

Federal “Water Tax” Would Threaten Florida’s Economy

Onerous, arbitrary and costly water quality standards for only Florida

to be set in reaction to lawsuit, not science

TALLAHASSEE - November 18, 2009– 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 onerous and arbitrary water quality standards that lack scientific merit and could soon force Floridians to pay higher costs.

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 costly and arduous 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. “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."

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 transitioning our economy and 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 science of it nor the impact on employers and employees in the state."

Tom Herndon, former chief of staff for Governors Bob Graham and Lawton Chiles who is now with the Florida Alliance for Concerned Taxpayers added, "The EPA in 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."

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

Contact: Ryan Banfill, (850) 222-1996

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www.DontTaxFlorida.com

November 13, 2009

Dear Members of the Florida Congressional Delegation,

We, the undersigned, are deeply concerned about the U.S. Environmental Protection Agency's intent to single out the state of Florida for onerous, arbitrary and costly water quality requirements that will devastate Florida's economy, put Florida citizens out of work and punish a national leader in water clean up – all at the expense of Florida taxpayers.

We represent a broad cross-section of Florida interests including Florida employers, advocates for taxpayers and former Florida Department of Environmental Protection secretaries.

It is important that the Florida delegation be made aware of these developments in a timely manner. We would like to brief the Florida Congressional Delegation during your next meeting regarding EPA's actions and the devastating impact to our state.

While we support a science-based effort to further clean up Florida's waters, we are convinced that federally imposed numerical nutrient criteria is the wrong way to do it. Florida already has invested more than \$20 million in its Maximum Daily Loads program. Our progress will be brought to a standstill by new standards that are being forced through by a lawsuit, not sound science.

The EPA is enforcing these regulations on Florida and only Florida, not on Alabama, Georgia and other states that feed Florida's water sources.

These unfair proposed federal restrictions would punish Florida even though our state has been a national leader in protecting clean lakes and rivers. In fact, Florida is responsible for more than a third of all the nutrient-related water-quality samples in the national water quality database. What message does it send to other states when the federal government penalizing Florida with its own diligently gathered data? We believe punishing Florida for its success will have a chilling effect on efforts to promote water quality across the nation.

If the federal government is going to pursue water-quality requirements, it should pursue them nationwide, not by using Florida as a guinea pig in a financially challenging time, slowing our economic recovery and saddling Florida with costs that reach tens of billions of dollars.

The increased costs associated with the proposed numerical nutrient requirements to be proposed as early as January 2010 will cause significant and lasting economic hardship for Florida's families, employers and state and local governments.

We ask you, our representatives in Congress, to urgently request EPA to reconsider and withdraw the determination that Florida adopt numeric nutrient standards by January 14, 2010.

Otherwise, Florida will face a disastrous road ahead, filled with even higher unemployment, an exodus of business and jobs from Florida, higher utility bills and local taxes and a stalled economic recovery.

We look forward to an opportunity to speak to the Florida Congressional Delegation regarding this issue.

Sincerely,

Associated Industries of Florida

Association of Florida Community Developers

Audubon Ranch

BCI Engineers & Scientists, Inc.

Busted Rail Groves, John B. Allen

Carlton & Carlton Ranch

CF Industries

Clay County Utility Authority

Colleen Castille, Florida DEP Secretary, 2003-2007

Consolidated Tomoka Land Co.

Crop Production Services

DCR Services

Dover Fresh Produce, LLC

D & S Cattle Company, Inc.

D3 Farms

ELD Groves
ENTRIX, Inc.
Epperson & Company
First Coast Manufacturers Association
The Florida Aquaculture Association
Florida Association of Special Districts
Florida Cattlemen's Association
Florida Chamber of Commerce
Florida Citrus Mutual
Florida Engineering Society
Florida Farm Bureau Federation
Florida Fence Post
Florida Fertilizer Company
Florida Minerals and Chemistry Council
Florida Nursery, Growers and Landscape Association
Florida Pest Management Association
Florida Pulp and Paper Association Environmental Affairs, Inc.
Florida Strawberry Growers Association
Florida TaxWatch
The Florida Water Quality Coalition, Inc.
G and F Farms, LLC
Gulf Citrus Growers
Hamilton Farms
Hardee Ranch Supply, Inc.
Heartland Growers Supply
Heart of Florida Greenhouses, Inc.

Tom Herndon, Florida Alliance of Concerned Taxpayers
Hillsborough County Farm Bureau
Jemy West Hinton
International Ship Repair
Iron Workers Local Union 397
Jahna Concrete
Johnson Harvesting
Krause Grove Service
L C Groves
North Florida Growers Exchange
Manufacturers Association of Florida
McCauley Cattle Service
M&B Products, Inc.
Owens Rd. Grove
Peace River Valley Citrus Growers Association
Port of Tampa Maritime Industry Association
Rayonier
SATCO
Southeast Milk
Paul Steinbrecher, Florida Water Environment Association Utility Council
Sugar Cane Growers Cooperative of Florida
Sunbelt Milk Producers
Sure Shot Piping
Sylvite
Torrey Oaks Golf Course
Virginia Wetherell, Florida DER/DEP Secretary, 1993-1999