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FDOT Releases Report on Florida's Cruise Industry

FDOT report highlights cruise industry's impact on Florida's economy

TALLAHASSEE – The Florida Department of Transportation (FDOT)'s Office of Freight Logistics and Passenger Operations has released a comprehensive study entitled, "Florida's Cruise Industry: A Statewide Perspective." The report is designed to help provide a framework for actions – including engagement with cruise lines and cruise ports and appropriate deployment of fiscal resources – to ensure that Florida retains and enhances its longstanding position as the nation's leading cruise state.

Governor Rick Scott said, "This study validates the strategic investments we've made to support Florida families. By 2026, the cruise industry will create more than 30,000 jobs and generate an additional \$1 billion in economic activity. We've invested more than \$620 million in ports across Florida to better position our communities to benefit from the growing global economy, and as a result, the future is brighter for families in the Sunshine State."

In fiscal year 2012, there were nearly 14 million cruise passenger embarkations and debarkations via Florida ports. By 2026, that number is projected to increase by more than 50 percent to 21.6 million. At the same time, the cruise industry's contribution to our state's gross state product is forecast to grow from \$2.43 billion to \$3.83 billion, and Florida's cruise-related employment is projected to increase from 58,725 to 92,588.

The State of Florida continues to make critical port improvements, especially in cruise-related infrastructure at several Florida cruise ports. Since 2011, the state has invested more than \$640 million in Florida's deepwater ports. In September, Governor Scott announced a \$150 million investment in critical Florida port projects. And, just last month, at the American Association of Port Authorities convention in Orlando, Gov. Scott announced plans for an additional \$35 million in Florida port projects.

FDOT Secretary Ananth Prasad said, "I applaud Governor Scott for his commitment to strengthen the cruise industry through investment and smart policies. Through this study we can work together to encourage cruise-related economic growth to benefit the people of Florida."

The report includes policy recommendations to take place at the federal and state levels. Some of those suggested policy implementations include:

On the federal level:

- The Passenger Vessel Services Act merits further study and better understanding
- Additional Customs personnel should be deployed at Florida's cruise ports, perhaps initially under a pilot program
- And, in an issue presently before Congress, Harbor Maintenance Tax revenues must be fully used for their intended purpose

On the state level:

- We must support development of fuel supply projects and alternative measures to meet Emission Control Area requirements
- And we must further study alternatives to remove impediments to growth, such as air draft restrictions for bridges

Doug Wheeler, President and CEO of the Florida Ports Council said, “Florida has long been a leader in the cruise industry, containing the top cruise ports in the world and top destinations for tourists, but we must continue to find ways to improve so that we can further grow and better serve our cruise customers. We thank the Florida Department of Transportation for their work to analyze Florida’s cruise opportunities and to develop strategies to capitalize on our cruise successes.”

Christine Duffy, President and CEO of Cruise Lines International Association (CLIA) said, “As this report highlights, Florida and the cruise industry share a unique relationship in furthering the state’s economic development and prosperity. The cruise industry is proud of the contributions it makes to Florida and we look forward to continuing to work with the state and numerous local stakeholders to advance mutually beneficial and sustainable growth.”

What others are saying:

Bill Johnson, Chair of the Florida Ports Council and PortMiami Director said, “PortMiami, already the busiest cruise port in the world with passenger traffic topping four million boardings, annually looks forward to future growth with expectations of reaching the five million mark next year. Our growth continues to be driven by the addition of new cruise brands and new build vessels joining our exciting fleet of ships each year. However, if PortMiami – along with the Florida’s other cruise ports— are going to remain industry leaders, they must continually reinvest dollars to update their facilities to meet customer demand and accommodate the new cruise vessels entering the market.”

Paul Anderson, president and CEO, Tampa Port Authority said, “This FDOT cruise study is important to all of us in Florida for many reasons, but it undoubtedly will be the blueprint to keep us the world-class cruise hub for generations to come. Florida has long had the distinction of being the world’s leading cruise destination, with over twelve million passengers embarking and disembarking within our great state, and this study gives us the tools to keep Florida the number one destination for cruise passengers worldwide.”

John Walsh, CEO of Port Canaveral said, "Port Canaveral is thrilled to work with the Florida Department of Transportation and the Florida Ports Council to encourage statewide growth of the cruise industry. Our Port is completing a cruise master plan and embarking on two new major cruise terminal projects for continued growth of cruise at Port Canaveral, eventually doubling from our current \$4 million passengers, but we want to see all of Florida continue to grow as the cruise industry matures and expands. We see outstanding value to our entire state tourism from Florida Cruise Industry and great synergy between the cruise lines, Florida Ports, Caribbean, Bahamas and as a growing Florida port of call destination for cruises from the Northeast US."

Brian Taylor, JAXPORT CEO said, “Cruise service adds to JAXPORT’s business diversity and to our economic contributions to the state, both of which are key priorities in our overall port strategy. Strong collaboration between Florida’s ports and the FDOT leads to enhanced infrastructure planning and investment, ultimately helping us deliver a significant impact to the Northeast Florida region.”

Steven Cernak, Port Everglades Chief Executive & Port Director said, “We applaud FDOT for commissioning this first-ever study on Florida’s cruise industry. The study shows the cruise industry’s contribution to Florida’s economy, currently at nearly \$2.43 billion, showing the vitality of the cruise industry and how it directly ties to the economic prosperity of Florida. Port Everglades is one of the three busiest cruise ports in the world with 4 million passengers expected in 2014, and homeports more cruise ships than any cruise port worldwide. This study will be a useful tool for developing state and federal policies that encourage cruise-related economic growth to benefit the residents of Florida.”