

December 3, 2009

ASSOCIATED INDUSTRIES OF FLORIDA

Communique!

www.aif.com

Rail Infrastructure Projects = JOBS!

Associated Industries of Florida's Positions on a Rail Special Session

As Florida begins a Special Session dedicated to rail issues, we are presented with the opportunity to develop a statewide, coordinated rail transit system. AIF has been a long-time supporter of SunRail; but recently, AIF's Board of Directors voted to take an official position supporting all three applications for High Speed Rail (HSR) before the Federal Railroad Administration. The decision was an easy one for our Board. Florida must make every effort to draw down these federal dollars. Our previous work on HSR has situated us in the perfect position to receive these funds. Much of the groundwork and environmental impact studies along the Orlando-Tampa corridor have been completed. In addition, the state of Florida already owns much of the right-of-way among the corridors in questions (Tampa-Orlando-Miami). So essentially, Florida is "shovel-ready" and has received a "Record of Decision" designation by the US DOT, which is the highest level of approval.

It is all about the jobs

At a time when Florida's unemployment rate is at an all-time high, we must support projects that will improve the infrastructure of our state and create jobs. **According to some estimates, the impact on jobs from the approval of HSR projects in Florida could be as high as 25,000 permanent jobs and thousands of construction jobs.** As you know, the construction industry has been one of the hardest hit sectors of our economy; therefore, any help for this industry would go a long way.



- **AIF SUPPORTS** the passage of legislation creating the Central Florida Commuter Rail Project "SunRail." AIF also supports all three High Speed Rail applications currently before the federal government. Florida needs a comprehensive rail transit policy for Florida that will bring about new investments and more importantly more jobs.
- **AIF OPPOSES** any proposal to increase the current rental car surcharge as a possible funding mechanism for existing rail systems.
- **Florida needs JOBS; not just "UNION" JOBS.**
- **Any future state funding mechanisms for rail projects should NOT harm FDOT's existing 5 year work program.**
- **Any future state funding mechanisms for rail projects should be TEMPORARY and should include some degree of participation from LOCAL jurisdictions.**

The approval of SunRail would also bring about an injection of jobs and investments to our state. **A recent study concluded that over the span of 30 years approximately 261,400 jobs would be created statewide. The SunRail project will also inject approximately \$8.8 billion in the economy during this time period.** This includes approximately \$432 million in reinvestments of CSX's proceeds into Florida's freight rail infrastructure, including \$40 million for rail connectivity projects sur-

rounding the Jacksonville Port (JAX-PORT). This particular element is also consistent with AIF's strong support and advocacy for investments in Florida's deep-water ports, as it will help facilitate the substantial growth in container traffic they expect in coming years.

But not just union jobs

It is hard to believe that at a time when the Florida Legislature is considering landmark legislation that would create thousands of jobs for Floridians dur-

ing this difficult economic downturn, the AFL-CIO is opposing the SunRail proposal.

This opposition comes even in light of the fact that the affected unions have been offered significant protections:

- Guaranteed protection of wages for six years for any railroad workers with at least six years of service affected by the SunRail transaction
- Ability to retain jobs elsewhere in Florida, along with railroad retirement benefits

In this economy, “jobs” mean “jobs” — not preferential “union” jobs. We cannot in good conscience prevent the passage of this legislation because of “union-busting” rhetoric offered by the unions. This is especially true at a time when unions are doing everything in their power to pass “Card Check” legislation that would make it easier for unions to grow their membership. It sounds as if the unions in Florida would rather see our record unemployment continue than to have non-union workers employed.

Funding mechanisms

AIF’s membership is made up of a diverse group of employers spanning a variety of industry sectors; therefore, before we could take a position of support for these rail infrastructure projects, it was important for me to take the time to gauge their views on these issues. One central theme that quickly became evident was the need for the Legislature to establish fair and balanced funding mechanisms for these worthy projects. The last thing we want to do is hurt our existing industries.

As you consider the policy position you must take in coming days, our members strongly urge you to consider the following:

1. Any state fiscal commitments for rail projects should not harm FDOT’s existing 5-year work program. The state’s work program is vital to Florida’s business community. Funding for the work program is directly tied to Florida’s prosperity and its ability to attract future investment. The trend in recent years has been to raid the Transportation Trust Fund (it has been reduced by over \$7 billion since November 2006!).

2. In addition, state funding commitments for rail should be temporary. Most economists agree that the best stimulus programs are those that are targeted and temporary. We are encouraged that the current SunRail proposal passes this test since funding from the state would only occur during the first seven years. However, our members are concerned by current proposals that would provide some state funding for Tri-Rail operations in perpetuity.

3. Any future rail projects should come with a financial commitment from local jurisdictions that will benefit from these projects.

4. If Florida is awarded the billions in federal stimulus dollars for HSR, strong consideration must be given to the issue of who will pay for the rail cars and other equipment necessary to run these HSR projects. Will the state enter into a public-private partnership with the manufacturers of these high speed rail cars for the operations and maintenance of these vehicles?



Rental Car Surcharge a BAD IDEA

As Florida lawmakers convene a special session to address funding for commuter and high speed rail programs, we would like to remind members why taxing the rental car industry to fund commuter rail is a losing proposition.

Nationally, more than half of all annual car rental revenue is generated by local customers and businesses. Whether it’s for in-state travel or local commuting, it’s the Florida families and businesses renting cars that will end up paying this extra tax during a time when they can least afford it. Many businesses looking to cut costs have turned to driving rather than flying when sending employees to meetings or conferences. Increased rental car taxes don’t just hurt our citizens and our businesses, but also exacerbate our declining tourism industry.

Associated Industries of Florida is encouraged by the Florida Legislature’s reluctance to levy additional excise taxes on the struggling rental car industry. We look forward to working with lawmakers to strengthen our rail industry while ensuring we do not harm another critical industry in the process.



ASSOCIATED INDUSTRIES OF FLORIDA

The Voice of Florida Business Since 1920

516 N. Adams St. • Tallahassee, FL 32301
850.224.7173 • aif@aif.com • www.aif.com

Questions? Please contact Jose Gonzalez
Vice-President of Governmental Affairs at
850-2247173 or jgonzalez@aif.com