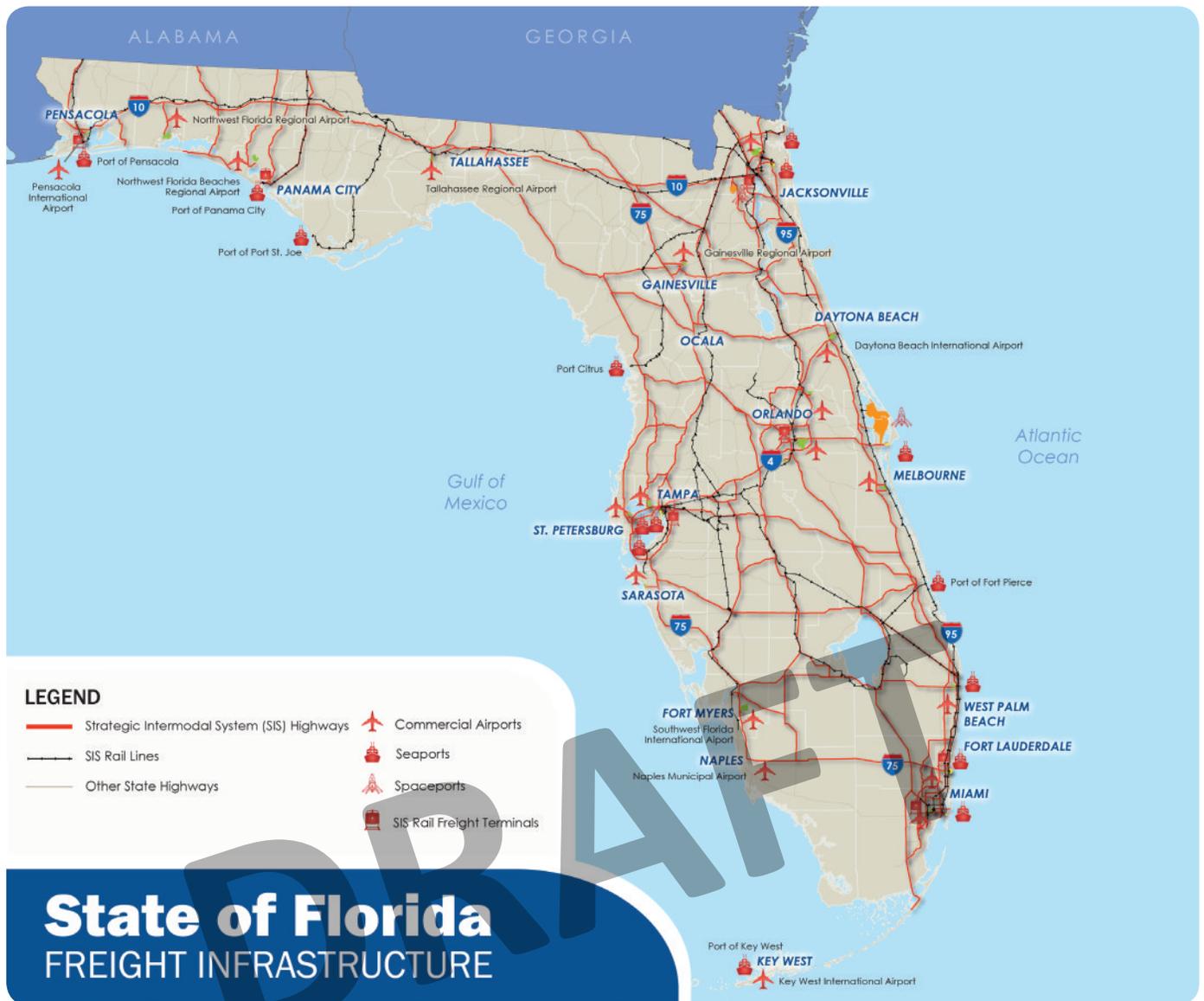


Transportation System Network

Florida boasts a multimodal freight system that has answered past transportation challenges, and is poised to continue to do so in the future only with continued strategic investment.

In order to make investment decisions strategically, the Florida Legislature and Governor established Florida's Strategic Intermodal System (SIS) in 2003. The SIS is a designated system composed of facilities and services of statewide and interregional significance. SIS facilities improve the state's competitive position to compete for the movement of additional goods into and through the state. While the SIS represents many of the key elements of Florida's freight system, such as airports, seaports, highways, railways, waterways, and freight terminals, there are additional facilities that play a part as well, including pipelines.

Increasing Demands



The state highway system sees **195,755** million annual vehicle miles of travel.



Florida's **15** deepwater seaports moved **106.4** million tons of cargo and handled **2.8** million TEUs (20-foot equivalent container unit) in 2010.



Florida is home to **2** of only **8** licensed U.S. spaceports—in Cape Canaveral and Jacksonville



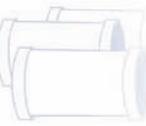
Florida has **784** aviation facilities—**129** with public use and **19** with commercial service.



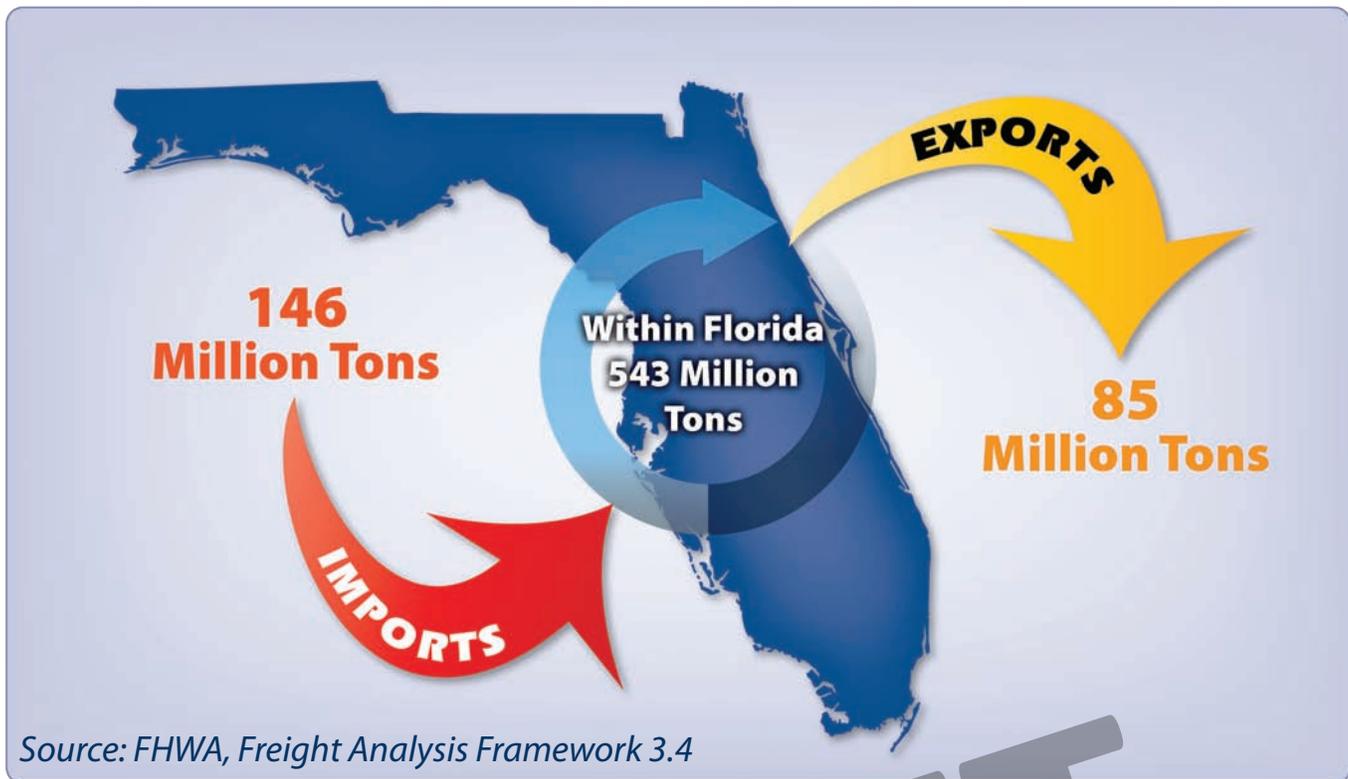
Florida has over **2,700** miles of rail lines, which move over **98** million tons of freight annually.



Florida's pipelines transport gas and liquids via **9** main lines into, and across, Florida



TOTAL FREIGHT FLOWS



Transportation System Demands

Over roughly the same time period, Florida's state roadway lane miles increased by 32%. While this increase in roadway capacity is much higher than the national average of less than 5%, it has not kept pace with population growth and the increased volume of cars and trucks. In turn, congestion has worsened. Congestion manifests itself as longer driving times, increased safety risks, and decreased air quality. Further, it has prompted transportation costs to rise and reduced reliability to pick up and deliver products on time. The bottom line is that increased logistics costs are passed on to consumers, and the increased business costs and transportation inefficiency degrades Florida's ability to compete in the regional, national and global markets. ***To achieve maximum value, businesses must get the right product, to the right place, at the right time, to the right person, for the right price, to fill the right need.***



Increasing Demands

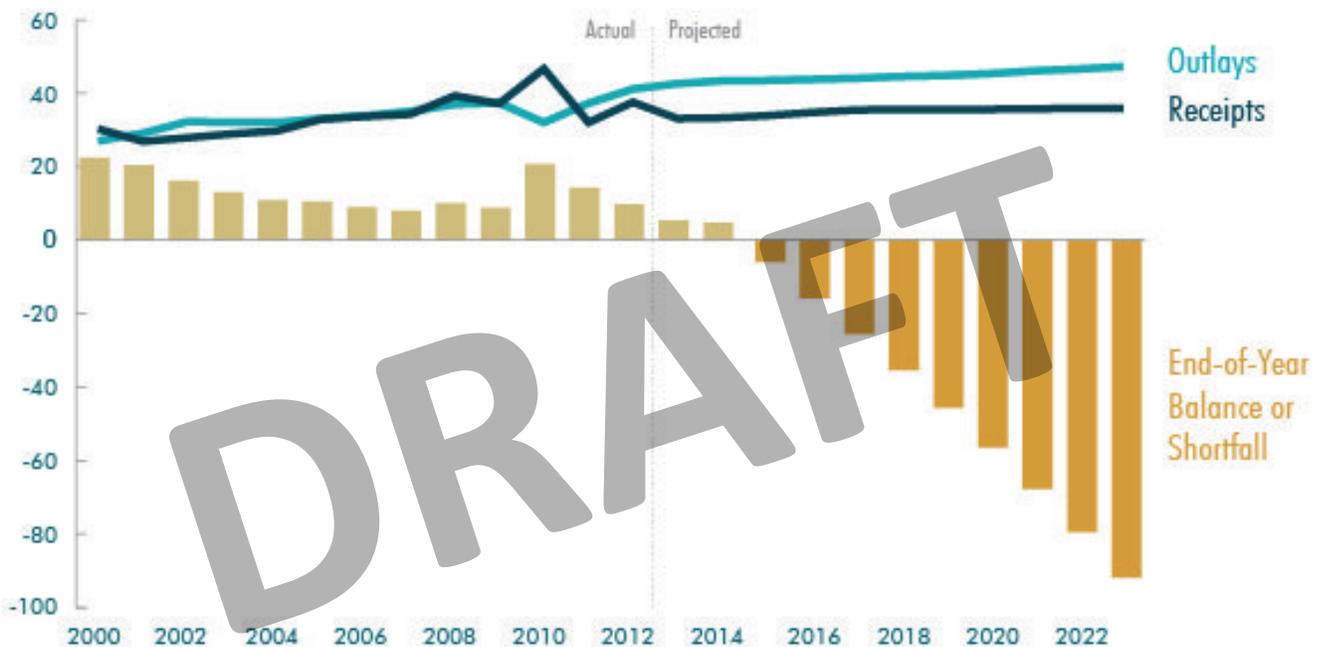
Demand for Funding

While there is increased visibility on freight mobility in Florida and across the U.S., funding has not risen to match the interest of local, state, and national leaders. Rather, funding has deteriorated to the point where it's difficult to adequately maintain the existing infrastructure. Fuel taxes are increasingly insufficient and, in the long run, can no longer sustainably provide the funds necessary to maintain and expand the transportation system. Different and innovative methods are required to fund and finance transportation infrastructure adequately.

Florida has already begun to diversify our sources of revenue in order keep Florida competing nationally and globally. Public-private partnerships; combining federal, state, local and private sector funding; and tolling alternatives should complement traditional funding to deliver improvements and new capacity.

Cash Flow of the Highway Account of the Highway Trust Fund

Billions of Dollars, by Fiscal Year



CONGRESSIONAL BUDGET OFFICE

MARCH 2013 • WWW.CBO.GOV/PUBLICATION/43884



Plan Development Process

The development of the FMTTP included all levels of engagement, from the grassroots level with individual private sector stakeholders to the executive level with Governor Scott and CEO business executives. To facilitate involvement by the private and public sector in the development of the Plan, five stages of direct engagement were scheduled: Regional Listening Forums, the 1st Florida Freight Leadership Forum, Business Forum I: Scenario Planning, Business Forum II: Plan Development, and Business Forum III: Plan Review.

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Regional Listening Forums

- Miami
- Orlando
- Jacksonville
- Panama City
- Fort Myers
- Tampa



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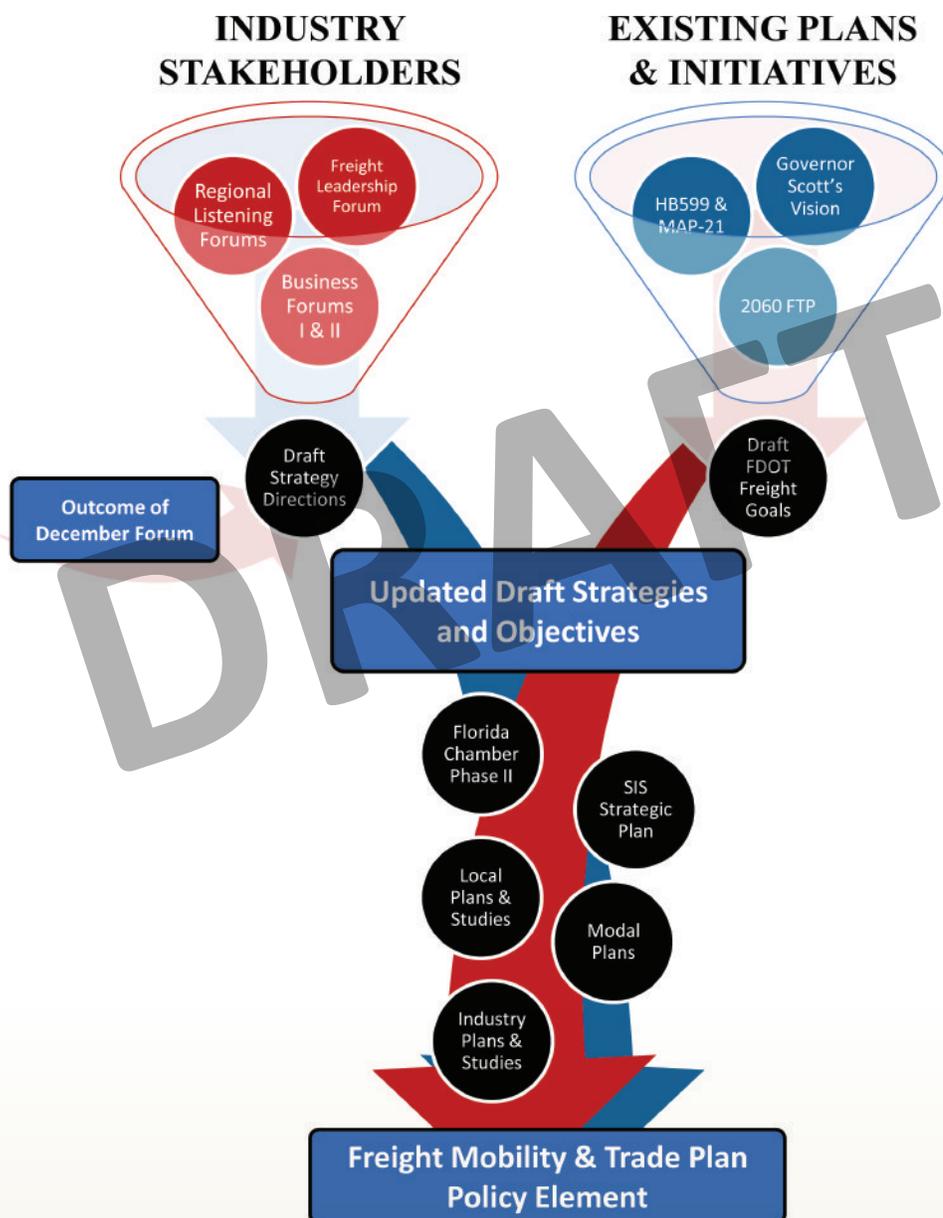
Business Forums

- Scenario Planning
- Plan Development
- Plan Review

Plan Development Process

This collaborative approach utilized input from a wide variety of sources, making the plan long-lasting and sustainable. ***Incorporating an industry-led approach rather than a government-only focus better reflects the needs of freight stakeholders, allows the state to be more proactive and responsive, and streamlines freight investments. This collaborative process provides venues and opportunities for significant interaction with those who utilize, provide, and plan for the freight transportation system.*** FDOT is committed to streamlining all stages of the process, including the development of the Freight Mobility and Trade Plan. Historically, a statewide plan with this level of public outreach takes between 3 and 5 years to complete. FDOT is required to produce the Policy Element of this plan in 1 year, and intends to follow the same schedule for the Investment Element. Rapid development of the plan will keep Florida moving.

BUILDING THE PLAN



Numerous industries, shippers, carriers, associations, and other private sector groups were represented from every geographical location in the state. **Well over 750 members of Florida's private businesses and agency partners were involved in the process.** Participation was all encompassing, ranging from local community planners and freight users, to business leaders, and even the Honorable Rick Scott, Governor of the State of Florida.



The group addressed their concerns about:

- Lack of workforce technical skills in logistics
- Freight flow imbalance
- Need for greater efficient intermodal infrastructure
- Expanding energy sources
- Need for better integration among transportation, trade, and energy

Despite the challenges, all the groups exhibited a positive can-do spirit to remedy these shortcomings.

The participation was encouraging, as it demonstrated a mature understanding and keen insight in realizing the linkage between transportation and economic development. From the business and leadership forums, FDOT gained a clear insight as to the needs of Florida's businesses and what they valued as important factors.

Beyond development of the FMTP, the ongoing dialogue with the private sector is vital to meet business transportation needs and to ensure future transportation infrastructure is developed using a transparent business case analysis. All projects should be closely analyzed on a cost-benefit basis to objectively calculate the return on investment (ROI) to taxpayers. Regular engagement with the Freight Leadership Group and other selected freight stakeholders continues to be the venue to ensure consistent and regular dialogue is maintained between the state and the private sector.



The regional listening sessions reflected a strong willingness from the private sector to partner with state and local government to advance and improve transportation infrastructure and policies for improving freight mobility conditions. Collectively, these groups are aware of how Florida's geography is beneficial in positioning Florida as both a gateway and corridor for freight movement. Also, they are aware of and appreciate the progressive and innovative nature of the state's leadership and in its concrete actions to support freight mobility. The groups addressed their concerns about a lack of workforce technical skills in logistics, the freight flow imbalance, the need for greater efficient intermodal connectivity, and the overall efforts to improve transportation infrastructure, expanding energy sources, and the need for better integration among transportation, trade, and energy. Despite the challenges, all the groups exhibited a positive can-do spirit to remedy these shortcomings.



Policy Objectives

The Florida FMTP provides guidance to the FDOT on freight and goods movement-related policy and investment decisions. The plan informs our state Legislature, private industry, and other governmental agencies on the logistics and trade vision for Florida.

For each of these objectives, a series of strategies were developed by the private sector stakeholders engaged throughout the FMTP development process, as discussed on the following pages.

A key part of the Policy Element for the Florida FMTP is the set of objectives and strategies that form the core of the FMTP. The following objectives and strategies have been developed after extensive outreach to stakeholder groups. They represent a synthesis of the various, at times conflicting, views and issues that were expressed. The objectives developed by this collaborative effort include:

FMTP OBJECTIVES

- 1 Capitalize on the Freight Transportation Advantages of Florida Through Collaboration on Economic Development, Trade, and Logistics Programs**
- 2 Increase Operational Efficiency of Goods Movement**
- 3 Minimize Costs in the Supply Chain**
- 4 Align Public and Private Efforts for Trade and Logistics**
- 5 Raise Awareness and Support for Freight Movement Investments**
- 6 Develop a Balanced Transportation Planning and Investment Model That Considers and Integrates All Forms of Transportation**
- 7 Transform the FDOT's Organizational Culture to Include Consideration of Supply Chain and Freight Movement Issues**

OBJECTIVE 1

Capitalize on the Freight Transportation Advantages of Florida Through Collaboration on Economic Development, Trade, and Logistics Programs

Characterize and highlight the strategic strengths of Florida's freight transportation system, including hubs like seaports, airports, and ILCs collaboratively with industry, and with other agencies and states, to establish Florida as the international gateway for trade. Strategies to achieve this objective are:



1.1 Maximize the strategic advantage of Florida's transportation hubs for trade logistics

1.2 Foster the development and deployment of ILCs through cooperative efforts with industry

1.3 Support the branding of Florida as the Gateway to the Western Hemisphere for trade

1.4 Focus general collaboration with other agencies

1.5 Support the Statewide Economic Development Strategic Plan led by the Department of Economic Opportunity (DEO)

1.6 Collaborate with Enterprise Florida to address transportation and logistics needs for the targeted industries

1.7 Collaborate with Workforce Florida to develop a trade and logistics workforce

1.8 Explore mutual interests and highlight value that Florida can bring to neighboring states

Objective 2

OBJECTIVE 2

Increase Operational Efficiency of Goods Movement

Identify and strengthen the critical freight network, and use Intelligent Transportation Systems (ITS) and other enhancements to increase efficiency, reliability, safety, and security of freight movements, including under emergency situations. Strategies to achieve this objective are:



2.1 Identify the critical freight transportation network for the state, which includes the national freight network designated by the USDOT

2.2 Identify and implement freight movement gap-closing improvements

2.3 Identify and implement freight movement efficiency enhancements

2.4 Promote and support use of Intelligent Transportation Systems (ITS) technology to increase efficiency and reliability of freight movements

2.5 Champion needed freight capacity expansions

2.6 Identify and implement safety and security enhancements

2.7 Assess possible freight network disruptions and develop contingency plans or principles that support the logistics industry and disaster response

OBJECTIVE 3

Minimize Costs in the Supply Chain

Support and facilitate the use of more economical and environmentally friendly fuels like LNG and CNG; evaluate new approaches to freight infrastructure financing and regulatory reform, and balance trade flows. Strategies to achieve this objective are:



3.1 Advance the use of more environmentally friendly alternative fuels

3.2 Support and facilitate the deployment of CNG/LNG use for hub logistics and long-haul trucking in collaboration with the Florida Department of Agriculture

3.3 Evaluate alternative fuel taxing options as a successor to gasoline taxes

3.4 Advocate for regulatory reform and federal inspection agencies staffing to reduce impediments to goods movement (e.g., weight limits)

3.5 Support manufacturing and assembly that reduces empty backhauling



Objective 4

OBJECTIVE 4

Align Public and Private Efforts for Trade and Logistics

Formalize private sector engagement for freight policy through the Freight Leadership Group and develop frameworks for joint public-private investments in freight facilities. Strategies to achieve this objective are:



4.1 Formalize CEO Freight Leadership Group from the FMTP Florida Freight Leadership Forum to function in the role of the freight advisory committee encouraged by federal law

4.2 Devise public-private partnership framework options for joint investments for freight mobility

4.3 Bring business community into transportation planning process



OBJECTIVE 5

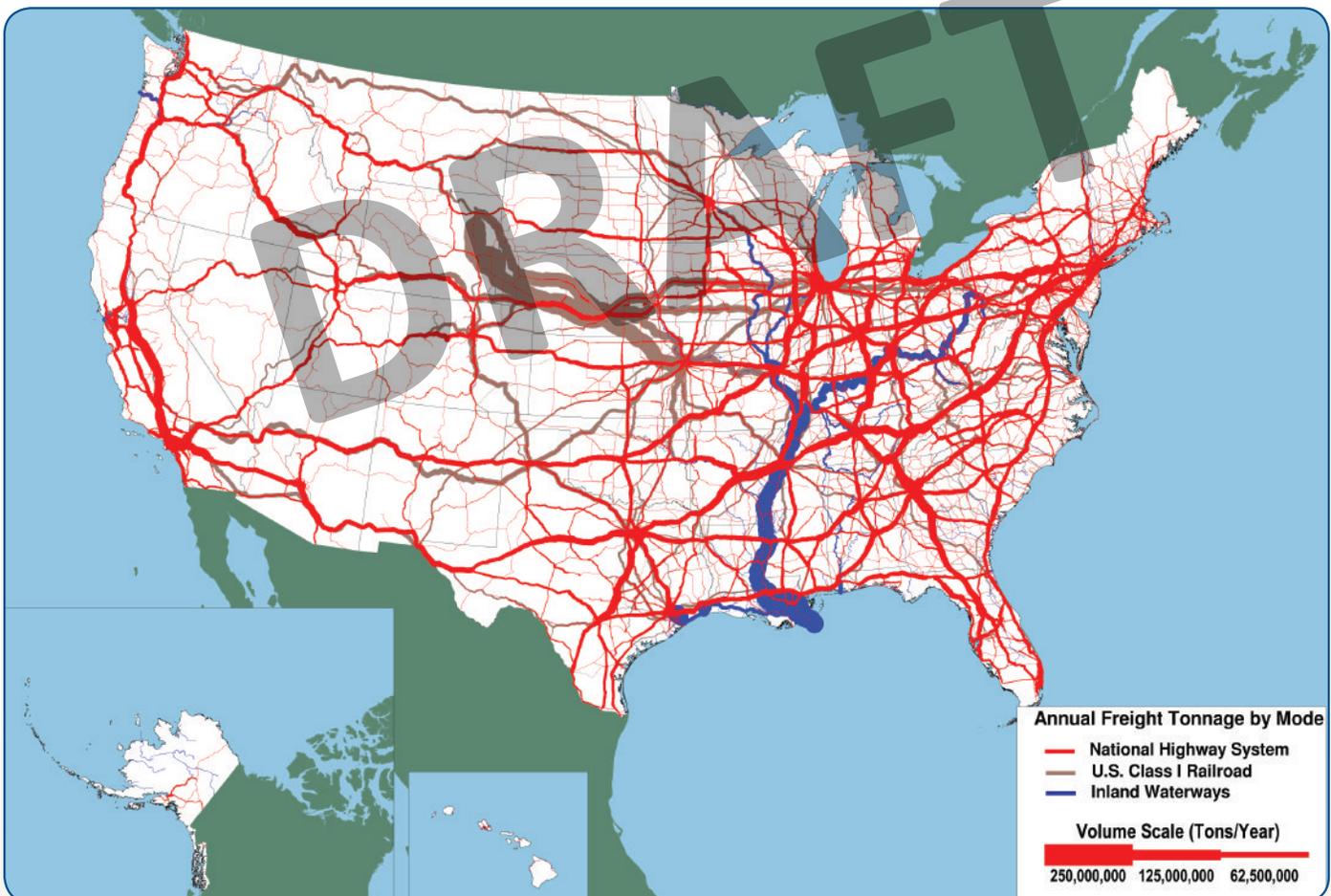
Raise Awareness and Support for Freight Movement Investments

Coordinate a common language public-private campaign to tell Florida's freight story by educating the public, young people, and elected officials. Strategies to achieve this objective are:



5.1 Tell the Freight Story – undertake a joint public-private communications campaign

5.2 Develop a common lexicon of freight terms for transportation and business partners to use to minimize confusion over terms



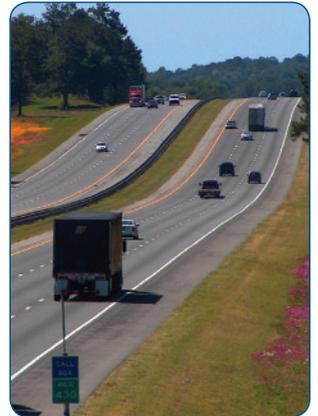
Source: Federal Highway Administration

Objective 6

OBJECTIVE 6

Develop a Balanced Transportation Planning and Investment Model That Considers and Integrates All Forms of Transportation

Align state, regional, and local initiatives for freight movement, including regional partnership and integration, and strive for consistency of state policies and programs to enhance freight transportation. Strategies to achieve this objective are:



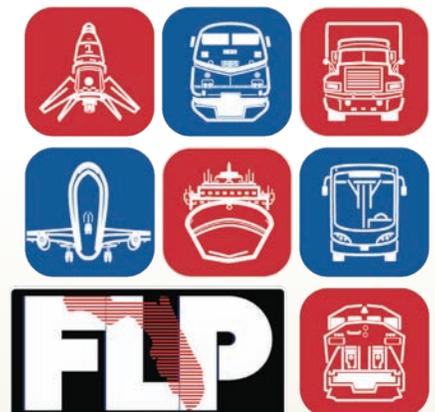
6.1 Provide transportation and land use planning guidance and direction to local and regional agencies for enhanced economic development and freight efficiencies that support community goals

6.2 Coordinate across state agencies to ensure consistency of regulations that impact freight operations and mobility

6.3 Coordinate and integrate freight-related plans and programs of freight facility owners, local jurisdictions, Metropolitan Planning Organizations (MPOs), and the FDOT (Central Office & Districts) for expedited and informed decision making

6.4 Facilitate and maintain regional partnerships and multi-jurisdictional consensus and collaboration

6.5 Assign specific responsibility to FDOT leadership to ensure alignment of state and local freight transportation policies, plans, and programs



Next Steps



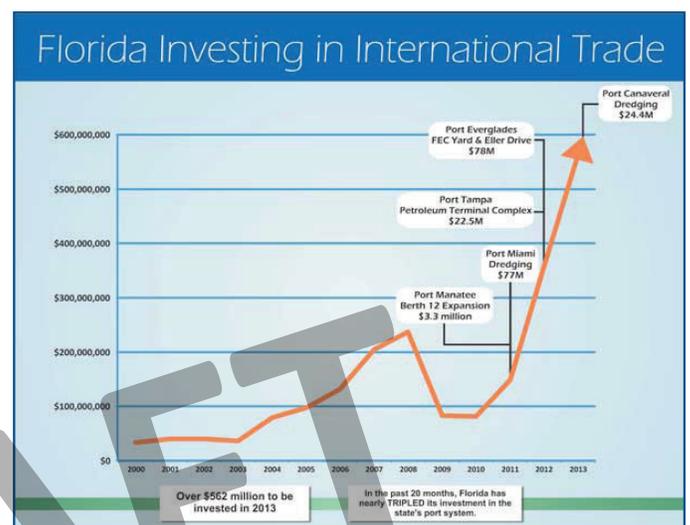
FDOT is not waiting until the Investment Element is complete to make investments in freight. Based on input received from the FDOT districts and the business community, FDOT has already accelerated many National Highway System (NHS) and Strategic Intermodal System (SIS) Roadway Freight Connector projects with the Quick Fix initiative. This advanced nearly \$8 million in current year and over \$14 million to be programmed in FY 2013/14 and 2014/15. Governor Scott has also announced port investments and ILC legislation is being implemented.

FDOT is working with partners such as the Florida Chamber of Commerce, Enterprise Florida, and Workforce Florida on the Policy Element, as well as in the development of a new Logistics Portal to support the industry. The development of the Investment Element will continue this collaborative approach, gaining valuable insight from statewide leaders and local/regional partners, as well as key private sector business leaders and users of the freight system. By including all freight stakeholders in the process, the plan better reflects actual needs and allows the FDOT to make better decisions regarding freight investments.

Perhaps most importantly, ***the Investment Element of the FMTP will need to address how the state will prioritize freight projects.*** States are required to identify freight projects in a state plan to qualify for up to a 95% federal match rather than up to a 90% match in funding, and the federal government wants to make sure they are getting the best value for the nation with those funds.

The Investment Element will build upon the objectives and strategies included in this Policy Element by drilling down to specific actions associated with each item.

The Investment Element will also consider financing associated with the list of proposed projects. Each freight project will need to show how funding is proposed, including all non-state options. The FDOT has made it clear that it is open to suggestions on alternative funding mechanisms, so the freight community may have space to be innovative in moving projects forward.





Florida's freight future is bright.

The collaborative development of the Policy Element of the FMTF has uncovered a culture and climate in Florida that is progressive. The leadership and desire to improve conditions to enhance freight mobility is clearly evident. The Policy Element of the FMTF has laid the foundation by developing objectives, strategies, and actions with the private sector. The next step is to develop a collaborative and transparent project prioritization process to match funding for short-term and long-term requirements to ensure maximum ROI. Together the Policy and Investment Elements of this plan will form a dynamic document that will be updated as needed, and will demonstrate that, when all stakeholders communicate and collaborate, maximum effort can be energized to propel Florida forward as the nation's freight leader.



For more information on Florida's Freight Mobility and Trade Plan, please contact:

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