



From August 24, 2007

Things are starting to heat up (no-pun intended) in Tallahassee as legislators begin to take initial steps towards the upcoming Special Session in September. Legislators will be in Tallahassee Monday through Wednesday of next week holding preliminary budget discussions on what promises to be an interesting exercise in government reduction.

This week saw several workshops being held at the Department of Environmental Protection on issues related to Governor Charlie Crist's (R) climate change initiatives. These rule development workshops will lay the foundation for what will eventually be found in the final agency rules. In addition, the Taxation and Budget Reform Commission (TBRC) and the Commission on Open Government also held meetings this week.

Be sure to check back next week as well as we provide our members with a re-cap of all the committee meetings scheduled for next week.

Climate Change

The Florida Department of Environmental Protection (DEP), Division of Air Resource Management held rule development workshops this week in order to begin creating rules as set forth in recent Executive Orders issued by Governor Charlie Crist.

On Wednesday, August 22nd the topic was "Greenhouse Gas Emissions Reduction – Electric Utility Greenhouse Gas Reduction Program." DEP staff began the workshop by explaining that their purpose was mainly to receive input and recommendations from interested parties and that they would not be offering any rule proposals or discussing any policy options. Additional workshops will follow, leading to specific proposals upon which all stakeholders will be allowed to comment. An actual rule is not expected to be available until the beginning of 2008 at the earliest. Further workshops will be held in the fall; most likely in October. A short PowerPoint presentation detailing some initial research done by DEP staff was also presented. DEP staff has been trying to arrive at estimates that accurately depict what the greenhouse gas levels in Florida were back in 1990, 2000, and 2004. Data for 2000 and 2004 is available; unfortunately this is not the case for 1990. In order for DEP to establish how much electric utilities must reduce their greenhouse gas emission by, utilities and the government must agree on what the previous emission levels were. The exercise to establish a baseline may prove to be a daunting task.

Discussions from the audience mainly centered around the many challenges that face Florida in meeting the Governor's aggressive reduction goals. Florida's growth in electricity usage is showing no signs of slowing down; in fact, all evidence points to an increase in power generation from fossil fuels. In addition, questions arose regarding how to treat power that is generated outside of Florida, but consumed within Florida's boundaries. Also, what do you do about coal facilities that are currently on-line and have yet to be paid for? It is difficult to suggest that these power plants be abandoned. Other participants brought up the issue of Florida acting in a vacuum and the effect this would have on jobs

and the economy. Representatives from the environmentalist community were also on hand and provided testimony. They emphasized the role a cap and trade system for carbon could play in helping to reach the reduction goals established by Governor Crist.

On Thursday, August 23rd additional workshops were held. The workshop on DEP Rule No 62-285.400 - Greenhouse Gas Emissions Reduction Adoption of California Motor Vehicle Emissions Standards began with Sandy Bowman giving a presentation on the current situation with the California standards; the EPA waiver issues and what does adopting the California standards mean. The complete presentation will be on the department's website at www.dep.state.fl.us/air by Monday, August 27th. The public was allowed to make comments today at the workshop and representatives from the Alliance of Automobile Manufacturers; Florida Automobile Dealers Association; Chrysler; Mitsubishi; Environment Florida and the Southern Alliance for Clean Energy spoke. The Alliance of Automobile Manufacturers spoke about the problems with the California standards in a presentation entitled "Higher Cost, No Environmental Benefit." They have documentation showing car manufacturers, under oath, claiming they can not meet the standards required in California fuel economy standards. Instead they will have to restrict or delete certain models to California. They believe consumers can expect an average of \$3,000 cost increase. The Alliance prefers the federal government to set standards and noted there is legislation in Congress now. The Alliance had specific recommendations for the rule which included vehicle registration denial if new automobile does not meet standards; making sure there is an infrastructure in place for H2 fueling as well as for electric vehicles. The Florida Automobile Dealers Association voiced concerns about cost and choice and was concerned that Florida will be limited in the types of cars and light trucks they would be able to offer consumers. They were concerned if the cost is \$3,000 more as mentioned by the Alliance of Automobile Manufacturers that those dealers close to the Georgia or Alabama line could see their business jeopardized. Therefore, they suggested that if a vehicle is bought in another state and brought into Florida that it have the same requirements as those sold in Florida – if not, deny the vehicle registration. Environment Florida told the group that scientists have said we need to reduce the pollution that causes global warming by 80% over the next 50 years. They believe transportation is Florida's second largest source of carbon dioxide pollution and responsible for more than 42% of the state's emissions in 2004. Environment Florida believes consumers will save money in the long run even if they have to spend more money for the vehicle since they will be spending less at the gas pump.

The department would like to receive written comments by September 21st, 2007 on the implementation aspect of the rule; compliance verification; a phase in schedule; cost; and ZEV (zero emission vehicles). Comments can be either e-mailed sandy.bowman@dep.state.fl.us or mailed to:

Florida Department of Environmental Protection
Division of Air Resource Management
2600 Blair Stone Road, MS 5500
Tallahassee, FL 32399-2400
Attention: Lynn Scarce, Rules Coordinator

Immediately following was a workshop on DEP Rule No 62-285.420 on Greenhouse Gas Emissions Reduction Heavy-Duty Diesel Vehicle Idling Reduction as specified in the Governor's Executive Order. Again, Sandy Bowman framed the issue. She talked about the impacts of idling and the broad range of options for passenger cars; commercial buses; heavy trucks; locomotives and ships at ports to name a few. The biggest idling vehicles include delivery trucks; buses; and tractor trailers. The scope of regulation could include infrastructure needs; costs for technical and implementation; emission data and avoidance of any negative impact on the overall air quality. Again, her presentation will be on the department website by Monday, August 27th. Comments on this proposed rule are due by September 21st as well at the same address listed above.

The next workshop for both of these proposed rules will be later this fall, probably in October in Tallahassee. There will be time for public comments at that time. Actual language for the proposed rules will not be available until the beginning of 2008.

All DEP workshop presentations and comments will be posted on the department's website.

AIF will continue to follow this rule making process and submit comments on behalf of the business community.

Taxation and Budget Reform Commission

The Finance and Taxation Committee of the TBRC held a meeting on Thursday, August, 23rd to discuss several items and bring commissioners up to date on several issues dealing with property tax policy. The Committee is in the process of coming up with a list of topics it will consider for further discussion and recommendations. It appears as if the top issue the Committee will concentrate on is the concept of "highest and best use." This is welcomed news for the business community, since this issue is one that affects business owners across Florida on a daily basis. Unfair property appraisals have raised property taxes for business owners at alarming rates. The Committee is also looking at issues dealing with fractional assessments, partial-year assessments, as well as how passage of the proposed Super Exemption amendment would affect on school funding and the Required Local Effort (RLE).

It is the Committee's goal to come up with 3 to 4 topics that they will then make recommendations on after taking public testimony. Some of their recommendations will be in the form of proposed constitutional amendments and others will be recommendations to the legislature.

The Finance and Tax Committee will meet next on September 17th from 10:00 am to 2:00 pm.

Commission on Open Government Meets

In one of his first acts following his inauguration, Governor Charlie Crist (R) issued an executive order to create the Office of Open Government. It is designed to help citizens' access information about state government and ensure that government's actions are always transparent and accountable to taxpayers. In June, through another executive order, Governor Crist created the Commission on Open Government which held its first meeting this week in Tallahassee. There are nine commissioner, all appointed by the Governor and they are charged with reviewing and evaluating the public's right of access to government meetings and records.

The meeting in Tallahassee this week was the first of at least three public hearings to receive input from the public, media, and government representatives throughout the state. The Commission will submit their findings and recommendations to the Governor, the Senate President and Speaker of the House by December 31, 2008. For more information on the Office of Open Government go to its website at www.flgov.com/og_home