

**Testimony Presented by Bill Johnson to
The Senate Committee on Commerce, Science and Transportation
Sen. John Thune, Chairman
January 28, 2015
10:00 AM
Room 253, Russell Senate Office Building**

Mr. Chairman, Sen. Nelson and members of the Senate Committee on Commerce, Science and Transportation, my name is Bill Johnson and it is my pleasure to speak to you today on behalf of Port Director Juan Kuryla who is in Asia promoting Port Miami and as the former director of PortMiami and former chair of the Florida Ports Council. I am currently serving Miami-Dade County as the Director of Water and Sewer and, commencing March 2nd, I will be taking the reins at the state level as the Secretary of Commerce and CEO of Enterprise Florida. Throughout my public service career, which has largely focused on infrastructure development, I have seen firsthand the impact of infrastructure on a community's ability to thrive economically, the need to properly connect existing and new infrastructure at the local, state and national levels. I also strongly believe that, in order for these type of projects to move forward, there needs to be partnerships with the private sector and at all levels of government.

When I became director of PortMiami in 2006, we were faced with the reality of aging infrastructure that did not meet the needs of a growing seaport and changing economy that depended on regional trade as a key job creator. While South Florida is known worldwide as the *Gateway to the Americas*, to remain competitive our region needs to address the challenges posed by the expansion of the Panama Canal. PortMiami is the second largest economic engine in South Florida, second only to Miami International Airport, and it contributes \$30 billion annually to the local and state economies. PortMiami supports 225,000 jobs, both directly and indirectly, in the State of Florida. It is projected that new infrastructure investments at the port, including deepening the port's channel to minus 50-feet, will add more than 30,000 jobs over the next several years.

However, in addition to a deeper channel to accommodate a new generation of super-sized container vessels, PortMiami must also address inland logistical challenges including how to move goods on and off the port linking South Florida to markets along the Eastern Seaboard and Midwest.

Our approach was to develop a three-part development strategy that focused on capital improvement projects and infrastructure investments that would support cargo growth not only by virtue of a deeper channel, but also such projects as a

new port tunnel, the re-introduction of on-dock rail, stronger bulkheads, and the acquisition of new Post-Panamax gantry cranes. I'd like to touch on each of those projects.

Deep Dredge, Bulkhead Strengthen and New Gantry Cranes

The U.S. Army Corps of Engineers awarded a contract to Great Lakes Dredge and Dock Company to deepen the Port's channel to a minus-50 feet. When the project is completed this summer, PortMiami will be the ONLY port south of Norfolk, Virginia at -50 feet when the expanded Panama Canal opens in 2016. The dredge project is supported by the strengthening of the bulkheads in order to accommodate larger cargo vessels and the acquisition of new gantry cranes capable of loading and off-loading the super-sized ships.

Port Tunnel

Construction of the Port Tunnel, linking the nation's interstate system with port facilities, was completed in May 2014, and has been operational since last August. The project was delivered both on-time and on-budget. The tunnel, like a number of port projects, was a private-public partnership managed by the Florida Department of Transportation in conjunction with Miami-Dade County, the City of Miami and our private sector partners, the Miami Access Tunnel and Bouygues Civil Works. The tunnel not only benefits PortMiami, but has also greatly improved traffic flow in downtown Miami. Pedestrians and automobiles no longer compete with the 18-wheeler cargo trucks for space on our downtown residential and commercial streets. Vehicles now travel from the Interstate to PortMiami without crossing a SINGLE traffic signal.

On-Dock Rail Connection

Another public-private project of great importance to PortMiami was the re-introduction of on-port rail. In partnership with Florida East Coast Railway (FEC), we have restored freight rail linking our port to an intermodal center with links to the national railway system. We are currently moving hundreds of containers on a daily basis as part of FEC's regular service. While the tunnel connects our port facilities directly to the Interstate and the State of Florida, the rail connects PortMiami to the Southeastern U.S. and beyond.

On-dock rail is a critical component of PortMiami's growth strategy. No modern port can be successful without on-dock rail. The new FEC-Port partnership allows shippers to reach more than 70% percent of the U.S. population from Miami within one to four days. In global trade, it's all about time to market and this connection has afforded South Florida an important competitive advantage.

In summary, PortMiami is in the midst of the most ambitious capital program in the Port's 100-year history. It is all about connectivity--fast and efficient connections to transportation systems and markets. We believe with new connections to Asian markets via the expanded Canal, there are great new

opportunities for those of us who do business in this part of the world.

Global trade and freight movement should be at the forefront of economic development efforts at the local, state and federal levels. Our nation's transportation network, which depends on rail, is vital to moving the nation's commerce and supporting our economy. The system demands proper planning and investment to keep freight movement expeditious and cost-effective. Infrastructure projects that improve the network of how our region and nation moves goods contribute to economic growth in multiple ways. These include not only construction jobs created to build the new infrastructure, but also a wide-range of logistics jobs in the goods distribution and retail industries. By allowing goods to reach domestic and international markets efficiently, we can provide consumers a broader variety of goods with minimal, added cost for transport, if any. Delay in bringing goods to market causes price inflation and deters American business, not to mention the harmful environmental impacts of idle machinery stalled at various system chokepoints.

In closing, without the ability to move our goods and people efficiently, a community cannot grow.

Thank you for the opportunity to address you this morning.

About PortMiami

PortMiami is Miami-Dade County's second most important economic engine contributing \$30 billion annually to the local economy and supporting more than 225,000 jobs in South Florida. It is recognized as the Cargo Gateway of the Americas.

Miami's unique geographic position makes the Port easily accessible to Caribbean and Latin American markets, as well as those of Asia and Europe by way of the Panama Canal.

PortMiami is also known worldwide as the Cruise Capital of the World, welcoming more cruise passengers to its terminals than any other port in the world.

Our Mission

PortMiami's mission is to operate and further develop the world's leading cruise port and the largest container port in the State of Florida; to maximize its assets and strengthen its advantage for future growth; promote international trade and commerce as a vital link between North and South America and a growing center for global trade; support sustainability and operate in an environmentally responsible manner.

Our business plan and quarterly performance reports outline PortMiami's strategic alignment, performance measures as well as our ongoing progress

toward meeting those objectives. The documents include a table of organization that defines the reporting relationships within the department.

Foreign Trade Zone 281

FTZ 281 is a General Purpose Foreign Trade Zone established under the Alternative Site Framework (ASF). The ASF provides an expedited process to becoming an FTZ site. Since its authorization in August 2012 by the Foreign Trade Zone Board, we have 27 sites that have been designated with approximately 3.0M square feet available for foreign trade zone logistics operations.

Mission & Vision

To make Miami-Dade County's international trading community more profitable and competitive by providing quick and easy access to foreign trade zone benefits.

Geographic Impact

FTZ 281 stretches from Southwest Eighth Street to the Broward County line, from Miami Beach in the east to the Urban Development line in the west. This area encompasses many industrial areas and critical logistics components including:

- Miami International Airport
- Opa-locka Airport
- PortMiami
- Rail yards and other transportation infrastructure