FROM JULY 16, 2003

Speculation began early in the day about the ultimate fate of Special Session C, scheduled to meet its demise at midnight on Wednesday.

By 4:00 the answer was: Governor Jeb Bush had decided to extend the special session until 7:00 p.m. on Monday, July 21.

Please go to http://www.aif.com/taxmedia.htm to view Governor Bush's comments.

Strategists had predicted that an extension of the session would signal improved prospects for a legislative deal on medical-liability-insurance reform. Immediately after the Bush press conference, however, Senate President Jim King (R-Jacksonville) met with the press to announce that an agreement does not exist.

Senator King then went on to drop a bombshell: The upper chamber would be sending to the governor sometime before midnight the outline of legislation that he believes could pass the Senate. The Senate president seemed to be drawing a line in the sand over the legislation, which he characterized as a significant compromise on the part of the Senate.

Please go to http://www.aif.com/taxmedia.htm to view Senator King's comments.

The Senate President also announced that the transcript of the Senate Judiciary Committee hearings would be available on Friday.

The extent to which the outline is consistent with the work of the House and Senate negotiators is unclear, although Senator King suggested that they would continue their efforts. The sticking point remains the language instituting a cap on non-economic damages. Negotiators have agreed on a basic framework that would place aggregate caps on damages in one silo each for doctors, hospitals, and others, such as HMOs. There has been no agreement on the amount of the cap. The Senate refuses to budge from a \$500,000 cap, while the House and the governor are likewise adamantly in favor of a \$250,000 cap.

The tensions escalated towards the end of the day with the release of an e-mail sent out by Ralph Glatfelter, senior vice president of the Florida Hospital Association, which quoted the governor as making "a plea for business groups to quit giving money to the Senate Republicans until they do the right thing."

The governor did not deny that that he made the remarks, choosing instead to reiterate his belief in freedom of political association.

Please go to http://www.aif.com/taxmedia.htm to view Governor Bush's comments.

The alleged threat was obviously an irritant to Senator King who, along with other members of his leadership team, has repeatedly criticized Governor Bush for engaging in internecine attacks on his Republican fellows.

Senator King says he is not sure what will happen for the rest of the week. Senators Tom Lee (R-Brandon) and Rod Smith (D-Gainesville) and Representatives Dudley Goodlette (R-Naples) and Allan Bense (R-Panama City) plan to continue talking.

Late in the day, House Speaker Johnnie Byrd (R-Plant City) issued a written statement, and seemed to suggest that optimism was not completely unreasonable with his statement that he believes "we are very close" to reaching a peaceful conclusion. Byrd's statement concluded, "We look forward to seeing the latest Senate proposal this evening and will continue to negotiate with them on this issue until we can reach a consensus."

The need for consensus was aptly declared for AIF today by the state's top public health official, John Agwunobi, who is the secretary of the Florida Department of Health and a medical doctor.

Please go to http://www.aif.com/taxmedia.htm to view Dr. Agwunobi's comments.

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