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## **The Expansion of Port Everglades**

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Florida Port Everglades, created in the early 1900s, is an artificial seaport that is comprised of 2,190 acres. Further, these acres are divided into three cities in Broward County: Fort Lauderdale, Hollywood, and Dania Beach. Port Everglades is known as an economic powerhouse due to its cruise activities and international trading ports. Additionally, it is South Florida's main seaport for receiving petroleum products. Over the years, Port Everglades has expanded both geographically and financially, consequently reinforcing itself as a major international center of commerce.

Port Everglades is ranked second among cruise ports worldwide with a total of nine cruise lines and 43 cruise ships that have attracted four million passengers as of 2014. According to its 2016 Cruise Guide, Port Everglades offers a variety of locations to visit: "from... weeks long Caribbean experiences and South American cruises... to exciting around the world excursions... there is a cruise itinerary to suite just about everyone's schedule and expectations." Port Everglades expects to continue being one of the world's top cruise ports by expanding and modernizing its cargo and cruise terminals. Their plan will consist of investing 1.6 billion dollars in capital to strengthen productivity for the cruise, cargo, and petroleum businesses by 2033 (Port Everglades Master/Vision Plan, 2014).

Currently, Port Everglades is ranked as the 11th busiest container port in the United States, serving more than 150 ports and 70 countries including Latin America, the Caribbean, Europe and Asia. The port relies on 3,000 vessels that move 24 million tons worth of cargo such as containerized cargo, break bulk, dry bulk, and petroleum products (Facilities, 2015) on an annual basis. In 2014, for the first time in Florida Seaport history, Port Everglades reported a capacity of 1,013,344 twenty-foot equivalents (TEUs<sup>1</sup>) moving through the port (Port Everglades Exceeds One Million TEUs for First Time, 2014). "This is a huge accomplishment for our seaport and a credit to our customers who continued to build their businesses through the global recession with an eye towards the future," said Port Everglades Chief Executive & Port Director Steven Cernak (Port Everglades Exceeds One Million TEUs for First Time, 2014).

Furthermore, according to the Miami Herald and the U.S. Census Bureau data, Port Everglades set a trading record year with the increase of its world trade totaling \$27.15 billion in 2014. Exports increased 1.69% to \$13.63 billion, while imports increased from 12.39% to \$13.52 billion. Trade surplus was \$115.46 million (Roberts K., 2015). The main products that account for a major part of these calculations include petroleum, cotton, and apparel.

Venezuela is Port Everglades' top-trading partner for petroleum. Following is Honduras and the Dominican Republic for apparel. Altogether, these three countries account for

more than \$6 billion in trade. South Korea, Nicaragua and Panama are additional trading partners that account for over \$2 billion. The same year that Port Everglades increased its total world trade, the Port faced difficulties as gas price went down. The drop in gas prices had a great impact on the Port's petroleum trade with Venezuela because its imports fell by \$215.24 million; this registered a decline in exports of \$95.21 million (Roberts K., 2015). The reduction in foreign gasoline trade also caused a decrease of ethanol (ethyl-alcohol) imports from Brazil, which imports decreased \$247.45 million. Nonetheless, despite the tumble in crude oil prices, gasoline remained Port Everglades' top import. Setting the highest record since 2008, \$3.85 billion in refined oil has entered the port. Following top imports was apparel (mainly sweaters and t-shirts). Cotton was registered as the top export from Honduras and Dominican Republic, growing to \$99.87 million (Roberts K., 2015)

Port Everglades is a self-sufficient enterprise that does not rely on local tax dollars for operations. It does, however, rely upon the state and federal government to financially contribute upcoming projects (Strategic Business Plan, 2009, p 6). There are three projects that will further assist Port Everglades in attracting more customers, and increasing trade opportunities: bringing freight rail into the port, adding five new berths, and deepening and widening Port Everglades ship channels (Making an Impact, p 22).

The first project, the Intermodal Container Transfer Facility (ICTF), was recently inaugurated in July 2014. Port Everglades partnered with the Florida Department of Transportation in order to bring freight rail into the port. Their goal is to improve the transfer of both domestic and international containers between ships and rail by processing the containers without ever having to leave the port. The ICTF is also expected to eliminate 180,000 truck trips by the end of 2029, as well as help reduce air emissions and air quality (Port Everglades ICTF, Web video).

The completion of the second project, known as the 'Southport Turning Notch Berth Expansion', is expected by the year 2017. Port Everglades plans on lengthening the existing deep-water turn around area for cargo ships from 900 to 2,400 feet in order to allow up to five new cargo berths<sup>2</sup>. This is expected to cost \$122 million dollars, but will provide an annual economic activity increase of \$10.7 billion dollars annually. The project will also benefit the job market: it is expected that 3,045 jobs will be created in the near term, and that other 5,529 regional jobs will be created by the year 2027 (Commerce Report, 2014). Part of this project consists of replacing 8.7 acres of existing mangroves with 16.5 acres of approximately 70,000 new mangrove plants and seeds. Due to this environmental issue, before Port Everglades can continue with the expansion of the Southport Turning Notch, the Florida Department of Environmental Protection must determine that the 70,000 new mangroves are growing in a healthy manner (Construction Updates, 2015).

The expansion of the Panama Canal was a great influence for Port Everglades' third project: the Deepening and Widening of Ship Channels. This project consists of deepening and widening the port's outer entrance channel to 55 feet deep and 800 feet wide, as well as deepening the inner entrance channel and main turning basin to 48 feet. The expansion will be a huge benefit to Port Everglades because it will allow the larger cargo ships that are now navigating through the world's trade routes to fully maximize their capacity without having any depth limitations. Consequently, it will allow Port Everglades to distinguish itself from competing ports in Florida, Georgia, South Carolina, and Virginia. The completion of this will not only allow more ships to stop at the port, but it will also create around 5,862 jobs. It will cost around \$374 million dollars to expand, but is expected to bring in \$69.2 million dollars annually (Panama Canal and Port Everglades unveil new economic alliance, 2009). Even though this project is a financial benefit to Port Everglades, it has taken almost two decades to gain approval because of all the environmental threats included within these plans. A total of 4.01 acres of seagrass, 15.17 acres of coral reef, and 1.16 acres of mangrove habitat were expected to be affected. Luckily, Port Everglades worked closely with the U.S Army Corps of engineers, and developed a plan to mitigate all of these possible threats. On June 2015, the plan received approval from the State and Federal government, and is expected to begin construction in 2016 (Fleshler D, 2015).

The implementation of all these projects has been a long process, especially because of the environmental effects involved. Port Everglades would face a huge economic loss, risking its relationship with customers worldwide without berths and channels capable of handling larger ships with heavier cargo loads, and a convenient rail to move the cargo to its destinations. Ocean shipping companies and other customers would seek other ports to benefit their businesses. Overall, once the projects are finished the port will experience a significant growth in revenue accompanied by a decrease in costs related to investment in infrastructure; this will further benefit imports, exports, and market industries in South Florida. These projects will ensure that Port Everglades will remain competitive with other worldwide ports while simultaneously maintaining its position as a leading port in international trade.

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## Footnotes

<sup>1</sup> TEU's (Twenty-foot equivalent unit): Used to describe a standard unit for describing a ship's maximum cargo carrying capacity, or a shipping terminal's handling capacity.

<sup>2</sup> Berth: A place in the water near the shore where a ship stops and stays.