



ASSOCIATED INDUSTRIES OF FLORIDA

Monthly Message

The Voice of Florida Business Since 1920



MONTHLY BRIEFING FROM
ASSOCIATION INDUSTRIES OF FLORIDA

December 14, 2009

FLORIDA'S ECONOMY TO BENEFIT FROM COMMITMENT TO RAIL

Legislators gathered in Tallahassee this month for a Special Session dedicated solely to the issue of rail and rail infrastructure projects. Legislation was passed after much debate and deliberation that establishes a foundation for a rail enterprise system that will include commuter rail, as well as high speed rail. The goal behind this commitment to rail is the belief that these investments in infrastructure will lead to jobs, and more importantly, help position Florida in the best possible shape for recovery once the global economy begins to turn around.



Once again, the AIF lobby team engaged legislators on this important issue supporting the legislation for its potential to leverage investments (both state and federal) which will lead to positive economic activity. AIF distributed a special [Communiqué](#) to all legislators outlining our policy positions on rail projects. We were careful to warn legislators about the importance of not hurting the Florida Department of Transportation's existing 5-year work program. Furthermore, we outlined the negative impacts of imposing an additional \$2 rental car surcharge for the purposes of finding a funding source for South Florida's Tri-Rail. We are happy to report that both of those goals were accomplished with passage of HB 1B. Read our Special Session [Weekly Report](#) for a complete re-cap of the week's activities.

EMPLOYERS TO FACE INCREASED UNEMPLOYMENT COMPENSATION TAX RATES

One of the driving forces behind the legislature's push for approval of this comprehensive rail legislation is the record unemployment facing our state today. With an unemployment rate of over 11%, the state is struggling to meet its obligations to those Floridians out of a job. The state's trust fund which pays those benefits is depleted and Florida has been borrowing from the federal government at a rate of \$225 million per month just to pay out benefits to the astronomical number of jobless Floridians. As a result, the Florida Department of Revenue recently announced that the 2010 unemployment tax levels for Florida employers will be exponentially higher than what was paid last year.

Florida businesses will start receiving those tax notices this week. In anticipation of the reaction many Florida businesses will have to this tax burden, AIF is actively working with House and Senate leaders, as well as its partners in the business community, to responsibly develop policy changes that can mitigate the unexpected increase businesses will face. We are exploring legislative and administrative remedies that could help Florida employers survive in this economic period while maintaining responsible state policies on unemployment compensation that will not generate long-term consequences that create greater tax burdens in the future. [**AIF Statement on Unemployment Tax Rate Increase.**](#)

We welcome your feedback. If you have received your 2010 tax notice, please send us your comments on whether your company can absorb this tax for 2010, what other budget cuts this tax increase will force you to make or any ideas for policy changes to Florida's unemployment system [**by using this link.**](#) We will use your input to do our best to craft a solution that will help Florida employers in this critical economic time and protect the future of a functional unemployment system in Florida.

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BARNEY BISHOP'S WATER QUALITY TESTIMONY

My name is Barney Bishop and I'm the CEO of Associated Industries of Florida and I'm here today on behalf of our 10,000 member companies across the state. We have grave and deep concerns about the standards that EPA is getting ready to mandate upon Florida through numeric nutrient criteria standards.

As we all acknowledge Florida is facing a water crisis. Without water there is no further development, no growth which of course means no jobs, no environmental protection and thus no economic rebound for the Sunshine State. For several years now, AIF has been working closely with Doug Mann and the Florida Water Alliance, a broad-based group consisting of businesses, water management districts, local governments and some environmental organizations on funding alternative water supply programs. But now on top of the water funding issues we have a new crisis – a manufactured one by environmental groups such as Earth Justice and others and their goal of numeric nutrient criteria is one that is unachievable and it will be extraordinarily expensive.

If the numeric nutrient criteria is enforced by the federal government, many manufacturers and companies may not be able to stay in Florida nor will any new companies be inclined to come here because it will be too expensive to operate here – and we will be the only state in the union that is having these criteria mandated upon them. This will absolutely put Florida at an economic disadvantage. Why would any manufacturer or company stay here or move here when just across the state line in Alabama, Georgia or any other state they can operate without expensive and unfunded mandates that will not impact their bottom line.

We all know the difficulties that all businesses are facing in this severe economic downturn. Unemployment is at a record 11% in Florida, which we haven't seen in many, many decades. We are being told by local government and by the water management districts that these new potential EPA standards will significantly raise the price of water both to consumers and to businesses – the price tag for government alone has been estimated to be in the billions of dollars – and this is from the people who already want to insure that we have clean water in Florida.

Mr. Chairman, I am told by water experts that there is not a single body of water – not the best bass fishing lakes in the state, not in any river, stream or bay that currently meets this new mandated standard. In light of our robust recreational fishing industry which ranks number one in the country, why would we allow the federal government to unilaterally impose these abusive standards without a fight? I have read that some say that we will be able to contest these standards in Court, at the right time of course, but we shouldn't wait to send a loud signal to the feds that we don't need them telling us what our water standards are unless they are going to implement it nationwide. To do otherwise is to punish Florida for our excellent behavior. In fact, the only reason why we are facing this mandate is because Florida is the country's leader in measuring nutrients in our water. And so for our good behavior, we are going to be punished by the environmentalists and the feds! To add insult to injury, the enviro's and the fed's can't even justify their action based on any readily acceptable and peer-reviewed scientific standards – it's just that they would like us to have even cleaner water than what we do now. I don't suppose I have to remind you that right now, a continent away, there is a Climate Change conference that is embarrassed by the fact that supposedly reputable scientists have done their very best to manipulate their data to hide incongruencies, to keep other scientists who don't happen to agree with their suppositions from peer-reviewed research periodicals, and to perpetuate their own hoax that the planet's climate is changing not for planetary historical reasons but for alleged man-made reasons. Unfortunately,

this is not the first time that we have been warned about climate change, we were told that we would be in a forthcoming ice age by scientists of the same ilk back in the '80's. I'm not here to tell you that climate change is not occurring; I'm just here to tell you that the supposed "One World Order" view of it is now being second-guessed and downgraded by Americans in several polls that have recently been released.

In addition I would add, that it doesn't make a lot of sense to me that Florida would be required to clean up the Apalachicola River and the Suwannee River from any pollutants that Georgia, Alabama and Tennessee might put into the water simply to insure that the last miles of these rivers in Florida meet these unscientific standards. It would make much more sense to require these nutrient standards on all states – but of course that would run counter to federal government thinking – Big Brother always knows best!

I believe that Agriculture Commissioner Charles Bronson said it best yesterday at the Cabinet meeting when he heard similar testimony from Earth Justice about algae blooms and the like, and his appropriate comment is that this has been happening for millions of years – it is a natural occurrence that does not justify these onerous, expensive, unachievable and unilateral mandates.

In closing, the state of Florida should be allowed to continue to set our own water quality standards using existing scientific procedures that our own state experts can justify. I've rarely believed that just because the federal government says it is so, that they know more than we do here in our own state. And, while AIF sometimes agrees with Secretary Michael Sole and the Department of Environmental Protection, this is one instance whereby we believe that he and the department has the state's very best interest at heart, and that he and the water management districts will continue to deliver clean water for Floridians to drink and recreate in that we can afford and deserve. This isn't the first time, and I'm confident it won't be the last, that environmentalist organizations will demand that we have a perfect, pristine environment – and of course they don't care what the costs are, or the hurdles are. In their single-focus minds this is attainable. But to the average Floridian, we just want to try and do our best at an affordable price to live our lives with the least amount of governmental intervention. With respect, I would suggest that for the small percentage of citizens that agree with Earth Justice, that they can always move to California where the environment is perfect and their budgets are balanced.

Rooney Heads Florida Request to EPA

From <http://www.rooney.house.gov/>

12/03/09

Washington, D.C. – Earlier this year, the EPA announced it would enter into a consent decree with Earthjustice and establish Numeric Nutrient Levels for waters in the state of Florida. This followed several years of research and public input by the state in preparing to set its own rules. Congressman Rooney lead the delegation in sending a letter to the EPA asking the agency to work with the state and utilize its extensive science, data and research as it formulates the rules for Florida.

“Florida has spent over \$19 million and several years collecting the necessary data, sound science and community input to develop standards that are realistic and attainable for Florida,” said Rooney. “As the EPA begins to establish nutrient levels for Florida waters, it is important for the state to be a part of the decision process and to use the invaluable information that has been collected. This bipartisan letter signed by twenty-five members of our delegation simply asks EPA to work with Florida and utilize its data.”

Florida Congressional Letter to EPA

Dear Administrator Jackson:

As members of the Florida delegation, we are writing today regarding the proposed EPA numeric nutrient rules for our state. While we all value the health of our waterways, this regulatory change will also have economic impacts on the state, and thus it is important that the standards are based on the best available science.

As we are sure you are aware, Florida has spent several years working with the EPA and over \$19 million to collect the necessary data, sound science and community input in developing numeric criteria under the Clean Water Act. We were encouraged to read in your January 14th letter that said the EPA planned to “work closely and collaboratively with the State of Florida to ensure that these numeric nutrient criteria are protective of applicable designated uses, based on sound scientific rationale, responsive to the specific needs of Florida’s waters, responsive to available public and stakeholder input, and sufficient to meet the needs of the State’s complete suite of water quality management tools.” We respectfully ask that as you finalize the proposed rules for the state you work with Florida’s Department of Environmental Protection in an open, collaborative manner and utilize its extensive resources of science and data on this issue.

To date, the Florida Nutrient Technical Advisory Committee has met 22 times to openly evaluate and consider the data with industry input from manufacturing to agriculture. This is an excellent model that we strongly encourage you to consider using as you move through this process. The proposed rule will have a widespread effect on Florida’s industry and economy, and all concerned parties should be heard.

Thank you for your consideration of our concerns. As you can imagine, this is a very important issue to our state. Florida will be the first state subject to such federal rules, so it is essential that the water quality standards are based on sound science and that all parties concerned have an opportunity to be heard.

Sincerely,

Rep. Tom Rooney
Senator Bill Nelson
Senator George LeMieux
Rep. Adam Putnam
Rep. Jeff Miller
Rep. Allen Boyd
Rep. Kendrick Meek
Rep. John Mica
Rep. Ileana Ros-Lehtinen
Rep. Ginny Brown Waite
Rep. Lincoln Diaz Balart
Rep. Alcee L. Hastings
Rep. Debbie Wasserman Schultz

Rep. Mario Diaz Balart
Rep. Ander Crenshaw
Rep. Cliff Stearns
Rep. Bill Posey
Rep. Vern Buchanan
Rep. Connie Mack IV
Rep. Suzanne Kosmas
Rep. Gus Bilirakis
Rep. Corrine Brown
Rep. C.W. Bill Young
Rep. Alan Grayson
Rep. Ron Klein

AIF STATEMENT ON US DISTRICT COURT WATER RULING

TALLAHASSEE -- Barney Bishop III, President and CEO of Associated Industries of Florida, released the following statement today regarding a decision by a U.S. District Court judge to accept the Consent Decree between the U.S. Environmental Protection Agency and the Earthjustice group.

"We are disappointed that this decision means Floridians are a step closer to having to pay what would in effect be a federal water tax of billions of dollars. By acting on a lawsuit rather than sound science, the U.S. EPA is threatening new onerous water standards for Florida – and only Florida – that will punish millions of Florida families with new water costs that would reach hundreds of dollars per family each year.

"The radical Earthjustice environmental group has said it 'got exactly what we wanted,' from this decision. They must be right, because it will only help to drive Florida's economy deeper into the ditch at a time when unemployment in the state has already topped 11 percent.

"It is deeply troubling that the federal government would inflict these costly, draconian limits on any state – let alone in such terrible economic times. Demanding these requirements from only one state – Florida – is grotesque and an abhorrent overreach of government powered by politics and runaway litigation."

CONSTITUTIONAL AMENDMENTS

AIF STATEMENT ON FAIR DISTRICTS FLORIDA

"In the coming days, various legislative committees will begin Florida's reapportionment process, which occurs every 10 years.

A proposal seeking to alter current law through a constitutional amendment is vague and unnecessarily duplicative of existing state and federal requirements. These initiatives are nothing more than solutions in search of a problem that are being promoted by groups like labor unions, trial lawyers and ACORN aiming to increase their political visibility.

Associated Industries of Florida (AIF) strongly opposes any proposed amendments that seek to place new redistricting and reapportionment guidelines in Florida's Constitution.

There are no problems with the current redistricting process that has stood the test of time, produced equitable district boundaries and requires judicial review and approval.

As detailed in a joint letter to the Florida Office of Reapportionment from Congresswoman Corrine Brown (D-Jacksonville) and Congressman Mario Diaz-Balart (R-Miami), these measures will adversely affect existing congressional and legislative districts that are largely comprised of minority populations. If approved, these measures could dilute a district's ability to re-elect a proven incumbent, which would lead to increased litigation and delay of approval for Florida's next reapportionment plan.

The Florida Supreme Court has defined Florida's existing reapportionment process as a fair, transparent and responsible mechanism for state governance. AIF vigorously opposes altering the Florida Constitution for such frivolous and unnecessary ideas that place the political aspirations of a few above the sound and proven policy of fair redistricting that has served Florida so well in the past."

INSURANCE

AIF STATEMENT ON CITIZENS' RATE INCREASE

"It seems Christmas has come early for those Citizens' policyholders living in high-risk areas of the state. Not only did the Office of Insurance Regulation fail to impose an across-the-board 10-percent rate increase on all Citizens' policies, it did not even accept the 7.5-percent increase Citizens filed for policyholders living along the coast. Citizens' rates have been frozen for the past five years and the nominal 10-percent increase called for in this year's legislation was a fair and reasonable first step toward Citizens becoming actuarially sound.

Five percent is not enough to put Citizens on a path to solvency or to incentivize people to harden their homes and mitigate potential damage. While it will still take many years to get Citizens where it needs to be, the 10-percent increase provided a good balance between the interests of Florida businesses and the homeowners covered by Citizens. This past Friday, Insurance Commissioner McCarty once again showed that he clearly has no regard for the potential impacts on the Florida businesses that will be forced to cover the cost of Citizens' claims should a major storm hit our state."

AIF EVENTS - POWER LUNCH WITH SENATOR LEE CONSTANTINE

On Monday, December 7th, AIF's Environmental Sustainability Council (ESC) held its inaugural meeting in Tallahassee. AIF members heard presentations from the Department of Environmental Protection on Florida's 75% Recycling Rate as well as from AIF staff on water quality issues, which have the potential to impact all businesses in Florida. The meeting was highlighted by the participation of Senate Environmental Preservation & Conservation Committee Chairman Senator Lee Constantine (R-Altamonte Springs) who spoke to Council members during a Power Lunch event.

