



DAILY LEGISLATIVE BRIEF FROM APRIL 8, 2008

With both the House and Senate members back in town, councils and committees picked up from where they left off last week and considered a number of high priority bills for AIF and the business community. In addition, the House held a special meeting of the State Affairs Committee to hold a workshop and discussion on a number of immigration bills that would force the state of Florida to take action on a subject that is usually thought of as a federal issue.

In addition, the House Speaker Marco Rubio (R-Miami) has formed a Select Committee on Autism, which met late into the evening. A recap of the meeting will be included in our *AIF Weekly Update* later this week.

Both the House and Senate will be in session tomorrow with the Senate most likely passing the "Guns in the Workplace" bill which is now ready to be voted on after being considered and amended last week.

Insurance

The Senate General Government Appropriations Committee passed SB 2156 Relating to Florida Hurricane Catastrophe Fund by Senator Bill Posey (R-Rockledge). This is CFO Alex Sink's proposal to reduce the Florida Cat Fund's exposure, which currently stands at a total of \$28 billion dollars when all layers of coverage are considered. The bill is designed to reduce the risk associated with Florida's Catastrophe Fund by \$3 billion, which is an excellent start in reducing potential hurricane taxes against businesses to fund deficits. For the Cat Fund contract year commencing June 1, 2008, and ending May 31, 2009, and for the contract year commencing July 1, 2009, and ending May 31, 2010, the proposal reduces the maximum temporary increase in coverage limits (TICL) option from \$12 billion to \$9 billion.

SB 2156 is now ready to be considered on floor of the Senate.

AIF supports SB 2156 and its efforts to protect Florida's taxpaying citizens from facing a financial deficit in the form of assessments or "hurricane taxes" that will affect our economy and livelihood for years to come.

The Committee also approved SB 2860 Relating to Insurance by Senator Jeff Atwater (R-North Palm Beach), but not before adopting a strike-everything amendment by Chairman JD Alexander (R-Winter Haven), which was the result of a compromise between Senator Alexander and the bill's sponsor. As original filed, the bill included a number of onerous changes to the regulatory environment (including drastic fines for non-compliance) for private insurance companies in Florida. In addition, it would have continued the freeze on Citizen Property Insurance Corporation's premium rates, which haven't been increased since 2005.

As amended, the bill still suppresses Citizen's rates but at least it allows for an increase of 5% in 2009 and an increase of 10% in the subsequent year. The strike-all also caps the amount a private insurer can be fined for violations to the insurance code. Although, we appreciate the efforts by Chairman Alexander to make the bill somewhat more palatable, the bill in its current form is still problematic and discourages private insurers from doing business in Florida. As part of the regulatory reforms, the bill also opens other insurance lines (not just property insurance) to some chilling anti-trust provisions that have the potential to invite more litigation against insurance companies.

SB 2860 is now ready to be heard on the floor of the Senate and could be debated as early as this Thursday.

AIF opposes legislation that allows Citizens to compete with private insurance companies. By continuing to suppress Citizen's rates, businesses in Florida will continue to be exposed to "hurricane taxes" in the form of assessments on all lines of insurances should a major hurricane hit Florida.

Education & Workforce Development

The House Schools and Learning Council passed HB 231 Relating to Student Financial Assistance by Representative Kevin Ambler (R-Tampa). This bill creates the SURE Futures Postgraduate Scholarship Program. This program matches private-sector businesses with students who are seeking advanced degrees such as PhDs or masters degrees and employment opportunities.

This bill is important to the business community because it works to keep Florida's best and brightest students here in the state to help drive the economy and work for our domestic businesses. The way the program works is that a company or corporate sponsor would provide a scholarship for a student, who would then in turn agree to work for the corporate sponsor for a minimum of 4 years after graduation. This would help Florida companies retain Florida's students, something every Legislature grapples with trying to accomplish.

HB 231 was amended to match its Senate companion and will now be considered by the House Policy and Budget Council before a vote on the House floor. The bill's Senate companion, SB 346, will now be considered by its last scheduled committee stop, the Senate Finance & Tax Committee.

AIF believes that university research is an economic driver for Florida's future and supports efforts that will encourage our graduates who are pursuing advanced degrees to stay in Florida and provide them with links to employment in targeted economic growth sectors of the economy.

The Senate Education Pre-K – 12 Appropriations Committee unanimously passed SB 1062 Relating to Educator Certification/Foreign Languages by Senator Paula Dockery (R-Lakeland), which increases access for Florida's high school students to foreign languages.

Right now, teachers in Florida are certified to teach only three languages. This bill opens up a certification process for many world languages including Chinese, Italian, Haitian-Creole, and more.

SB 1062 was amended to match the House version and is now ready for a floor vote in the Senate. The House companion is also awaiting a floor vote from the House.

AIF supports students having access to classes in modern languages that are used for around the world for commerce, which will give our students the foundation they need to compete in the global workforce.

Infrastructure

The House Economic Expansion & Infrastructure Council unanimously passed HB 431 Relating to Affordable Housing by Representative Keith Fitzgerald (D-Sarasota). The bill deals with community land trusts and affordable housing built on these lands. Specifically, the bill defines just valuation of the underlying land as what a willing buyer would pay a willing seller, limited by the terms of the ground lease.

If a community land trust homeowner were taxed on the value of the land and dwelling unit without regard to resale restrictions, which all such units carry in the underlying ground lease, taxes would far exceed the actual value of the home to the homeowner.

HB 431 will now be considered by the House Policy & Budget Council; the companion in the Senate, SB 796 by Senator Michael Bennett (R-Bradenton), has yet to be heard.

AIF supports this legislation because it creates sustainable affordable housing for Florida's workforce, while correctly addressing the issues created in assessing property taxes.

The House Governmental Efficiency & Accountability Council passed HB 683 Relating to Public Construction Works by Representative Will Weatherford (R-Zephyrhills) on a 13-2 vote. The purpose of this proposed legislation to require local governments to competitively bid certain public construction projects over \$250,000. The local government would determine the cost of the project and then the private sector would have an opportunity to bid on said project. If a private sector bid is 10 percent less than the public sector, then the private sector company would be awarded the job. It would also prohibit a local government from owning or operating an asphalt plant or a portable or stationary concrete batch plant with an independent mixer.

Public airports and seaports are excluded from this legislation as they have certain federal guidelines they must meet. HB 683 will now be considered by the House Policy & Budget Council.

AIF supports this legislation. Local governments should provide the necessary services such as police, fire and EMS services and not use taxpayers' money to be in the construction or road building business.

Economic Development

The Senate Commerce Committee unanimously passed SB 928 Relating to Economic Development by Senator Alex Diaz de la Portilla (R-Miami), which is an act that establishes the Small Business Regulatory Relief Act. This very good bill institutes the state's first Small Business Advisory Committee as well as creates the Small Business Advocate. Within SB 928, the advisory council's tasks would be to work with all state agencies in monitoring regulatory requirements of small businesses and make recommendations to the Legislature of how those burdens may need to be revised in order to reduce the detrimental impact they may be having on Florida's 2 million small businesses. The reviews of these should also be coordinated with the agency's sunset review process, a process by which state agencies are reviewed by the Legislature to determine if the agency and/or its rules and procedures are necessary.

As mentioned, the bill also creates the Small Business Advocate whose duties would be to represent the views and interests of small businesses before the agencies and the Legislature. The advocate would also be charged with receiving and responding to complaints from small businesses about regulatory burdens that may be adversely affecting their business. SB 928 also requires that both the council and advocate report to the Governor and the Legislature. As a note, provisions of SB 928 appeared today in a large economic stimulus package revealed by Chairman Dean Cannon (R-Winter Park).

SB 928 will now be considered by the Senate Finance & Tax Committee.

AIF supports SB 928 and applauds Senator Diaz de la Portilla for bringing it forward. So often small businesses are adversely affected by regulatory and procedural burdens that can stymie growth or in some instances, halt a business altogether. This bill will give small businessmen and women a voice in government.

The Senate Commerce Committee unanimously passed SB 2310 Relating to Economic Stimulus by Senator Jeremy Ring (D-Margate). AIF has reported several times on this bill, one that could infuse as much as \$1.8 billion dollars into Florida domiciled companies by allowing the State Board of Administration's (SBA) to invest up to 1.5% of the Florida Retirement System. Florida companies, including ones that concentrate on aerospace, aviation, engineering, computer technology, renewable energy, and medical sciences would be eligible for these investments. The bill goes to great lengths to responsibly address concerns of utilizing state retirement dollars by mandating that the investments shall not impugn the integrity of normal SBA investments as well as requiring reporting of these investments to the Governor, Senate President and House Speaker.

In addition to the economic infusion of capital, the bill also provides for a \$40 million one time cash prize to a private sector firm that provides the most significant advancement within the reusable space vehicle industry.

AIF, as well as members of the business community, the SBA, the state's Chief Financial Officer as well as the Florida Police Benevolent Association and the Florida Professional Firefighters all currently support this legislation.

AIF strongly supports this bill and applauds Senator Ring on its passage. We believe this bill is one of the most innovative ways that the Florida Legislature could help stimulate Florida's lagging economy. By encouraging the infusion of capital in Florida based businesses, communities and families will be the beneficiaries of this bill. We hope that the Florida House of Representatives will consider hearing this bill's companion, HB 1295 by Representative Frank Attkisson (R-Kissimmee).

SB 2310 will now be considered by the Senate Finance & Tax Committee.

AIF supports legislation that seeks to take a small percentage of the state's retirement fund and invest it into Florida companies. Other large states like California presently engage in this type of investments and their economies have benefited tremendously from the infusion of capital into new and expanding companies.

Today, the House Economic Expansion and Infrastructure Council passed two economic stimulus bills that AIF is in full support of this session.

HB 593 Relating to Florida Research Commercialization Matching Grant Program by Representative Steve Precourt (R-Winter Garden) creates the Florida Research Commercialization Matching Grant Program to assist small or start up companies in their quest to capitalize on Florida's homegrown research community in the commercial market. Eligible companies must be a Florida domiciled company and must already be in the process of applying or qualifying for federal funds under the Small Business Innovation Research Program or the Small Business Technology Transfer Program. These are partner programs that would help provide aide to the companies viability and sustainability in the Florida market and would go towards ensuring Florida tax dollars are being used wisely if a state matching grant was awarded to the company. In addition, projects funded by this state matching grant must be performed in Florida. This bill's Senate companion is being sponsored by Senator Don Gaetz (R-Ft. Walton Beach) and is also moving along the legislative process well. The committee unanimously passed this good piece of legislation and it will now be considered by the House Policy and Budget Council.

AIF strongly supports the Legislature's efforts to energize Florida's economy by way of tax incentives, business development credits and various other businesses incentives for existing Florida businesses and new research institutes looking to expand in Florida.

The Council also heard HB 293, or the New Markets Tax Program, sponsored by Rep Will Weatherford (R-Wesley Chapel). This bill is a priority bill for AIF this session and is very important to some of our members. This legislation creates a state program by which venture capital groups, approved under the federal program would receive a state level incentive in the form of a tax credit when investing risk capital into designated rural, low income and economically desolate areas as a means to stimulate the local economy. This proposal would piggyback off the federal program where almost \$20 billion dollars of federal tax credits are available.

A strike-everything amendment that was adopted was the result of conversations with Council staff and input from the Department of Revenue and OTTED. The amendment consisted of several pieces of technical and clarifying language however, the policy remains consistent. Specifically the amendment:

- Clarifies in several places where the legislation follows federal law.
- Reduces the program from a \$15 million dollar a year program to a \$10 Million dollar a year program.
- Clarifies that only \$10 million in tax credits may be claimed per state fiscal year, exclusive of tax credits carried forward.
- Incorporates language that ensures the absolute minimum wage paid under this program is no less than 115% of the federal poverty guideline.
- Per OTTED clarifies that for applications received on the same day and deemed complete, the office shall certify, consistent with remaining tax credit authority in proportionate percentages.

AIF lobbyists stood in support of the bill and urged the committee to pass the measure. There was much dialogue around the proposal and Representative Weatherford did a fantastic job fending off partisan laden concerns from Democratic members of the council. Yet, others like Representative Bill Proctor (R-St. Augustine) spoke in favor of the measure and urged the committee to pass the bill. However, several Democrat members still voted against the measure. In the end, the bill was reported favorable by a count of 11-3 and will now be considered in the House Policy & Budget Council.

AIF supports efforts to draw down federal dollars for economic development in low-income areas of the state through innovative proposals such as the New Markets Tax Credits Program.

Health Care

The Senate Health Policy Committee unanimously passed SB 1598 Relating to Health Insurance Coverage/Amino-acid-based Formula by Senator Durell Peaden. This bill deals with a mandated offering of coverage for Amino-acid-based formulas. These formulas for infants are already a mandated offering of coverage, this bill the formula is delivered by an enteral procedure (a tube placed through the stomach) as opposed to offering the formula intravenously.

The Committee passed an amendment offered by Senator Burt Saunders (R-Naples) that would require that treatments using the amino-acid-based formulas must be medically necessary, as well as, be an appropriate treatment that is consistent with the individual's symptoms to be covered.

SB 1598 will now be considered by the Senate General Government Appropriations Committee.

AIF consistently opposes additional mandated coverages because the resultant cost increases could force some insurers out of the market and price health care insurance out of the reach of many employers and businesses.

The House Healthcare Council unanimously passed HB 19 Relating to Coverage for Mental, Nervous, and Substance-related Disorders by Representative Ed Homan (R-Temple Terrace). The bill, which would have mandated costly mental health services to be included in insurance policies, was substantially changed. The bill now requires insurers to make available the option to purchase coverage for serious mental illness when the treatment is determined to be medically necessary. Further, insurers are allowed to charge an appropriate premium for this increased coverage.

In order to control costs, the new language limits the illnesses covered, allows for inpatient coverage benefit limits and requires these services be provided through managed care arrangements. Further, the bill only applies to employer groups of 50 employees and above and if it is found that this coverage would result in a 2% increase of the policy, the coverage can be cancelled.

Representative Homan presented a video to the committee which featured Representative Patrick Kennedy of Rhode Island speaking out about the destructive effects of mental health disorders, and how mental health parity can help one to become a productive individual in society. The bill was passed with no debate with Chairman Bean calling the bill a significant first step.

HB 19 will now be considered by the House Policy & Budget Council. Its Senate companion, SB 164 by Senator Victor Crist (R-Tampa), will now be considered by the Senate General Government Appropriation Committee.

AIF thanks Representative Homan for his willingness to work with the business community to find ways to address the issue of mental health parity without costly mandates that would drive up the cost of health insurance for employers.

The long awaited House hearing on two innovative plans to provide low cost health insurance to uninsured Floridians was held today in the House Healthcare Council. The proposals - one being advanced by the House and the other by Governor Crist - were rolled into one proposed committee bill - HCC 18 Relating to Affordable Health Coverage.

The House proposal sets up a voluntary "marketplace" administered through a third party administrator through which employers and employees can access low cost (no mandate coverage) health care services. The Governor's proposal would establish an Invitation to Negotiate (ITN) to provide two basic benefit plans (one with catastrophic coverage and one without).

While these plans differ greatly on how to tackle the problem of the uninsured, the main difference is the kind of plan that will be made available. The plans offered through the Governor's proposal would be licensed insurers. The House plan allows licensed insurers to provide low cost insurance plans, but also provides for "vendors," which are not licensed insurers (hospitals, pharmacies, PSNs, health care providers, group practices, professional associations, and corporate entities), to provide health service agreements at a low cost.

This main difference between the two bills generated substantial discussion among the Council members. Several members expressed concern about the unregulated service agreements and questioned whether they should be licensed as insurers. Mary Beth Senkewicz, Deputy Insurance Commissioner echoed those concerns, stating that if these vendors receive payment for services and pay claims for services, they are a risk-assuming entity and should have to adhere to the Insurance Code.

HCC 18 was approved by the council on a 10 to 6 vote. Democrat Representatives Lorraine Ausley (D-Tallahassee), Joyce Cusack (D-Deland), Ari Porth (D-Coral Springs), Yolly Roberson (D-North Miami Beach), Kelly Skidmore (D-Boca Raton) and Elaine Schwartz (D-Hollywood) voted against this bill over concerns of the lack of consumer protections.

HCC 18 will now advance to the House Policy & Budget Council. The Senate companion, SB 2534 by Senator Durell Peadar (R-Crestview), only contains the language being advanced by the Governor. This bill could come to the floor of the Senate for a vote as early as Thursday.

AIF supports market-based solutions to the uninsured crisis in Florida. Currently, over 3 million people in Florida have no access to health insurance. This proposal has the potential to provide these individuals with a low-cost plan that provides some minimum coverage, including hospital stays. AIF looks forward to continuing to work with the bill's sponsor and the Governor's office on this encouraging proposal.

The House Healthcare Council also passed HB 405 Relating to Health Insurance Claims Payments by Representative Bill Galvano (R-Bradenton) on a 16-1 vote. This is the anti-managed care bill, which will substantially increase health insurance premiums and make it more difficult for employers to provide coverage to their employees. Testifying before the Council, Jose Gonzalez, Vice President of Governmental Affairs for AIF, told members that employers have too many obstacles already for providing health insurance benefits to their employees. In addition, he warned that the bill would significantly impact self-insured companies from negotiating low cost options for their employees.

Although AIF and insurers remain opposed to HB 405, an amendment did address one major concern. The amendment took out onerous mandatory assignment language, which would have required health plans to pay out-of-network providers directly. Two provisions within the bill are still of concern to AIF. One would require health plans to get express consent from each and every provider in their network whenever they add an employer to their plan. The other would shorten the period of time a health plan may "look-back" at a provider's claim from 30 to 12 months. Both of these provisions will substantially increase the health insurance premiums if this bill is passed.

HB 405 will now be considered by the House Policy & Budget Council. The Senate companion, SB 1012 by Senator Don Gaetz (D-Ft. Walton Beach), will now be considered by the Senate General Government Appropriations Committee.

AIF opposes legislation that prohibits silent PPOs. The search for ways to expand the availability of health care coverage to Floridians is an important endeavor. But almost as important is ensuring that Floridians who currently have health care coverage are not threatened by proposals that ultimately drive up the cost of coverage. Placing additional requirements on health insurers and HMOs, such as "Any Willing Provider", inhibit their ability to provide the most cost-efficient, quality care. As a result, insurance premiums will increase; thereby, affecting the number of Floridians who can continue to purchase coverage.

Secondary Metal Theft

The Senate Criminal and Civil Justice Appropriations Committee unanimously passed SB 556 Relating to Secondary Metals Recycling by Senators Lee Constantine (R-Altamonte Springs) and Victor Crist (R-Tampa).

Senator Constantine explained that the bill adds additional recordkeeping requirements for secondary metals recyclers in an attempt to curb the “wave” of metal theft occurring in the state. Senator Constantine hoped that the additional requirements, such as physical descriptions of the sellers and the tag number of their vehicle, would discourage persons from attempting to redeem stolen metals, leading to a decrease in thefts.

Chairman Crist commended the bill, stating that with the rise of copper prices, the theft of copper in the state has become an epidemic. He also cited that with these rising costs incidents such as the theft public memorial statues or grave memorials have also risen across the state, but believes that this bill will help reduce the level of these thefts.

There were no questions or debate from the committee members. SB 556 will now be considered on the Senate floor.

The Senate Criminal Justice Committee unanimously passed SB 1384 Relating to Theft of Copper or Other Nonferrous Metals by Senator Charles Dean (R-Inverness). Senator Dean’s aide, Kevin Sweeny, appeared for the Senator due to his absence.

Sweeny explained that the bill provides that a person who knowingly and intentionally takes copper or other nonferrous metals from a utility or communications service provider commits a first degree felony if the theft damages, interrupts or interferes with the facilities or service of a utility or communications service provider.

There were no questions or debate from the committee members. SB 1384 will now be considered by the Senate Criminal & Civil Justice Appropriations Committee. SB 1384’s House companion, HB 799, was recently passed by the House on a unanimous vote.

AIF supports legislation, which helps law enforcement find these thieves and makes it harder for them to unload their stolen goods. Metal thieves may get a few hundred dollars for the metal they steal, but a business may have to spend 100 times that amount to repair the damage.

Space

It was a great day for the space agenda in the Florida Legislature. In both the House and Senate, three priorities for Associated Industries of Florida passed several committees that would advance the agenda of space related economic development in Florida.

The Senate Judiciary Committee unanimously passed SB 2438 Relating to Spaceflight/Informed Consent by Senator Bill Posey (R-Rockledge). Known as informed consent for spaceflight, SB 2438 provides a limitation on liability for spaceflight activities. This bill has now passed all committees of reference and will be ready for action by the full Senate during the final three weeks of session. The House companion, HB 737, has also passed all committees of reference and is on the House Calendar.

The House Economic and Infrastructure Council unanimously passed two space priorities by Representative Thad Altman (R-Melbourne). After spending the weekend recovering from an emergency appendectomy last week, Representative Altman was back in action today in the House, unanimously passing HB 1055 Relating to Space Industry, which creates the Space Technology Research and Diversification Act and HB 1373 Relating to Qualified Defense Contractor Tax Refund Program, which expands the current qualified defense contractor tax refund program to space flight business and space flight contracts. Both bills are major priorities for Associated Industries of Florida and now have one more stop in the House Policy & Budget Council before being ready for the House Calendar.

The Senate Higher Education Committee unanimously passed SB 2526 Relating to Space Technology Research and Diversification, the companion to HB 1055. SB 2526 has one more committee hearing remaining in the Senate, Transportation and Economic Development Appropriations Committee, before hitting the Senate Calendar.

AIF supports full funding of Space Florida and other space-related programs. Additionally, AIF supports proposals such as the Space and Aerospace Catalyst and Enhancement Act (SPACE Act), the Space Technology Research and Diversification Initiative Act, and adding space flight businesses to the Qualified Defense Contract Tax Refund Program. Investing in space leads to more jobs, a high-skilled workforce, and great economic activity.

Immigration

The House State Affairs Committee held a rare workshop this late in the session to discuss the issue of immigration reform in Florida. A number of bills have been filed in the House dealing with different aspects of immigration policies and enforcement issues. House bills 73 Relating to Illegal Immigration by Representative Don Brown (R-Defuniak Springs), 159 Relating to Enforcement of Immigration Laws by Representative Sandy Adams (R-Oviedo), 571 Relating to Illegal Aliens by Representative Dick Kravitz (R-Jacksonville), 577 Relating to Illegal or Undocumented Aliens by Representative Trudi Williams (R-Ft. Myers), 821 Relating to Illegal Immigration by Representative Gayle Harrell (R-Port St. Lucie), and 1247 Relating to Immigration Status of Inmates by Representative Dan Gelber (R-Miami) were considered during today's workshop which lasted almost three hours.

The majority of the proposals being discussed deal with efforts to enforce immigration laws as it relates to illegal aliens who have committed a crime or are in Florida's prison system. The proposals would require that illegal immigrants who are guilty of a crime or who have served at least 50 percent of their sentences to be sent back to their country of origin. Two of the bills, HB 73 and HB 159 also affect employers in Florida by requiring them to use the federal E-Verify system, which is designed to use a series of national databases to confirm an employee's citizenship status.

A large number of speakers on both sides of the issue traveled to Tallahassee to speak on the bills. Such a large number of speakers turned out that the Chairman had to limit public comments to 90 seconds per speakers. The debate was highly emotional at times as immigrant advocates sparred with anti-immigrant groups.

Representatives of the business community testified against any provisions, which would mandate the use of the E-Verify system. Jose Gonzalez, Vice President of Governmental Affairs for AIF, provided the Committee with the perspective of employers in Florida and their need for comprehensive immigration reform. AIF was one of the first groups in Florida to endorse the immigration reform package sponsored by Senator Mel Martinez last summer. This plan would have focused on securing our country's borders, while at the same time establishing a guest worker program that would help bring the more than 12 million undocumented workers out of the shadows and into a system, whereby they could register and continue to work in the U.S. for a specified amount of time. Unfortunately, Congress failed to reach a consensus last year on this plan.

Gonzalez also expressed concerns with the E-Verify system, since it currently has a high degree of unreliability. Florida employers should use the system, but not until it has achieved a greater level of certainty. Representative Brown's bill (HB 73) does provide a safe harbor from litigation for employers who use the system, if the system is found to be incorrect.

It is uncertain what the prospect of any further movement on these bills will be this session. The bills may be rolled into one House product, but there has been very little movement on the Senate side as of this date. Being that there are so few days left in this year's session it is unlikely that any real immigration reform will be achieved in Florida.

AIF supports the concept of "comprehensive immigration reform." Florida's economy relies on the manpower provided by migrant labor and mass deportation of law abiding workers is unrealistic. The Florida legislature should focus its efforts on encouraging the federal government to once again consider federal legislation that secures our borders, provides for a temporary guest worker program, establishes tamper proof IDs for migrants, and establishes a reliable and quick verification process for employers to use.

Ports

The "goodbye FUPAC" theme continued today in the Florida Senate. Last week, \$615,000, needed to produce the Florida Uniform Port Access Credential (FUPAC), was struck from the Senate version of the budget. On Tuesday, Bill Janes, Chairman for the Florida Seaport Security Standards Advisory Council, offered an alternative means of credentialing.

Today, the Senate Military Affairs & Domestic Security Committee passed SB 1470 Relating to Seaport Security by Senator Charlie Dean (R-Inverness) on a 5-2 vote. The bill proposes to designate the federal Transportation Worker Identification Card (TWIC) as the FUPAC card. However, Janes further explained a new process for port access. Because standards are slightly different between state and federal cards, a TWIC card would not gain access to Florida's ports until an affidavit or enrollment application was completed.

While the new system is not actually detailed in the bill, Janes imagined that the enrollment for access would include questions of the applicant about criminal background not considered relevant by the federal government. In addition to all the federal requirements, Florida Statutes would ban access for a conviction of dealing in stolen property, burglary, theft or possession of a firearm as an element of a crime.

Janes anticipates that applications would be collected and then randomly checked for accuracy. The staff analysis concludes that the cost to the state for this program would be about \$30 per applicant. The Governor's Office of Drug Control estimates the cost of the TWIC card would be \$132.50.

While one card for \$162.50 sounds better than the status quo, Senators Tony Hill (D-Jacksonville) and Gary Siplin (D-Orlando) did not agree with the plan. Both believe Florida should be governed by the same regulations as the rest of the country.

SB 1470 will now be considered by the Senate Criminal Justice Committee. A House companion measure will be considered by the House Safety & Security Council tomorrow.

AIF and its *Florida Maritime Council* support efforts that begin the process of examining the impacts of security regulation on the competitiveness of Florida's 14 deep water ports. Florida's security requirements are much more stringent than federal requirements, and consequently we are beginning to lose business to other ports in the region because Florida's security costs are significantly higher.

Environment

The Senate Commerce Committee approved SB 692 Relating to Recycling by Senator Dennis Jones (R-Seminole), which would require all state agencies and airports to collect aluminum beverage cans and recyclable plastic and glass. Unfortunately, this good recycling bill has a section in it that would require any association, business or organization to collect and recycle these materials no matter if they are a for-profit or a not-for-profit entity. Not every community has a recycling program and some associations, businesses and/or organizations may have to drive long distances to take aluminum cans, recyclable plastic and glass to a recycling center where they may receive very little for these items.

Keyna Cory, Chief Lobbyist for AIF, spoke in opposition to the bill. To illustrate her point, she had a small cardboard box with 22 cans in it. She told the committee that the box with 22 cans is worth approximately 60 cents, but a person may have to drive a distance to dispose of the cans. With the price of gas at over \$3.00 a gallon, it is not cost effective for a small business or not-for-profit to recycle the materials.

SB 692 will now be considered by the Senate General Government Appropriations Committee.

AIF opposes this bill only because of the mandate on small businesses and not for profits. Although AIF supports recycling efforts that are good for our environment and economy, we still are requesting an amendment to require the private sector groups listed in this bill to recycle when cost effective.