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Federal “Water Tax” Would Threaten Florida’s Economy

Stringent water quality standards for only Florida to be set in reaction to lawsuit, not science

TALLAHASSEE – With a warning that coming federal action on water quality could deliver a devastating blow to Florida’s struggling economy, two former Florida Department of Environmental Protection secretaries and leaders from Florida taxpayer advocacy and business groups joined together today in an effort to alert Florida citizens to stringent water quality standards that could soon affect Floridians throughout the state.

In order to rid itself of a lawsuit filed by environmental groups, the U.S. Environmental Protection Agency (EPA) is poised in January 2010 to propose stringent water quality standards for Florida’s streams, canals, and lakes and by January 2011 for coastal waters. These standards will apply only to Florida and will likely include one-size-fits-all nutrient numerical criteria that are unscientifically sound and apt to halt Florida’s current environmental processes and derail Florida’s economy.

Groups opposed to the action say unfair and impossible-to-meet federal restrictions would punish Florida even though the state has been recognized as a national leader in protecting clean lakes and rivers through its model Total Maximum Daily Loads program and numerous other programs.

“These new restrictions would force us to start over with arbitrary numerical criteria that have no scientific basis and will only hinder our efforts to clean up our waterways,” said former DEP Secretary Virginia Wetherell.

Wetherell noted for nearly ten years Florida has spent millions of dollars to scientifically evaluate the quality of its water and develop and implement the mechanisms necessary to clean up pollution.

Former DEP Secretary Colleen Castille added, “During my time at DEP protecting water quality was a top priority. We worked shoulder-to-shoulder with the EPA on this issue and reached a solution that worked for all, the environment, the citizens and the taxpayers’ wallets. This overreaching proposal by EPA will only lead to more lawsuits, putting the goal of clean water on the back burner. I am convinced the best way to protect Florida’s diverse and unique water resources is to address it on a water body by water body basis.”

Devastating Economic Impact

Leaders among local government and the business community agree the regulations would in effect impose a federal water tax on Florida that could devastate the state’s economy.

“Creating an arbitrary standard will hit every Florida family in the wallet,” said Paul Steinbrecher, vice president of the Florida Water Environment Association Utility Council Board of Directors. “Our data shows that just the wastewater treatment capital improvement costs could reach \$50 billion in Florida and add \$720 to a family’s yearly sewer bill.”

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Steinbrecher added strict regulations would tax an already suffering economy by forcing utilities to increase their rates on average by as much as \$62 and in some places over \$100. This could be devastating for the 12 percent of Floridians who live at or below the poverty level.

The group announced a new Web site at www.DontTaxFlorida.com to highlight the threat to Florida’s economy.

“This unilateral federal action would put a stake in the heart of job creation and put the brakes on Florida’s economic recovery, just as it is needed the most,” said Dominic M. Colabro, president and CEO of Florida TaxWatch. “Floridians will pay a high price if this becomes reality with higher taxes and fees, consumer products that will cost more and fewer job opportunities with lower wages and salaries.”

To meet the new requirements, the residents of Florida’s cities and counties could face a hard choice of raising property taxes, hiking water and sewage fees and decreasing services.

“This would put Florida’s cities and citizens in the crosshairs – forcing unaffordable costs on our communities that would place an unfair burden on our already overstretched resources,” said Tallahassee Mayor John Marks, president of the Florida League of Cities.

“With more than a million Floridians unemployed, imposing what in effect is a federal water tax on only Florida is a sure-fire way to strangle an economic recovery in our state,” said Jose Gonzalez, Associated Industries of Florida’s VP of Governmental Affairs. “As Floridians we care passionately about protecting Florida’s water but this one-size-fits-all approach is unlikely to help our ecosystems and will likely bring our economy to a grinding halt.”

The new restrictions will require new permitting processes for future and ongoing developments. Many projects already underway will be forced to stop until the new requirements are met.

“At a time when we should be focused on creating jobs, through this action the federal government is looking to destroy job creation by singling out Florida and punishing our state’s employers,” said David Daniel, VP of Governmental Affairs for the Florida Chamber of Commerce. “This is a perfect example of what happens when lawsuits are allowed to drive environmental policy. You get broad brush action with no consideration of the impact on employers and employees in the state it will directly affect.”

Tom Herndon, former chief of staff for Governors Bob Graham and Lawton Chiles who is now with the Florida Alliance for Concerned Taxpayers added, “Washington may end a lawsuit and begin another round of economic headaches for the people of Florida. In these trying economic times, the last thing we need to do is to place additional costs on Florida’s families, employers and state and local governments.”

A fairness hearing on the issue is scheduled for November 16th to review appropriateness of the consent decree.

For more information, please visit www.DontTaxFlorida.com.