



ASSOCIATED INDUSTRIES OF FLORIDA

The Voice of Florida Business Since 1920

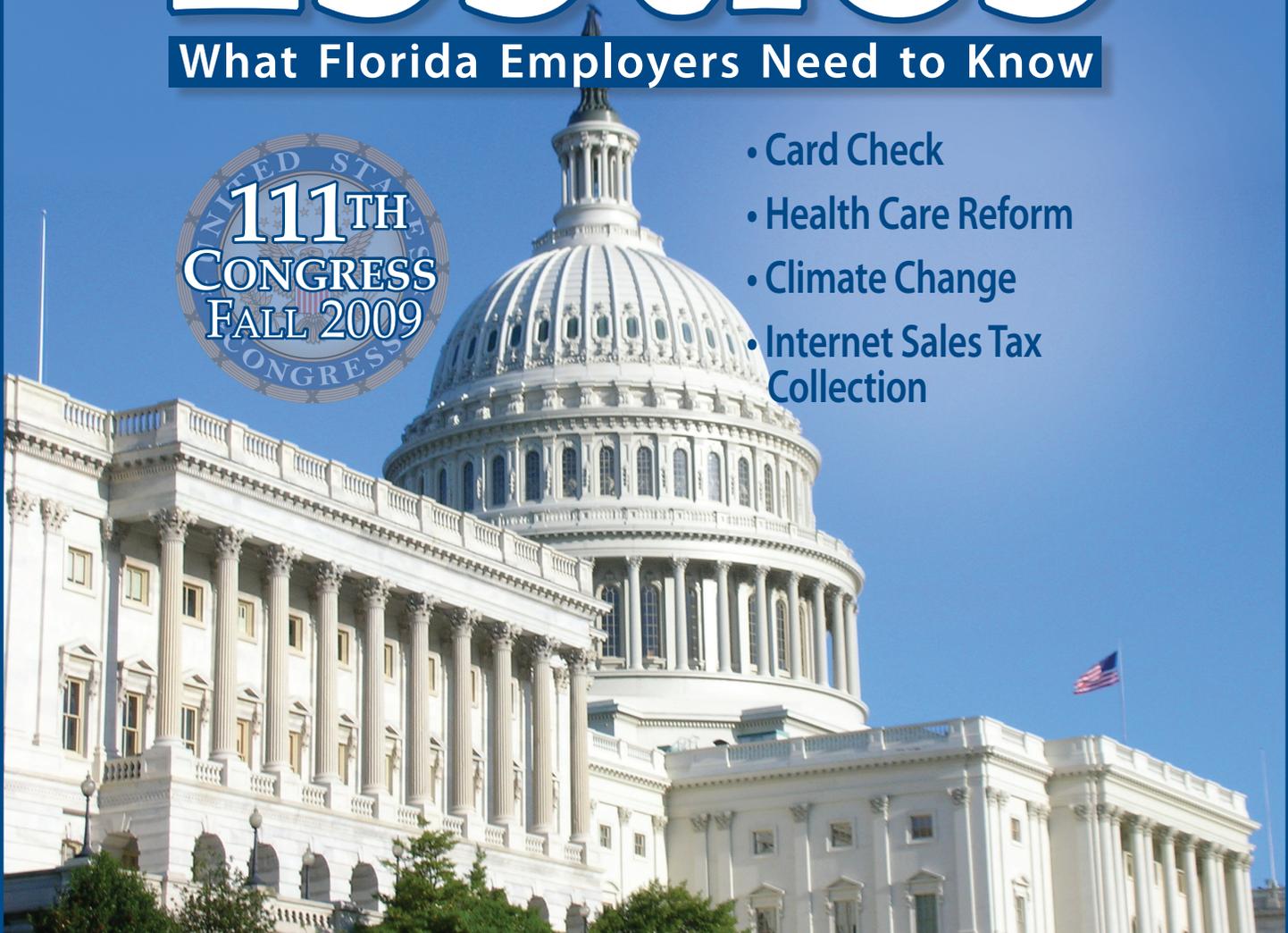
SPECIAL REPORT:

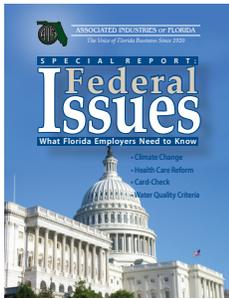
Federal Issues

What Florida Employers Need to Know



- Card Check
- Health Care Reform
- Climate Change
- Internet Sales Tax Collection





About this Publication

As the Voice of Florida Business, AIF prides itself on being a vigilant guardian of the free enterprise system. Since our founding in 1920, our primary focus has been on business issues at the state level and what happens in Tallahassee. Still, from time to time issues are considered by our federal elected officials that are so important for the success of your business that we feel compelled to get involved.



Questions?

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This publication includes information on four federal issues that every employer in the state of Florida should pay attention to. Three of the issues (Climate Change, Health Care Reform, and Card Check) are currently being considered by the U.S. Congress. The fourth issue — dealing with the collection of sales tax on purchases over the internet — calls for adoption by the U.S. Congress and the signing into law by President Obama of the Main Street Fairness Act.

Our goal with this publication is to arm our members with information on these four issues of critical importance, so that you can effectively communicate with your local elected representatives in Washington, D.C. In the weeks and months to come, we will follow these issues very closely and keep you up to date on all the latest developments. AIF is committed to improving our state's business climate and its competitiveness in the region. Strong advocacy on behalf of our state's employers on these make or break issues for businesses will be essential in the near future in order to ensure that jobs will be available for Floridians.



AIF Special Report: Federal Issues, What Florida Employers Need to Know is published by Associated Industries of Florida © 2009. All rights reserved. 516 North Adams Street • Post Office Box 784 • Tallahassee, FL 32302-0784
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The Issue...

Card Check

For years, organized labor has searched for ways to reverse their precipitous decline in union membership. They believe they have finally found a “magical” formula in the deceptively named “Employee Free Choice Act” (EFCA) or Card Check, which represents a radical change to federal labor law in order to make it easier for unions to organize employees.

- Through EFCA, organized labor would virtually eliminate the secret-ballot election as the primary means to determine whether employees want union representation.
- Under the EFCA, a union would be established for a work group without any election when it succeeded in securing a simply majority of employee signatures on authorization cards designating the union as the collective bargaining representative.
- EFCA also transforms the process by which employers and unions negotiate initial collective bargaining agreements.
- Under EFCA, if the parties fail to reach an agreement within 90 days, either party may request mediation by the Federal Mediation and Conciliation Service (FMCS).

If enacted, EFCA would also introduce costly penalties — on employers only — during the negotiation of a first contract with an employee union. Penalties on employers for back pay violations are raised to back pay plus two times that amount as liquidated damages. Penalties for violating the National Labor Relations Act are increased to as much as \$20,000 per violation, in addition to any make-whole remedy.

What We Are Following

The Employee Free Choice Act was introduced on March 10, 2009, in the House and the Senate. Representative George Miller (D-California) is the lead sponsor of H.R. 1409 in the House of Representatives. Senator Tom Harkin (D-Iowa) is the lead sponsor of S. 560 in the U.S. Senate. EFCA or some compromise version could be brought up for a vote in Congress some time this fall.

The Bottom Line

Eliminating the secret-ballot election would undermine the fundamental principles of workplace democracy and fly in the face of pronouncements made by the U.S. Supreme Court in which they state that “secret elections are generally the most satisfactory — indeed preferred — method ascertaining whether a union has majority support.” In light of this more aggressive labor movement, unprepared employers will find themselves increasingly more vulnerable to union organizing if they fail to take action.



Through the EFCA, organized labor would virtually eliminate the secret-ballot election as the primary means to determine whether employees want union representation. EFCA threatens Florida’s economic competitiveness under the guise of labor law reform.

AIF Position

EFCA threatens Florida’s economic competitiveness under the guise of labor law reform. This legislation would undermine worker privacy and open the door to government control of wages and benefits in unionized workplaces. Although there is much discussion of considering possible variations of the EFCA, any proposal that stems from such fundamentally flawed legislation will harm the economic competitiveness of employers in Florida.

The Issue...

Health Care Reform

At this time, our elected officials in Washington are in the midst of a potential radical overhaul of the health care delivery system in our country. Just prior to the summer recess, members of the House of Representatives failed to reach consensus on a voluminous “health care reform” package. Some of the more problematic provisions in the package include:

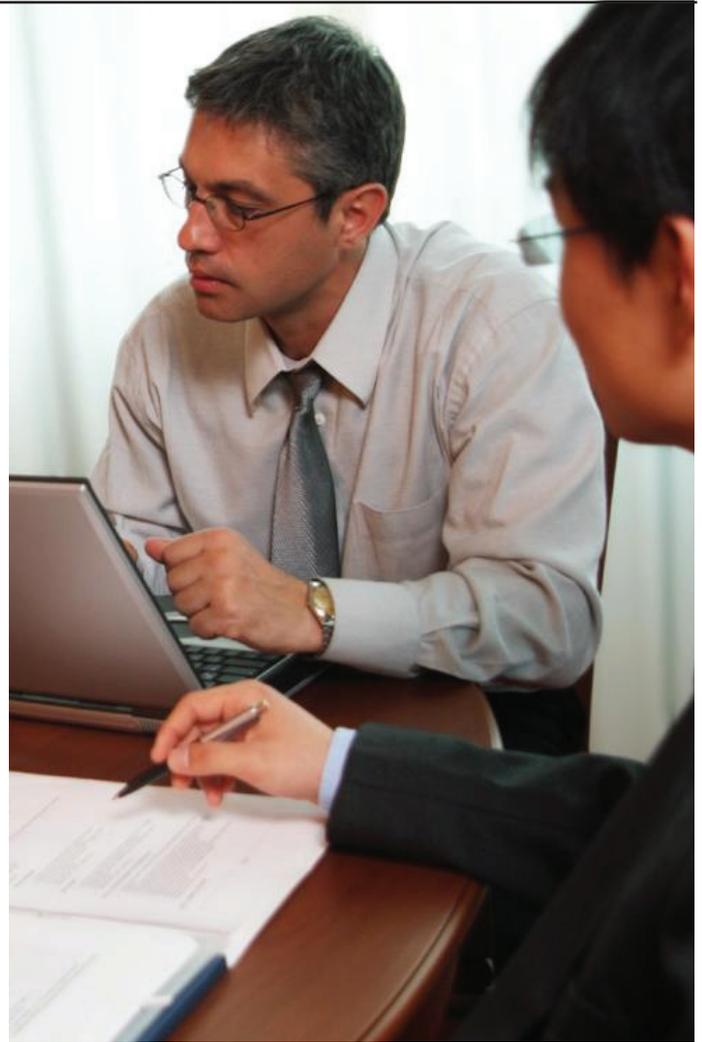
- A government-run public plan that would reimburse at reduced Medicare levels — shifting costs to employers, undermining private competition and threatening the coverage currently provided to over 160 million Americans.
- Rich minimum design and employer contribution requirements that increase employer costs, even if employees decline coverage provided by their employer and elect insurance through an exchange.
- Costly new ERISA mandates that will require all group health plans to meet a standard “one-size-fits-all” benefit package within a five-year period, threatening Americans’ ability to keep the health care coverage they have.
- A Federal Health Board with authority to prioritize medical research, approve procedures and slash payments for specific medicine, treatment and quality-of-life care.
- Abandoning Health Savings Accounts (HSAs), a tool that helps employers deliver high-quality care to consumers and allows employees to manage their health care costs.
- A new \$544-billion tax surcharge on small businesses to pay for health reform, which would devastate their ability to compete and threaten U.S. jobs and economic recovery.

What We Are Following

On July 14th the House unveiled the America’s Affordable Health Choices Act (H.R. 3200). The majority of employer groups have serious concerns with this proposed reform. This package of reforms is currently being considered by Congress.

The Bottom Line

The current proposals for health care reform will have an enormous impact on the bottom line of employers. They contain costly penalties for businesses that cannot comply with the reform’s provisions. Achieving affordable, quality health care coverage requires broad-based reforms that help employers continue their flexible offering of health benefits while addressing costs and disparities in quality and coverage. Any type of health reform must preserve and strengthen the voluntary, innovative and flexible employer-based system that provides care to over 160 million Americans and preserve the private insurance marketplace.



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AIF Position

AIF is opposed to the dangerous and radical proposals in Washington to overhaul our nation’s health care system. Instead, efforts should be made to develop alternatives that are more realistic and achievable without incurring additional unwarranted cost on consumers or the private sector. We support, in theory, improved health information technology where it can lead to better quality of care and patient outcomes. We also support as much flexibility as possible for states to partner with the Federal government to implement health care reform that makes sense for each state.

The Issue...

Climate Change/Energy

Affordable and reliable energy is essential to the long-term health of Florida's economy and the prosperity of our employees. During these recessionary times, we must ensure that employers in Florida do not incur unwarranted increases in the production and delivery costs of energy.

- Legislators in Washington D.C. are poised to make some important decisions on a number of energy policy proposals dealing with climate change, which have the potential to drive up the cost of energy and consumer goods.
- As the global recession takes a hold of markets, we are beginning to see some reluctance to participate in these types of climate change reduction programs by governments and the private sector because of the higher costs associated with them.

What We Are Following

The U.S. Senate will soon be taking up an aggressive piece of climate change legislation. This is on the heels of the House of Representatives' passage of their own climate change legislation: the American Clean Energy and Security Act of 2009, also known as the Waxman-Markey Bill (HR 2454). The bill:

- Aims to reduce greenhouse gas emissions and to cap the amount of carbon that is emitted by U.S. industry.
- Mandates a cap and trade program and other provisions governing fuel choices available to businesses and consumers.
- Passed the House of Representatives by a slim margin (219-212) earlier this summer.

The Bottom Line

Florida would lose up to 90,626 jobs by 2030 if the House version of this bill passes — even factoring in any additional "green jobs" created — according to a recent analysis by the National Association of Manufacturers (NAM) and the American Council for Capital Formation (ACCF). These job losses would stem from lower industrial output due to higher energy prices, the high cost of complying with required emissions cuts and greater competition from overseas manufacturers with lower energy costs. Nationally, job losses would total up to 2.4 million in 2030.

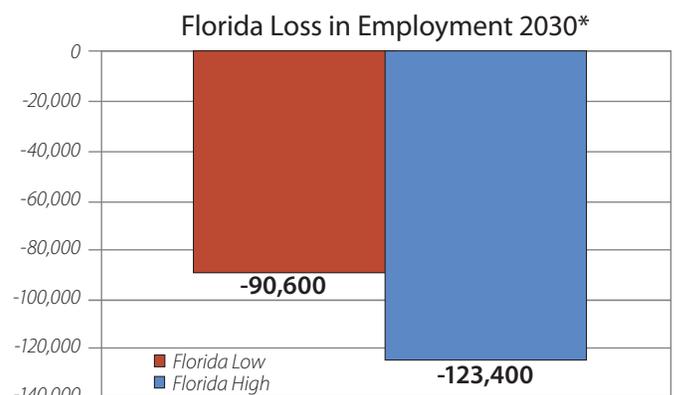
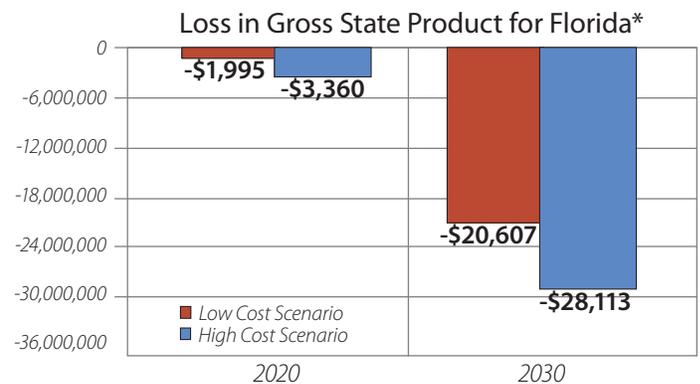
AIF Position

AIF is in strong opposition to climate change legislation at the national level, so long as it continues to impose unilateral emission standards on American businesses. AIF does support energy policies that (1) encourage use of all sources of energy to provide Florida businesses with a cost effective energy supply, (2) encourage new exploration and production of oil and natural gas in the outer continental shelf, (3) expand use of nuclear power, and (4) incentivize development of all types of renewable energy, including nuclear and clean coal.



During these recessionary times, we must ensure that employers in Florida do not incur unwarranted increases in the production and delivery costs of energy.

Economic Impact on Florida from the Waxman-Markey bill, H.R. 2454



*Source: National Association of Manufacturers
"Analysis of the Waxman-Markey bill using the National Energy Modeling System," August 2009

According to a study conducted by Florida TaxWatch, it is estimated Florida will earn \$2 billion in revenue each year if the state collected this tax.

The Issue...

Internet Sales Tax Collections

Legislation has been filed at the federal level which seeks to provide states with the authority to require remote sellers to collect sales and use taxes from their customers. Known as the Main Street Fairness Act, this legislation will grant those states that comply with the Streamline Sales and Use Tax Agreement the authority to require all sellers, regardless of nexus, to collect those states' sales and use taxes.

Not enforcing this tax only hurts our local businesses. Throughout the state, our mom-and-pop and brick-and-mortar businesses continue to lose sales to e-commerce because it is very difficult to enforce taxation on remote vendors. These local businesses not only collect the appropriate amount of sales tax as required by law when purchases are made inside their stores, but they also contribute to our state's economy by paying property taxes, purchasing city/county occupational licenses and employing fellow Floridians.

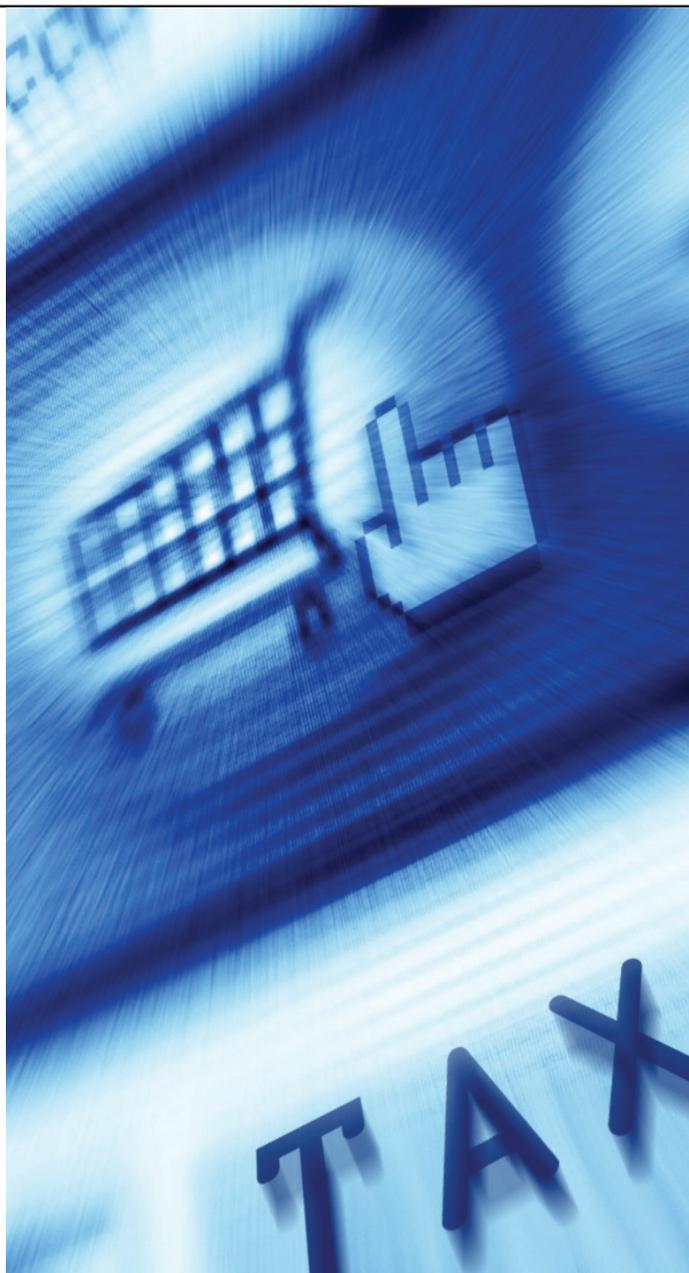
The Main Street Fairness Act levels the playing field for all businesses by enforcing compliance with tax laws that already exist. This Act will bring fairness to businesses that compete with e-commerce companies. We're talking about local businesses that are being put at serious disadvantage.

What We Are Following

Federal legislation is making its way through both chambers of Congress. The Main Street Fairness Act would give states that have complied with the agreement authority to require out-of-state sellers to collect taxes on remote sales.

The Bottom Line

Currently, some vendors outside of Florida are not responsible for collecting state sales tax on Internet and mail order purchases. The inability to require remote vendors to collect these taxes threatens the future viability of the sales tax as a stable revenue source for Florida. The loss in potential revenue for Florida is startling. According to a study conducted by Florida TaxWatch, it is estimated Florida will earn \$2 billion in revenue each year if the state collected this tax.



Even if we halved the most conservative estimate, Florida could generate \$500 million in new revenue for the state at a time when we desperately need it. Florida is anticipating a multi-billion-dollar budget shortfall and the enactment of this proposal will inject much-needed revenue into state coffers.

AIF Position

AIF supports the swift adoption by the U.S. Congress of the Main Street Fairness Act and the signing of this legislation into law by President Barack Obama. This legislation represents real fiscal relief for Florida that will not cost the federal government a single cent. Until Congress acts, participation by remote sellers under the Streamlined Sales and Use Tax Agreement is only voluntary and thus, without congressional action, Florida is unlikely to close the revenue gap between what is owed on e-commerce transactions and what is collected.



CALL TO ACTION!!

Contact your elected officials in Washington and let them know that *these issues will negatively impact your business.*

How They Voted

For complete vote records visit www.nam.org and www.bipac.org



VOTE RECORDS

U.S. SENATOR

Bill Nelson 15% with NAM

U.S. REPRESENTATIVE	DISTRICT	% w/NAM
Miller, Jeff (R)	1	74%
Boyd, Allen (D)	2	42%
Brown, Corrine (D)	3	25%
Crenshaw, Ander (R)	4	94%
Brown-Waite, Ginny (R)	5	88%
Stearns, Cliff (R)	6	80%
Mica, John (R)	7	89%
Bilirakis, Gus (R)	9	90%
Young, C.W. (R)	10	80%
Castor, Kathy (D)	11	20%
Putnam, Adam (R)	12	89%
Buchanan, Vern (R)	13	70%
Mack, Connie (R)	14	79%
Meek, Kendrick (D)	17	32%
Ros-Lehtinen, Ileana (R)	18	65%
Wexler, Robert (D)	19	21%
Wasserman Schultz, Debbie (D)	20	25%
Diaz-Balart, Lincoln (R)	21	80%
Klein, Ron (D)	22	32%
Hastings, Alcee (D)	23	20%
Diaz-Balart, Mario (R)	25	79%



VOTE RECORDS

U.S. SENATOR

Bill Nelson 13% with BIPAC

U.S. REPRESENTATIVE	DISTRICT	% w/BIPAC
Miller, Jeff (R)	1	92%
Boyd, Allen (D)	2	35%
Brown, Corrine (D)	3	7%
Crenshaw, Ander (R)	4	90%
Brown-Waite, Ginny (R)	5	78%
Stearns, Cliff (R)	6	92%
Mica, John (R)	7	100%
Bilirakis, Gus (R)	9	85%
Young, C.W. (R)	10	85%
Castor, Kathy (D)	11	7%
Putnam, Adam (R)	12	92%
Buchanan, Vern (R)	13	78%
Mack, Connie (R)	14	92%
Meek, Kendrick (D)	17	7%
Ros-Lehtinen, Ileana (R)	18	78%
Wexler, Robert (D)	19	0%
Wasserman Schultz, Debbie (D)	20	7%
Diaz-Balart, Lincoln (R)	21	92%
Klein, Ron (D)	22	16%
Hastings, Alcee (D)	23	0%
Diaz-Balart, Mario (R)	25	92%

Note: The above votes were cast by the Florida delegation of the 110th Congress.

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Bill Nelson (D)
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John Mica (R), District 7
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Alan Grayson (D), District 8
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Mario Diaz-Balart (R), District 25
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Federal Partners

*These
partnerships
provide a
one-of-a-kind
joint effort
on behalf
of AIF
Members.*

Associated Industries of Florida (AIF) is proud to work closely with two of the most prominent and successful business groups in our nation's capitol: **National Association of Manufacturers (NAM)** and **Business Industry Political Action Committee (BIPAC)**. This partnership allows AIF to combine unprecedented success in Florida on behalf of the business community on statewide issues and politics with these two highly respected groups.

AIF & NAM

AIF is the long-time state affiliate for NAM and works with NAM through the Conference of State Manufacturers' Associations and the NAM State Association Group to ensure that critical federal issues are communicated to Florida employers as well as members of the Florida Congressional Delegation.

AIF & BIPAC

AIF is proud to be the Florida partner with BIPAC and their unique product called Prosperity Project (flaprospertyproject.com) and working with Florida employers to use this one-of-a-kind tool with their employees. The effectiveness of this product is proven and considered by many to be the most powerful tool that business has today as it relates to elections.

NAM National Association
of Manufacturers

www.nam.org



www.aif.com

BIPAC

ELECTING BUSINESS TO CONGRESS

www.bipac.org