



TAMPA PORT AUTHORITY

Strengthening Ports Will Strengthen Our Economy

**Opinion/Editorial by
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America's underperforming economy is a source of frustration and fear for many of us. Although unemployment is gradually improving, if you own a business or are looking for work, you probably agree with many economists that the pace of economic recovery is sluggish and sometimes seems teetering on the edge of another slump. While there are plenty of reasons for this, one factor I seldom hear mentioned – and yet which is extremely important – is the current state of American sea ports. Simply put, we have failed to invest in these essential economic engines, and if we don't act soon, America's economy could lose trillions of dollars as a result. This is a drag on our economy we cannot continue to afford.

To the casual observer, watching freighters, tankers and cruise ships moving along the channels is a pleasant enough diversion. What is not so obvious is the economic importance of that traffic. Nationally, it's estimated that U.S. seaports are responsible for moving nearly all of the U.S. overseas cargo volume: 99 percent as measured by weight and 65 percent by value.

The economic impact provided by seaports extends far from the shore. Seaports are responsible for more than 13 million American jobs, \$649 billion of the U.S. Gross Domestic Product, and maritime shipping activities contribute more than \$212 billion in annual taxes to federal, state and local governments.

In our state, the Florida Ports Council estimates that our 15 ports

- generate more than 550,000 direct and indirect jobs
- contribute \$66 billion in economic value to the state
- account for approximately 9 percent of Florida's GDP
- contribute \$1.7 billion in state and local taxes

Although these numbers may sound impressive, they could be much higher.

According to the American Association of Port Authorities, a \$46 billion investment gap in improving the infrastructure of American ports could result in a \$4 trillion loss to U.S. GDP by 2040.

That's a significant drag on our economy and one that could put America at a serious competitive disadvantage for a long time.

Moving cargo efficiently between ships, railroad trains and trucks requires modern and efficient infrastructure. If the cost of transportation goes up, it is passed along to the consumer in the form of higher prices.

One good illustration of the challenge of changing technology is with ships themselves. The container shipping business has seen many advances and improvements over the years that make transportation of cargo by sea more efficient and less costly. One of these improvements is in the size of the ships themselves. The newest are behemoths that need channels 50-feet deep. There are only four ports in the eastern United States currently able to handle ships of this size, and none is in Florida. We need to adapt or economic activity will literally sail past our shores.

Fortunately, there is hope on the horizon. There is a piece of legislation poised to pick up momentum in Congress, the Water Resources Development Act (WRDA). This bill addresses a host of issues, and one of the most important is improvements to the nation's seaports.

It is extremely important for Florida and the nation that Congress keep working on this bill and move it forward. As the nation's fourth largest state, Florida has a powerful Congressional delegation. And so far, a bipartisan group of 18 of Florida's 27 House members have banded together as the Florida Ports Caucus, which is led by US. Reps. Frederica Wilson and Mario Diaz Balart.

It's my hope that all of Florida's congressional delegation can link arms on this important legislation. It's not necessary for a member of Congress to have a seaport in his or her district to understand the powerful effect of seaborne commerce on our entire state's economy. All of Florida's representatives and Senators Bill Nelson and Marco Rubio need to know how important Florida's seaports are to strengthening our economy, and we need their commitment to moving WRDA forward.