

**THE ECONOMIC DEVELOPMENT IMPORTANCE OF
FLORIDA SEAPORT OPERATIONS AND THE
ECONOMIC IMPACTS ON THE STATE ECONOMY
FROM CURRENT HARBOR PILOT COMPENSATION PRACTICES**

Prepared for:

The Florida Alliance of Maritime Operators

Prepared by:

The Washington Economics Group, Inc.

August 4, 2009

TABLE OF CONTENTS

I.	Executive Summary	1
II.	The Importance of Florida’s Seaports to the Economy	3
	<i>A. The Economic Development Importance to Florida of Competitive Seaports as They Face Intensified Global Competition</i>	<i>3</i>
	<i>B. The Economic Impacts of the Maritime Industry in Florida</i>	<i>6</i>
III.	The Role of Harbor Pilots and their Compensation for Enhancing the Competitiveness of Florida Seaports	9
	<i>A. Determining the Economic Value of Harbor Pilots under a Public Monopoly Market Structure</i>	<i>11</i>
	<i>B. Estimating the Costs to Florida’s Economy of Monopoly Pricing by Florida’s Harbor Pilots: An Important Loss in Economic Output, Jobs and Public Revenues</i>	<i>14</i>
	Appendix I: Methodology	19
	Appendix II: A Note of the Current Economic Environment	22
	Appendix III: The Washington Economics Group, Inc. Project Team and Qualifications	23

LIST OF TABLES

Table 1. Annual Compensation Levels for Harbor Pilots and Selected Other Occupations: A Comparative Analysis12

Table 2. Summary of Potential Economic Benefits to Florida Residents from Lowering Harbor Pilots Compensation Levels to the Average Compensation Received by U.S.-Flagged Vessel Masters16

Table 3. Summary of Potential Fiscal Benefits to Federal and Florida Governments from Lowering Harbor Pilots Compensation Levels to the Average Compensation Received by U.S.-Flagged Vessel Masters17

Table 4. Summary of Potential Economic Benefits to Florida Residents from Lowering Harbor Pilots Compensation Levels to the Average Compensation Received by Air Traffic Controllers17

Table 5. Summary of Potential Fiscal Benefits to Federal and Florida Governments from Lowering Harbor Pilots Compensation Levels to the Average Compensation Received by Air Traffic Controllers18

I. EXECUTIVE SUMMARY

- ❑ Maintaining and improving the competitiveness of Florida seaports and the corporations that provide port-related services such as cruise lines and cargo vessels is essential to the economic development of the State of Florida.
- ❑ Harbor pilots in Florida are compensated at levels **significantly above** similar occupations that involve a high degree of stress and unique skills since they impact the public's safety in the mass transportation sector.
- ❑ **The loss to Florida's economy in jobs, labor income and public revenues of nonmarket-determined harbor pilot compensation levels is important for policy makers to consider and remedy.**
- ❑ Relative to similar occupations, the additional output, jobs and public revenue losses from current harbor pilot compensation practices impacts the economic development potential of the state.
- ❑ Therefore, as a regulated public monopoly, the nonmarket-determined compensation levels of harbor pilots, as analyzed in this Study, should be brought down to levels that are comparatively close to, or equal to, similar high-stress and high-skilled occupations that have public safety concerns in the mass transportation sector.
- ❑ The economic benefits to Florida of bringing harbor pilot compensation levels to that of comparable and similar occupations were estimated utilizing professionally accepted methodology. This methodology is widely accepted among economists and policymakers (see Appendix I). Summarized results of the estimated economic impacts are under two possible outcomes as follows:

The First Possible Outcome is based on the assumption that Florida harbor pilots are compensated at the same level of U.S.-flagged vessel masters, as called for in Florida Statute. In this scenario, average pilot compensation would decline by 37.6 percent from \$368,717 per annum to \$230,000 per annum. Total pilot fees would drop by \$18.8 million from \$50 million per annum to approximately \$31.2 million per annum. In competitive markets such as the Passenger Cruise Industry and the Ocean Shipping Industry, it is appropriate to assume that these cost savings would be passed on to consumers in the form of lower cruise fares and lower costs of goods purchased (shipping costs being only one element of the final price of the product that is purchased). **Consumers would utilize these**

savings for additional expenditures, which would create additional jobs and economic opportunities for the state on an annual basis. This positive outcome is provided below:

- **An additional 2,212 permanent jobs for Florida residents would be created in a broad range of industries throughout the state.**
- **Florida’s workers would earn an additional \$28 million each year.**
- **Florida’s Total Economic Output would increase by \$37 million each year.**
- **Fiscal Revenues for federal, state, and local governments throughout Florida would increase by \$7 million each year.**

The Second Possible Outcome is based on the assumption that Florida harbor pilots are compensated at the level of air traffic controllers. In this scenario, average harbor pilot compensation would decline by 70 percent from \$368,717 per annum to \$111,870 per annum. Total pilot fees would drop by \$34.8 million from \$50 million per annum to approximately \$15.2 million per annum. In competitive markets such as the Passenger Cruise Industry and the Ocean Shipping Industry, it is appropriate to assume that these cost savings would be passed on to consumers in the form of lower cruise fares and lower costs of goods purchased (shipping costs being only one element of the price of the product that businesses and consumers purchase). The positive economic impacts on Florida of such an outcome are presented below:

- **An additional 4,096 permanent jobs for Florida residents would be created in a broad range of industries throughout the state.**
- **Florida’s workers would earn an additional \$52 million each year.**
- **Florida’s Total Economic Output would increase by \$69 million each year.**
- **Fiscal Revenues for federal, state, and local governments throughout Florida would increase by \$13 million each year.**

II. THE IMPORTANCE OF FLORIDA'S SEAPORTS TO THE ECONOMY

Florida is home to 14 seaports whose operations are critical economic development assets to the state and to the economies of the metro areas in which they are located. Ports support economic development in several ways. Ports improve regional productivity by facilitating the movement of goods and services to local, national, and international trade partners. Florida's ports are also a critical component to Florida's strategic inter-modal system. Not only are ports vital to a seamless transportation system, but Florida's foreign trade industry is strongly supported by the livelihood and reputation of its ports.

Florida is the "Gateway to the Americas;" nearly \$115 billion worth of international trade flowed through Florida seaports in 2007 making international business and trade important elements of the Florida economy. The State of Florida is host to over 300 regional and hemispheric headquarters of companies from all over the world. According to Enterprise Florida, the official statewide economic development organization for Florida, the total value of Florida-origin exports, defined as goods grown, mined, manufactured, assembled or otherwise had value added in the state for shipment abroad, totaled nearly \$54.3 billion in 2008. These significant impacts continue to make Florida one of the world's leaders in international trade, for which a cost-competitive port system is essential.

Florida seaports have an important role to play in positioning the state to capture significant future economic benefits from the potential expansion of Florida's international trade sector and the world-leading Florida-based cruise industry. The state's seaports face increasing competition from other modern ports throughout the Americas, and it is essential, therefore, that they maintain their competitive strength with targeted capital investments and innovative operational and marketing strategies in order to sustain and even grow their share of U.S. trade. Globalization of the modern marketplace is significantly supported and spurred by an efficient port system; thus the need to maintain a cost-effective port system is imperative for Florida to compete in the global economy of the 21st Century.

To sustain and build on the success of Florida's international trade, cruise industry and ports system, the state must take steps to ensure that they can remain cost competitive in this ever-changing market.

A. The Economic Development Importance to Florida of Competitive Seaports as They Face Intensified Global Competition

Seaports bolster the economic development potential of their communities, well beyond the direct and indirect impacts of port operations on *jobs, personal income and economic output*.

These so-called externality benefits, as described below, are significant. Modern seaports, like those in Florida, provide state-of-the-art logistics facilities where ocean-going vessels can load and unload individuals and cargo. Therefore, ports improve regional income by facilitating the movement of people and goods to markets outside of the local area. As an example, the Port of Miami is a top income-generator for Miami-Dade residents by “exporting” a high value-added service to other regions of Florida, the U.S. and globally.

- Ports are a key component of 21st Century inter-modal transportation systems, fostering connectivity with surface and air modes of transportation. Historically, ports facilitated the shift from water to land-based transportation. With the advent of aviation, ports have again become increasingly important venues for transportation-mode changes, interconnected with airport operations.
- Seaports decrease transportation costs for their surrounding locations, allowing economies of scale to develop and lowering prices for consumer products. These result in increased consumer welfare and a higher standard of living among regions served by seaports.
- Seaports add to the comparative advantage of high value-added industries by lowering shipping costs to markets outside of the local area and by expanding market reach for locally produced goods and services.
- Communities with modern seaports benefit from increased tourism activities. A classic example is the large cruise industry located at the Port of Miami and Port Everglades, top generators of jobs and income for Miami-Dade and Broward residents.

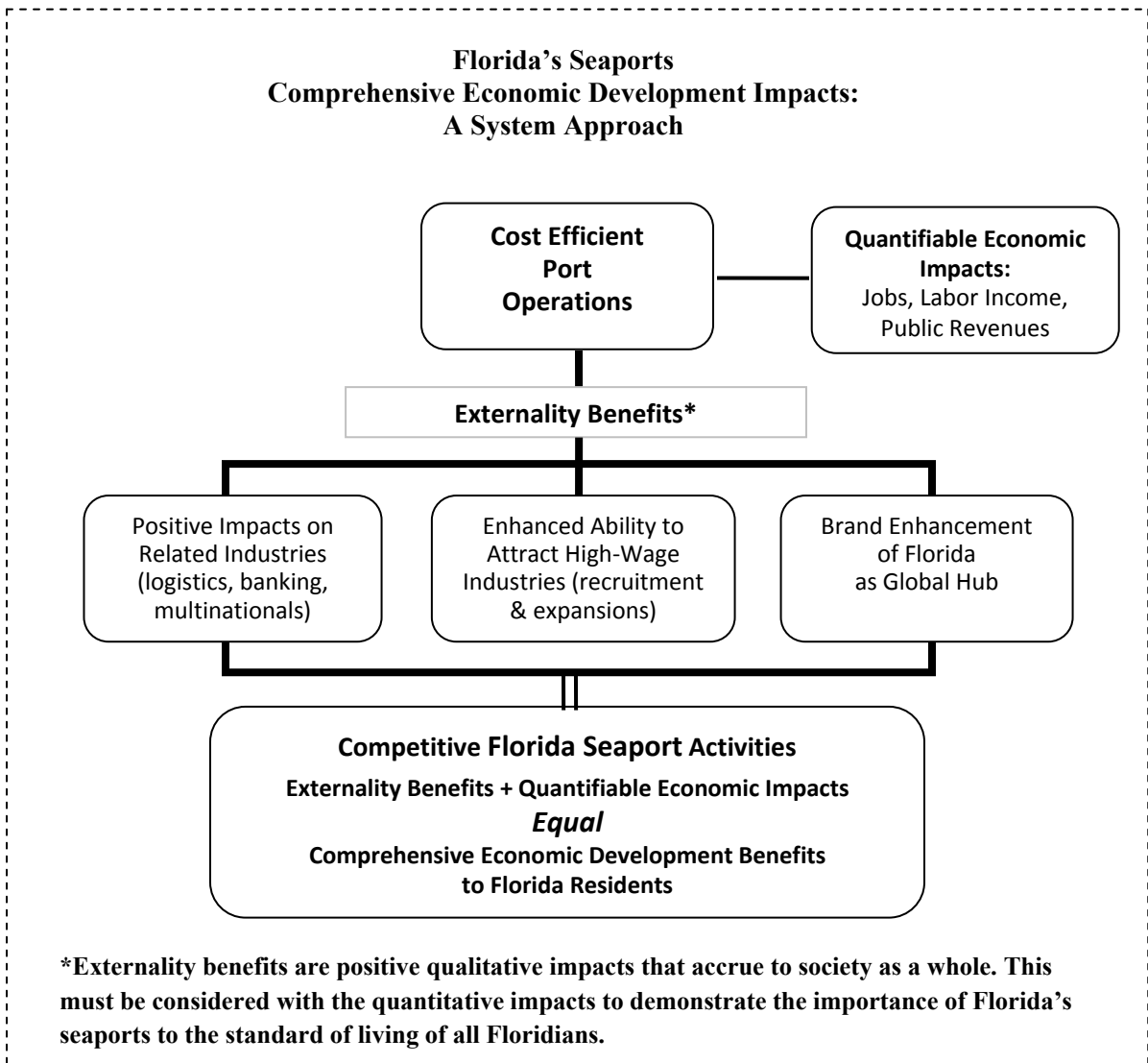
Further, port activities do not occur in isolation. The passenger, transit and cargo transfer activities create thousands of local employment opportunities in a wide range of occupations. The potential for the significant growth and expansion of Florida trade and cruise passengers exists, but not without hurdles along the way. Florida’s demographics, geography, cultural connections and its status as a commercial hub for trade with South America and the Caribbean provide market-expanding opportunities for the state.

Regional trade and travel agreements are now critical to the trade expansion process. Expanding the capacity and efficiency of seaports is necessary for Florida to reap the full benefits of growing U.S. trade. **Seaports must develop and execute strategies that keep them cost-competitive with other U.S. ports and potential new offshore transshipment centers.**

The significant contributions provided by Florida’s seaports to local communities and the entire state are major factors in the potential economic development of the state. In order to be competitive nationally and internationally, the state’s seaports must continuously work to move cargo and passengers faster, cheaper and more efficiently.

Ports must also execute the smart financial strategies that will allow them to expand capacity and increase efficiency, while also maintaining the staff support needs of the ports and the ports’ operations. Therefore, the multifaceted activities of Florida’s seaports are a key economic foundation and catalyst for maximizing economic development at both the state and local levels in which they are located.

The benefits of competitive port operations are widely distributed throughout the local and State of Florida economies, as displayed in the graphic below.



B. The Economic Impacts of the Maritime Industry in Florida

Florida is the cruise capital of the United States and due to the economic importance of Florida's ports, they are analyzed frequently. According to an economic impact study published by the Cruise Lines International Association (CLIA) in 2007, Florida ranked first in the nation for cruise industry expenditures with over \$46 billion in direct spending, accounting for over 33 percent of nationwide total industry direct expenditures. Spending by cruise lines, passengers and staff generated more than 126,500 jobs in Florida, which was over 36 percent of the total jobs that were created nationwide. Wages from the cruise industry in Florida totaled more than \$5 billion in income for workers, 33 percent of Labor Income created nationwide. Further, Florida's five cruise ports – Port of Miami, Port Everglades, Port Canaveral, Port of Tampa and Port of Jacksonville – account for a significant number of the nation's cruise embarkations-nearly 5 million embarkations took place in Florida in 2007.

Indirectly, the cruise industry has significant positive impacts on many other Florida tourism-related industries such as airlines, travel agencies, hotels and restaurants, etc. These indirect tourism-related impacts resulted in approximately \$2.4 billion of additional expenditures in Florida. The importance of maintaining cost efficiency and expanding Florida's seaports was quantified by The Washington Economics Group in a recent Study.

Florida's seaports exercise a considerable impact on Florida's economy each year, by not only acting as an employer and direct source of demand for businesses across the state, but primarily by becoming the necessary element in the economic activity performed by myriad private-sector businesses involved in the transportation, manufacturing and tourism-related industries. Florida's seaports provide an estimated and direct support for nearly 90,000 jobs, while the indirect and induced jobs made possible by Florida seaports added another 200,000 jobs to the state.

That is, Florida's seaports directly and indirectly support nearly 290,000 jobs. Forty-five (45) percent of these jobs resulted from activities related to the movement of cargo and cruise passengers, while 55 percent of the impact on jobs resulted from exports of state-manufactured goods shipped from Florida seaports.

The employment impact of Florida's seaports is spread across a wide spectrum of occupational categories, indicating that the economic benefits of this activity are similarly spread across households of many income strata. Approximately 22 percent of the nearly 290,000 jobs supported by Florida's seaports are found among the ranks of managers, administrators, professionals and technicians. Thirty (30) percent of the employment impact from Florida seaports is found at the other end of the occupational – services employees (13 percent) and clerical/administrative support personnel (17 percent). Forty-seven (47) percent of the employment impact is found among production workers (34 percent) and sales workers (13 percent).

Source: The Washington Economics Group, 2003.

Table 1. Economic Impact of Florida Seaports - Summary Table

	Direct Impact	Indirect Impact	Induced Impact	Total
Total Economic Impact				
Gross Output ¹ (million \$)	17,216	7,469	10,654	35,339
Gross State Product (million \$)	5,904	3,940	6,462	16,306
Employment (jobs)	89,911	71,415	127,370	288,696
Labor Income (million \$)	4,094	2,827	4,293	11,214
Capital Income (million \$)	1,620	899	1,709	4,228
State and Local Government Taxes and Fees (million \$)	NA	NA	NA	1,058
Impact from Seaport Operations²				
Gross Output (million \$)	6,892	3,462	4,243	14,597
Gross State Product (million \$)	2,228	1,769	2,521	6,518
Employment (jobs)	42,615	35,311	50,371	128,297
Labor Income (million \$)	1,595	1,364	1,705	4,664
Capital Income (million \$)	543	374	695	1,612
State and Local Government Taxes and Fees (million \$)	NA	NA	NA	471
Impact from Florida-Origin Commodity Exports Shipped by Ocean Vessel				
Gross Output (million \$)	10,324	4,007	6,411	20,742
Gross State Product (million \$)	3,676	2,171	3,941	9,788
Employment (jobs)	47,296	36,104	76,999	160,399
Labor Income (million \$)	2,499	1,463	2,588	6,550
Capital Income (million \$)	1,077	525	1,014	2,616
State and Local Government Taxes and Fees (million \$)	NA	NA	NA	587

Notes: 1) Gross Output is the market value of goods and services produced by Florida industries, plus the imputed value of government services. 2) Based on the operation of port facilities, waterborne cargo transport, cruise ship landside operations, landside expenditures by cruise passengers, air transport and travel arrangement services for cruise passengers, and ground transportation associated with the movement of cargo.

Source: *The Washington Economics Group, Inc. 2003.*

Florida's seaports had a \$17.2 billion impact on gross economic output of Florida. The indirect and induced impacts added another \$18.1 billion to gross economic output, leading to a total economic impact of \$35.3 billion. Approximately 40 percent of the total economic impact of Florida's seaports resulted from transportation activities involving the movement of international cargo and cruise passengers, while the remaining 60 percent resulted from the state's manufacturing exports that were made possible by access to competitively priced shipping operations provided by ocean vessel transport.

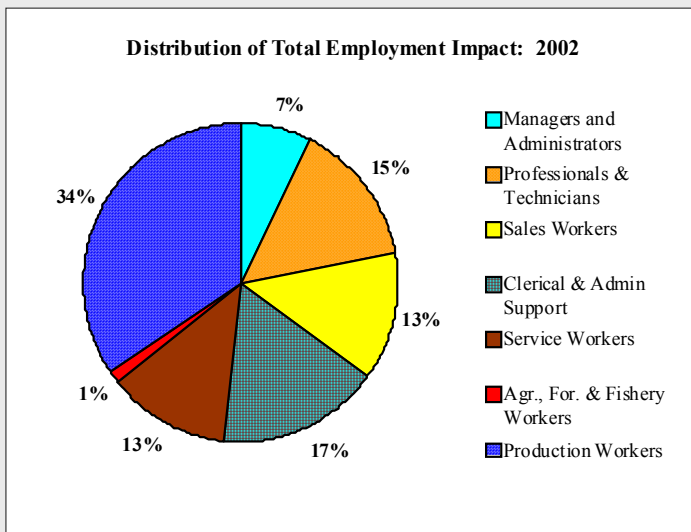


Figure 1
 Source: *The Washington Economics Group, Inc.*

Gross State Product,¹ \$11.2 billion in compensation to workers and \$4.2 billion in capital income.

State and Local Government Fiscal Revenue Impacts

The economic activity generated directly by Florida seaports and through its economic multiplier effects also yields significant impacts on tax and fee revenues of state and local governments. As economic activity expands (contracts) property values and taxable sales increase (decrease), and government revenues subsequent increase as well.

Computer simulations with WEG’s model indicate that economic activity related to the movement of cargo and cruise passengers through Florida seaports generated nearly \$1.1 billion in state and local government fiscal revenues. Additional sales taxes accounted for nearly 41 percent of total state and local revenues, while additional property taxes accounted for 36 percent of the projected revenue impact. The remaining 23 percent is attributed to payroll taxes and other taxes and fees levied at the state and local level.²

Source: *The Washington Economics Group, Inc. 2003.*

The economic impact of Florida seaports was felt in a diverse set of industries across the state. While most of the economic impact was experienced in the manufacturing and transportation industries (35 and 26 percent, respectively), a significant share of the total impact occurred in the private-services sector (15 percent), followed by wholesale and retail trade (9 percent) and finance/insurance/real estate (8 percent)

The \$35.3 billion of economic impact generated \$16.3 billion in

In the 21st Century globally integrated economy, Florida’s ports will play a critical role in supporting the economic competitiveness of Florida’s economy. Maintaining, and where possible improving, the value proposition of Florida’s ports will be critical to the state’s long- run economic competitiveness.

¹ Gross State Product (GSP) represents the net value of production (“value added”) and is a concept analogous to Gross Domestic Product (GDP) at the national level. Gross State Product consists of compensation to labor, compensation to capital (business profits and interest income), and indirect business taxes (sales taxes).

² *A Forecast of Florida’s International Trade Flows and the Economic Impact of Florida Seaports*, The Washington Economics Group, Inc., November 23, 2003.

III. THE ROLE OF HARBOR PILOTS AND THEIR COMPENSATION FOR ENHANCING THE COMPETITIVENESS OF FLORIDA SEAPORTS

Harbor pilots have played a critical role in facilitating water-borne commerce for centuries, assisting ship crews through the provision of specialized knowledge of the unique conditions of each port. Each time vessels enter or exit a port, the harbor pilot joins the vessel to assist the ship's crew as they make the transit between the ocean and the dock. Therefore, the activities and costs associated with harbor pilots are important to maintaining and expanding the critical role that seaports and their associated industries play in Florida's economic development. The American Pilots Association defines the role of the harbor pilot as follows:

“Navigation of a ship in United States pilotage waters is a shared responsibility between the Pilot and the master/bridge crew. The compulsory state Pilot directs the navigation of the ship, subject to the masters overall command of the ship and the overall responsibility for its safety. The master has the right, and in fact the duty, to intervene or to displace the Pilot in circumstances where the Pilot is manifestly incompetent or incapacitated or the vessel is in immediate danger (in extremis) due to the Pilot's actions. With that limited exception, international law requires the master and/or the officer in charge of the watch to “cooperate closely with the Pilot and maintain an accurate check on the ships position and movement.”³

A combination of historical practices within the industry and state laws and regulations has resulted in the market for harbor pilot services in Florida existing as a regulated monopoly. To offset the economic inefficiencies inherent in a monopoly market place, state government has undertaken a program of comprehensive regulation, controlling many aspects of the business operations of harbor pilots, including limiting the number of individuals in each port that are permitted to offer pilotage services to vessel captains, and establishing the rates that harbor pilots can charge for their services.

In the United States, regulations require that ships obtain the services of a harbor pilot when entering and leaving port. Regulation of harbor pilots is a responsibility of the individual state. In the State of Florida, harbor pilots are regulated by the Department of Business and Professional Regulation, which has established minimum standards of professional conduct.

³ The American Pilots Association Website <http://www.americanpilots.org>

In order for an individual to provide harbor pilot services in the State of Florida the pilot must be licensed by the state. To obtain a pilot's license, an individual must:

1. Be at least 21 years of age.
2. Have successfully completed at least 12 years of formal education.
3. Be physically fit to perform the duties of pilot.
4. Have successfully completed a Board of Business and Professional Regulation approved Deputy Pilot Training Program in the port in which licensure is desired.
5. Have a valid United States Coast Guard First-Class Unlimited Pilot's License covering all of the waters of the port in which he is seeking a license.

Individuals are selected to enter the Deputy Harbor Pilot Training Program by the Board of Business and Professional Regulation based on their performance on a written examination and their having met all other requirements for a harbor pilot's license. The person(s) with the highest score is accepted into the Deputy Pilot Training Program. The Deputy Pilot Training Program is a multi-year process conducted by the other licensed harbor pilots in that port.

The Board of Business and Professional Regulation also regulates rates charged by harbor pilots for their services, via the Pilotage Rate Review Board. Chapter 310 of Florida Statutes requires that the Pilotage Rate Review Board "give primary consideration to the public interest in promoting and maintaining efficient, reliable, and safe piloting services." Additionally the Board gives consideration to the following factors:

1. The public interest in having qualified pilots available to respond promptly to vessels needing their service.
2. A determination of the average net income of pilots in the port, including the value of all benefits derived from service as a pilot. For purposes of this subparagraph, "net income of pilots" refers to total pilotage fees collected in the port, minus reasonable operating expenses, divided by the number of licensed and active state pilots within the port.
3. Reasonable operating expenses of pilots.
4. Pilotage rates in other ports.
5. The amount of time each pilot spends on actual piloting duty and the amount of time spent on other essential support services.
6. The prevailing compensation available to individuals in other maritime services of comparable professional skill and standing as that sought in pilots, it being recognized that in order to attract to the profession of piloting, and to hold the best and most qualified individuals as pilots, the overall compensation accorded to pilots should be

equal to or greater than that available to such individuals in comparable maritime employment.

7. The impact a rate change may have in individual pilot compensation and whether such change will lead to a shortage of licensed state pilots, certificated deputy pilots, or qualified pilot applicants.
8. Projected changes in vessel traffic.
9. Cost of Retirement and Medical Plans.
10. Physical risks inherent in piloting.
11. Special characteristics, dangers, and risks of the particular port.
12. Any other factors the Board deems relevant in determining a just and reasonable rate.

A. Determining the Economic Value of Harbor Pilots under a Public Monopoly Market Structure

One professionally accepted approach to determine the economic value of harbor pilot services is to compare compensation levels for harbor pilots at ports in Florida to compensation levels for occupations that are similar with respect to professional responsibility, training, qualifications, and standing within the community.

The occupations selected for this comparison are Ship Captains, Commercial Airline Pilots and Air Traffic Controllers. Ship Captains are in charge of all operations of their vessel, and bear full responsibility for the ship's operations (including the times when the harbor pilot is assisting the crew). The Commercial Airline Pilot profession and the Air Traffic Controller profession are direct parallels to the harbor pilot and Ship Captains profession, only they are practiced within the ocean of air that surrounds the planet, instead of on the planet's oceans. Table 1 on the following page presents the most recent data on compensation levels for each of these occupations.

Table 1. Annual Compensation Levels for Harbor Pilots and Other Selected Occupations: A Comparative Analysis	
Occupation/Location	Annual Compensation
Harbor Pilot	
Jacksonville, FL ¹	\$381,662
Port Everglades, FL ¹	\$436,153
Miami, FL ¹	\$314,555
Tampa, FL ¹	\$342,498
Mobile, AL ¹	\$292,267
Pascagoula, MS ¹	\$292,734
New Orleans - Baton Rouge, LA ¹	\$354,820
Crescent River Port Pilots, LA ¹	\$373,102
Associated Branch Pilots, LA ¹	\$372,750
Lake Charles Pilots, LA. ¹	\$358,750
Sabine River, TX ¹	\$441,032
Houston, TX ¹	\$460,779
Galveston, TX ¹	\$351,750
Freeport, TX ¹	\$513,988
Corpus Christi, TX ¹	\$455,000
Los Angeles, CA ²	\$301,000
San Francisco, CA ¹	\$531,735
Puget Sound, WA ¹	\$311,552
Average Florida Ports	\$368,717
Ship Captain Compensation	
International Flag Cruise Lines ³	\$110,000
American Flag Shipping Line ⁴	\$230,000
Commercial Airline Captain	
Legacy Carrier - Domestic Routes ⁵	\$150,000 to \$175,000
Legacy Carrier - International Routes ⁵	\$175,000 to \$225,000
Air Traffic Controller	
Nationwide ⁶	\$111,870
Sources:	
¹ Brent Dibner, "Review and Analysis of Harbor Pilot Net Revenues and Salary Levels," Oct 1, 2008.	
² Port of Los Angeles, CA.	
³ Royal Caribbean and Carnival Cruise Lines.	
⁴ Florida Pilotage Rate Review Board Meeting Mar 31, 2009.	
⁵ United Airlines.	
⁶ U.S. Bureau of Labor Statistics, Occupational Employment Statistics.	

The above comparative analysis of harbor pilot compensation relative to other occupations with similar operational and public safety responsibilities results in the following conclusions:

1. **Harbor pilot compensation is much higher than the compensation of other similar occupations where public safety considerations are paramount. This average is significantly above compensation levels for other similar occupations in the transportation industry, where the safety of the public is critical.**
2. Compensation levels for harbor pilots in Florida’s major ports range from a low of \$314,555 in Miami, to a high of \$436,153 in Port Everglades. On average, Florida’s pilots receive annual compensation of \$368,717.
3. In all ports with the exception of the Port of Los Angeles, California, the harbor pilots operate as associations, or partnerships of self-employed professionals. The Port of Los Angeles is owned and operated by the City of Los Angeles, and the Los Angeles harbor pilots are city employees. Their annual compensation of \$301,000 per annum is at the lower end of the range of annual compensation levels for the ports studied. Compensation levels in Los Angeles (where harbor pilots are city employees) is over \$230,000 less than the compensation levels in San Francisco (where harbor pilots are members of an Association/Partnership of self-employed professionals).
4. **When compared to Ship Captains, the average compensation of harbor pilots in Florida is a significant \$139,000 or 60 percent higher than Captains of American-Flagged vessels. The average compensation of harbor pilots in Florida is \$159,000 or 335 percent higher than Captains of Foreign-Flagged vessels.**
5. **When compared to Commercial Airline Pilots, the average compensation of harbor pilots in Florida is between \$169,000 and \$206,000 higher than Commercial Airline Captains flying for major domestic/international airlines.** This differential ranges between 85 and 126 percent depending on whether the airline pilot is flying narrow-body jets on domestic routes, or wide-body aircrafts on international routes.
6. **When compared to Air Traffic Controllers, the average compensation of harbor pilots in Florida is \$257,000 or 230 percent higher than Air Traffic Controllers.**

Conclusion

These findings show that the compensation levels for harbor pilots in Florida, as well as in other states, are significantly above the compensation levels of similar occupations where compensation levels are primarily determined by market forces. In essence, relative to similar occupations, where maintaining the public safety is a critical component of compensation, the harbor pilots’ compensation levels are above these similar occupations and can be analyzed as a “rent-seeking” monopoly, increasing the costs of seaport operations in Florida, beyond competitive market-determined compensation levels.

B. Estimating the Costs to Florida's Economy of Monopoly Pricing by Florida's Harbor Pilots: An important Loss in Economic Output, Jobs and Public Revenues

In prior sections of this report, the major job responsibilities, regulation, and compensation levels for Florida's harbor pilots have been discussed and analyzed. In this section of the report, the economic costs to Florida's businesses and consumers of the harbor pilot compensation at levels above what competitive marketplace would result in are estimated, and the impact of these burdens on Florida's economy is also estimated.

This report has demonstrated that Florida's harbor pilots enjoy an average compensation level that is significantly higher than that for individuals whose skills, abilities, and responsibilities are compensated based on, to a large extent, the forces of supply and demand in more competitive marketplaces, as previously presented. Available data shows that on average Florida's harbor pilots are compensated at a level of \$368,717 per annum. This is significantly above compensation levels for other maritime occupations with similar job qualifications and responsibilities. For example, masters of U.S.-flagged vessels receive an average compensation level of \$230,000 per annum. Masters of foreign-flagged vessels, individuals who have identical job qualifications and responsibilities (often for vessels that are much larger than the typical U.S.-flagged vessel), receive an average compensation of \$110,000 per annum. (See Table 1, page 12.)

Differences in compensation levels between Florida's harbor pilots and individuals engaged in assisting and directing other modes of transportation are also equally pronounced. Air Traffic Controllers are responsible for assisting in air traffic navigation and ensuring that aircraft traveling in controlled airspace maintains an adequate distance from each other to ensure that air traffic moves in a safe and expeditious manner. Individuals performing this job are highly qualified and work in a demanding, high stress environment. Data from the U.S. Department of Labor shows that Air Traffic Controllers receive an average compensation of \$111,870 per annum.

Ocean-shipping companies and cruise lines whose ships frequently call at Florida ports, (and therefore are frequent purchasers of the services of Florida's harbor pilots) estimate that they paid approximately \$50 million for the harbor pilot services in Florida's ports during 2008. These costs are not incurred in a vacuum. Fees paid to harbor pilots are a component of the total cost of providing transportation services for passengers and goods that shipping companies must cover with passenger fares and/or cargo rates. To the extent that any of these operating costs are above levels that would be determined in open and competitive markets, they represent a loss to the businesses

and individuals who ultimately have to cover these costs, ship passengers, businesses, and individuals who purchase goods that are shipped through Florida's ports.

Harbor pilots in Florida's ports work in a partnership arrangement where all pilots in a port are members of the partnership or association, sharing equally in the operations of the business. Pilot compensation is the largest expense for these organizations. Operating expenses for pilot stations, watercraft, vehicles, and other assets represent a very small portion of the total operating expenses. In order to estimate the potential benefits to Florida businesses and consumers, the savings in harbor pilot fees (compensation) were calculated assuming that harbor pilots were compensated at two levels much closer to a compensation level that would be determined in a competitive market.

The First Possible Outcome is based on the assumption that Florida harbor pilots are compensated at the level of U.S.-flagged vessel masters, as called for in Florida Statute. In this scenario, average pilot compensation would decline by 37.6 percent from \$368,717 per annum to \$230,000 per annum. Total pilot fees would drop by \$18.8 million from \$50 million per annum to approximately \$31.2 million per annum. In competitive markets such as the Passenger Cruise Industry and the Ocean Shipping Industry, it is safe to assume that these cost savings would be passed on to consumers in the form of lower cruise fares and lower costs of goods purchased (shipping costs being only one element of the final price of the product that is purchased). **Consumers would utilize these savings for additional expenditures, which would create additional jobs and economic opportunities for the state on an annual basis.**

The Minnesota IMPLAN Group, Inc. (MIG) provides the software and basic data needed to formulate the economic multiplier model developed for this analysis. MIG has been providing economic multiplier models for regional economic impact analysis since 1985⁴. Models developed using IMPLAN software are widely used by private-sector and academic economists and by federal, state and local government agencies. The Washington Economics Group, Inc. (WEG) IMPLAN model for Florida is based on the latest U.S. input-output tables as well as income and employment data for the community from the U.S. Department of Commerce.

These added expenditures by Florida businesses and consumers will generate economic impacts that extend beyond those *directly* related to the expenditures. These "spillover" or multiplier impacts are the result of each business activity's supply relationships with other

⁴Information on the IMPLAN Group models and the company history can be found at www.implan.com.

firms operating within the community, the proportion of business value added⁵ that accrues to households in the form of labor and capital income, and the propensity of households to spend income on goods produced within the local area.

Utilizing the savings determined by reducing average compensation of harbor pilots closer to that of similar stressful and hazardous occupations, the *direct* economic impacts, *indirect* and *induced* economic impacts of these recurring expenditures were calculated using an extended *input-output* model of the Florida economy. These comprehensive *direct*, *indirect* and *induced* economic impacts that would recur every year are summarized in Table 2 below.

	<i>Direct Impact</i>	<i>Indirect & Induced Impacts</i>	<i>Total Impacts</i>
Additional Florida Employment (Jobs)	2,047	165	2,212
Added Income for Florida’s Workers (\$ Mil.)	\$22	\$ 6	\$28
Additional Florida Gross Domestic Product (\$ Mil.)	\$19	\$11	\$30
Total Economic Benefits to Florida’s Economy (\$ Mil.)	\$19	\$18	\$37
Federal, State & Local Tax Revenue (\$ Mil.)			\$ 7

Source: The Washington Economics Group, Inc.

The economic impact analysis suggests that if compensation levels for Florida’s harbor pilots were lowered to a level equivalent to those of masters of U.S.-flagged vessels, Florida would benefit as follows:

- **An additional 2,212 permanent jobs for Florida residents would be created in a broad range of industries throughout the state.**
- **Florida’s workers would earn an additional \$28 million each year.**
- **Florida’s Gross Domestic Product would increase by \$30 million each year.**
- **Florida’s Total Economic Output would increase by \$37 million each year.**
- **Fiscal Revenues for federal, state, and local governments throughout Florida would increase by \$7 million each year.**

As stated above, the additional consumer expenditures will likely result in significant tax and other public revenues each year for federal, state and local governments as detailed in Table 3 on the next page. Just over \$7 million of fiscal revenues would likely be generated each year by these additional expenditures. Of this total, \$6 million, or 82 percent, flows to the federal government, with the remaining \$1 million, or 18 percent, of tax revenues allocated to state and local governments throughout the State of Florida.

⁵“Value added” refers to the difference between business revenues and the cost of non-labor and non-capital inputs used to produce goods and/or services.

Table 3. Summary of Potential Fiscal Benefits to Federal and Florida Governments from Lowering Harbor Pilot Compensation Levels to the Average Compensation Received by U.S. Flagged-Vessel Masters (\$000)

<i>Taxes Paid By</i>	<i>Federal Taxes</i>	<i>State/Local Taxes</i>	<i>Total Taxes</i>
Labor	\$2,496.3	\$45.9	\$2,542.2
Capital	\$290.5	\$0.0	\$290.5
Households	\$2,980.5	\$182.3	\$3,162.8
Corporations	\$97.0	\$35.4	\$132.4
Indirect Business Taxes	\$116.5	\$1,045.7	\$1,162.2
Total:	\$5,980.8	\$1,309.3	\$7,290.1

Source: The Washington Economics Group, Inc.

The Second Possible Outcome is based on the assumption that Florida harbor pilots are compensated at the level of air traffic controllers. In this scenario, average pilot compensation would decline by 70 percent from \$368,717 per annum to \$111,870 per annum. Total pilot fees would drop by \$34.8 million from \$50 million per annum to approximately \$15.2 million per annum. In competitive markets such as the Passenger Cruise Industry and the Ocean Shipping Industry, it is safe to assume that these cost savings would be passed on to consumers in the form of lower cruise fares and lower costs of goods purchased (shipping costs being only one element of the price of the product that businesses and consumers purchase).

As in the prior scenario businesses and consumers would utilize these fee savings for additional expenditures, which create additional jobs, public revenues and economic opportunities for the state on an annual basis. Utilizing The Washington Economics Group, Inc. (WEG) IMPLAN model for Florida, previously described, the impacts of these fee reductions were determined using an extended *input-output* model of the Florida economy. These comprehensive *direct*, *indirect* and *induced* economic impacts that would recur every year are summarized in Table 4 below.

Table 4. Summary of Potential Economic Benefits to Florida Residents from Lowering Harbor Pilots Compensation Levels to the Average Compensation Received by Air Traffic Controllers

	<i>Direct Impact</i>	<i>Indirect & Induced Impacts</i>	<i>Total Impacts</i>
Additional Florida Employment (Jobs)	3,790	306	4,096
Added Income for Florida's Workers (\$ Mil.)	\$41	\$11	\$52
Additional Florida Gross Domestic Product (\$ Mil.)	\$35	\$21	\$56
Total Economic Benefits to Florida's Economy (\$ Mil.)	\$35	\$34	\$69
Federal, State & Local Tax Revenues (\$ Mil.)			\$13

Source: The Washington Economics Group, Inc.

This economic impact analysis suggests that if compensation levels for Florida’s harbor pilots were equivalent to those of air traffic controllers, Florida would benefit as follows:

- **An additional 4,096 permanent jobs for Florida residents would be created in a broad range of industries throughout the state.**
- **Florida’s workers would earn an additional \$52 million each year.**
- **Florida’s Gross Domestic Product would increase by \$56 million each year.**
- **Florida’s Total Economic Output would increase by \$69 million each year.**
- **Fiscal Revenues for federal, state, and local governments throughout Florida would increase by \$13 million each year.**

As previously stated, the additional business and consumer expenditures would likely result in significant tax and other public revenues each year for federal, state and local governments as detailed in Table 5 below. Over \$13 million of fiscal revenues would likely be generated each year by these additional expenditures. Of this total, \$11 million, or 82 percent, flows to the federal government, with the remaining \$2 million, or 18 percent, of tax revenues allocated to state and local governments throughout the state of Florida.

Table 5. Summary of Potential Fiscal Benefits to Federal and Florida Governments from Lowering Harbor Pilots Compensation Levels to the Average Compensation Received by Air Traffic Controllers (\$000)

<i>Taxes Paid By</i>	<i>Federal Taxes</i>	<i>State/Local Taxes</i>	<i>Total Taxes</i>
Labor	\$4,623.3	\$85.0	\$4,707.3
Capital	\$538.0	\$0.0	\$538.0
Households	\$5,518.7	\$337.5	\$5,856.2
Corporations	\$97.0	\$65.5	\$244.7
Indirect Business Taxes	\$215.7	\$1,936.3	\$2,152.0
Total:	\$11,073.9	\$2,424.3	\$13,498.2

Source: The Washington Economics Group, Inc.

**APPENDIX I:
METHODOLOGY**

IMPLAN MODEL

Economic models that explicitly account for inter-industry linkages (supply relationships), the generation of labor and capital income and the spending of household income have been used since the 1960's to estimate the contribution that a particular business or industry makes to the general economy.

The multiplier impacts calculated by the IMPLAN model are based on input-output methodology, which explicitly considers the inter-industry linkages that exist within an economy. Each industry needs labor and inputs from other industries in order to produce economic output. Whenever an industry experiences an increase in the demand for its output, many other industries within that economy indirectly experience an increase in demand as well because of these inter-industry linkages. This increase in demand that results from the need for material inputs is called the *indirect effects*. In addition, an increase in production within a region also leads to an increase in household income through the hiring of workers, which in turn generates further demands for goods and services within the region. Firms also need to expand their base of physical capital to meet higher levels of demand, and this too stimulates regional economic growth. The latter effects are referred to as *induced effects*. The inter-industry linkages and the induced effects on consumer and capital spending lead to successive rounds of production, and this process results in an increase in output that exceeds the initial change in demand, or a *multiplier effect*. Similarly, the increase in household income will exceed the initial payroll increase encountered in the industry that experienced the original increase in demand. The total change in employment in the regional economy is a multiple of the direct change in employment.

The total quantitative economic contribution of these activities, therefore, is comprised of a *direct effect*, and *indirect effect* and an *induced effect*. The following represents the system of equations that comprise the regional economy in an extended input-output model like IMPLAN:

$$\begin{aligned}x_1 &= a_{11}x_1 + a_{12}x_2 + a_{13}x_3 + \cdots + a_{1k}x_k + a_{1h}x_h + a_{1i}x_i + f_1 \\x_2 &= a_{21}x_1 + a_{22}x_2 + a_{23}x_3 + \cdots + a_{2k}x_k + a_{2h}x_h + a_{2i}x_i + f_2 \\x_3 &= a_{31}x_1 + a_{32}x_2 + a_{33}x_3 + \cdots + a_{3k}x_k + a_{3h}x_h + a_{3i}x_i + f_3 \\&\vdots \\x_k &= a_{k1}x_1 + a_{k2}x_2 + a_{k3}x_3 + \cdots + a_{kk}x_k + a_{kh}x_h + a_{ki}x_i + f_k \\x_h &= a_{h1}x_1 + a_{h2}x_2 + a_{h3}x_h + \cdots + a_{hk}x_k + a_{hh}x_h + a_{hi}x_i + f_h \\x_i &= a_{i1}x_1 + a_{i2}x_2 + a_{i3}x_h + \cdots + a_{ik}x_k + a_{ih}x_h + a_{ii}x_i + f_i\end{aligned}$$

The variables x_1 to x_k represent total production of output in each industry. The coefficients a_{ij} represent the purchases from industry “i” that are needed to produce a dollar of output in industry “j”. These are known as the *direct requirement* coefficients. The variable x_h refers to household income and the coefficients a_{ih} refer to the average amount of household income spent on purchases from industry “i”, or the *average propensities to consume*. The coefficients a_{hi} are similar to the inter-industry purchases (a_{ij} 's), but they represent the household income that is generated from each dollar of output produced in industry “i”. Similarly the variable x_1 represents regional spending on capital goods, and the coefficients a_{1j} represents the spending on capital goods for each dollar of output produced in industry “j”. The coefficients a_{j1} represent the amount purchased from industry “j” for each dollar spent on capital goods within the region. The variables f_j represent the exogenous final demand faced by each industry, respectively.

This system of equation reduces, using matrix notation, to the following solution for industry output and household income:

$$X = (I - A)^{-1} F$$

X is the vector of industry outputs plus household income and F is a vector of exogenous final demands. The “output multipliers” (i.e., the change in industry output and household income that results from a change in final demand for the output of a particular industry) are given in the columns of the $(I-A)^{-1}$ matrix. The IMPLAN software calculates these multipliers for counties, states and other sub-state regions. These multipliers can be used to provide a sense of the economic importance of an industry or an economic activity in a given region. The multipliers impacts for gross state product, labor and capital income and the government revenue impacts are derived from the basic output multipliers given by $(I-A)^{-1}$.

The IMPLAN model uses historical relationships between public-sector revenues and regional economic output in order to estimate the public-sector revenue impact resulting from the establishment of a new, or the expansion of an existing economic activity.

APPENDIX II:
A NOTE ON THE CURRENT ECONOMIC ENVIRONMENT

The global economic downturn and recession of 2008-2009 have resulted in significant adverse impacts throughout the state. For the past several years Florida's real estate sector has been a major source of job creation and economic growth. With this sector slowing dramatically in the past year, the entire state's economy has been adversely affected, with job losses and significant declines in state fiscal revenues.

As this report is being prepared, the state's business climate is deteriorating. Many analysts expect this trend to continue for the remainder of 2009, before a modest improvement begins during 2010. These trends in economic activity are mirrored in the national and international economies, where further weakening is expected this year before a slow-to-moderate improvement begins sometime in 2010.

Internationally, the strongest gains in economic activity over the next few years are expected in Asia and Latin America, with correspondingly slower rates of economic activity in North America and the Euro Area.

APPENDIX III
THE WASHINGTON ECONOMICS GROUP, INC.
PROJECT TEAM AND QUALIFICATIONS



J. ANTONIO “TONY” VILLAMIL

Dean and Research Professor of Economics, School of Business, St. Thomas University of Florida
Principal Economic Advisor, The Washington Economics Group, Inc.

Tony Villamil has over thirty years of successful experience as a business economist, university educator and high-level policymaker at both federal and state governments. He has served as a Presidential appointee U.S. Undersecretary of Commerce for Economic Affairs, and is the founder of a successful economic consulting practice, The Washington Economics Group, Inc. (WEG). Since August 2008, Tony is the Dean and Research Professor of Economics at the School of Business of St. Thomas University of Miami, while continuing to serve as Principal Economic Advisor to the clients of WEG.

Tony is a member of the President’s Advisory Committee on Trade Policy and Negotiations in Washington, D.C. He is the immediate past Chairman of the Governor’s Council of Economic Advisors of Florida, and during 1999-2000, he directed the Tourism, Trade and Economic Development activities of the State in the Office of Governor Jeb Bush. Presently, he is on the Board of Directors of the Spanish Broadcasting System (NASDAQ), Mercantil Commercebank, N.A. and Enterprise Florida – the State’s principal economic development organization.

Among other leadership positions, he served in 2008 as the economist of the Constitutionally mandated Tax and Budget Reform Commission of Florida (TBRC), and is currently Chairman of the Economic Roundtable of the Beacon Council – Miami-Dade County’s official economic development organization. He is also a Senior Research Fellow of Florida TaxWatch, an established fiscal and policy research organization of the State. After winning the gubernatorial election in November 2006, then Governor-elect Charlie Crist appointed him as his Economic Advisor during the transition period.

Tony earned bachelor and advanced degrees in Economics from Louisiana State University (LSU), where he also completed coursework for the Ph.D. degree. In 1991, Florida International University (FIU) awarded him a doctoral degree in Economics (hc), for “distinguished contributions to the Nation in the field of economics.” He speaks frequently to business, government and university audiences on economic topics, and was until the summer of 2008 a member of the Graduate Business Faculty of Florida International University (FIU).



CHARLES K. YAROS
Associate Consultant for Economics

Chuck Yaros is an Associate Consultant for Economics at The Washington Economics Group, Inc. (WEG). He serves as economic consultant in the areas of financial economics and economic impact studies, with over eight years of experience preparing economic impact and other analyses for a wide range of industries located throughout the nation.

Prior to joining WEG he was a Vice President and Portfolio Strategist at Shay Financial Services in Miami where he specialized in developing, implementing and managing interest rate risk and capital optimization strategies for financial institutions.

Mr. Yaros has over 25 years of experience as a business and financial economist, having worked in a number of positions of progressive responsibility in the South Florida business community. Additionally, he has spoken and taught courses on financial risk management.

Chuck received his undergraduate degree in Economics with Honors from Trinity College and his Master's degree in Economics from Duke University, where he also completed course work for the Ph.D. degree. Chuck and his family are residents of Coral Gables, Florida.



MARY SNOW
Manager of Client Services

Mary Snow is the Manager of Client Services at The Washington Economics Group, Inc. (WEG). She serves as WEG's client liaison, working with clients to facilitate their business interests and achieve their goals.

Prior to joining WEG, Mary was a governmental consultant for Robert M. Levy & Associates with offices in Miami and Tallahassee. She represented clients' interests at the local level and to the State Legislature.

Mary received her undergraduate degree in Political Science with a minor in Education from Florida State University. Mary is a resident of Coral Gables, Florida.



HAYDEE M. CARRION
Executive and Research Assistant

Haydee Carrion is Executive and Research Assistant of the firm, specializing in the preparation and design of reports and documents for clients. Significant experience in data computerization, research through the Internet and in Desktop Publishing.

Ms. Carrion has over twenty year of experience in administrative and office management activities, primarily in a research environment that requires independent judgment and the use of electronic research.

She received her A.A. and A.S., from Miami Dade College, in Business Administration and Office System Technologies, and is pursuing a B.A. degree in Economics.

The Washington Economics Group, Inc. (WEG) has been successfully meeting client objectives since 1993 through economic consulting services for corporations, institutions and governments of the Americas. We have the expertise, high-level contacts, and business alliances to strengthen your competitive positioning in the growing marketplaces of Florida and Latin America.

Our roster of satisfied clients, over the past fourteen years, includes multinational corporations, financial institutions, public entities, and non-profit associations expanding their operations in the Americas.

EXCLUSIVE CONSULTING APPROACH:

Each client is unique to us. We spend considerable time and effort in understanding the operations, goals, and objectives of clients as they seek our consulting and strategic advice. We are not a mass-production consulting entity nor do we accept every project that comes to us. We engage a limited number of clients each year that require customized consulting services in our premier areas of specialization. These premier and exclusive services are headed by former U.S. Under Secretary of Commerce, Dr. J. Antonio Villamil, with over twenty-five years of experience as a business executive and as a senior public official of the U.S. and most recently of Florida.

PREMIER CONSULTING SERVICES:

Comprehensive Corporate Expansion Services. Our seamless and customized service includes site selection analysis, development of incentive strategies and community and governmental relations.

Economic Impact Studies highlight the importance of a client's activities in the generation of income, output and employment in the market area serviced by the entity. These studies are also utilized to analyze the impact of public policies on key factors that may affect a client's activities such as tax changes, zoning, environmental permits and others.

Strategic Business Development Services. These services are customized to meet client objectives, with particular emphasis in the growing marketplaces of Florida, Mexico, Central and South America. Recent consulting assignments include customized marketing strategies, country risk assessments for investment decisions and corporate spokesperson activities and speeches on behalf of the client at public or private meetings.

**For a full description of WEG capabilities and services, please visit our website at:
www.weg.com**

Representative Client List

1993-2009

MULTINATIONAL CORPORATIONS

- Lockheed Martin
- FedEx Latin America
- IBM
- Motorola
- SBC Communications
- Ameritech International
- Lucent Technologies
- MediaOne/AT&T
- Joseph E. Seagram & Sons, Inc. (Vivendi)
- Microsoft Latin America
- Carrier
- Medtronic
- Phelps Dodge
- Esso Inter-America
- Visa International
- MasterCard International
- Telefonica Data Systems
- Bureau Veritas (BIVAC)
- Merck Latin America
- DMJM & Harris
- Wilbur Smith Associates
- PBSJ

FLORIDA-BASED CORPORATIONS

- Sprint of Florida
- Florida Marlins
- Flo-Sun Sugar Corp.
- Farm Stores
- The BMI Companies
- Spillis Candela & Partners
- The Biltmore Hotel/Seaway
- Trammel Crow Company
- Advantage Capital
- WCI Development Companies
- Iberia Tiles
- Florida Hospital
- Mercy Hospital
- The St. Joe Companies
- Florida Power & Light (FPL)
- International Speedway Corporation

LATIN AMERICA-BASED INSTITUTIONS

- Federation of Inter-American Financial Institutions (FIBAFIN)
- The Brunetta Group of Argentina
- Association of Peruvian Banks
- Peruvian Management Institute (IPAE)
- *Mercantil Servicios Financieros*, Venezuela
- Allied-Domecq, Mexico
- Fonalledas Enterprises

FINANCIAL INSTITUTIONS

- International Bank of Miami
- Pan American Life
- ABN-AMRO Bank
- Barclays Bank
- Lazard Freres & Co.
- Banque Nationale de Paris
- HSBC/Marine Midland
- Fiduciary Trust International
- Sun Trust Corporation
- First Union National Bank (Wachovia)
- Union Planters Bank of Florida (Regions)
- Bank Atlantic Corp.
- Hemisphere National Bank
- BankUnited, FSB
- Mercantil Commercebank N.A.
- PointeBank, N.A.
- The Equitable/AXA Advisors

**PUBLIC INSTITUTIONS, NON-PROFIT
ORGANIZATIONS & UNIVERSITIES**

- South Miami Hospital
- Jackson Health Systems
- Miami-Dade Expressway Authority
- Miami-Dade College
- Miami Museum of Science
- Zoological Society of Florida
- Florida International University
- University of Miami
- Inter-American Development Bank (IDB)
- United Nations Economic Development Program (UNDP)
- *Universidad Politécnic de Puerto Rico*
- *Sistema Universitario Ana G. Méndez (SUAGM)*
- Keiser University
- Full Sail Real World Education
- Florida Ports Council
- Florida Sports Foundation
- Florida Citrus Mutual
- Florida Nursing Homes Alliance
- Florida Bankers Association
- Florida Outdoor Advertising Association
- City of Plantation
- City of West Palm Beach
- Econ. Dev. Commission of Lee County
- Econ. Dev. Commission of Miami-Dade (Beacon Council)
- Econ. Dev. Commission of Mid-Florida
- Jacksonville Chamber of Commerce
- SW Florida Regional Chamber of Commerce
- Enterprise Florida, Inc.
- The Beacon Council
- Visit Florida
- Louisiana Committee for Economic Development
- University of South Florida/*ENLACE*
- Space Florida
- State of Florida