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**EMPLOYER ADVICE**

SEPTEMBER • OCTOBER

**Buckeye:  
Where Industry  
and Environment  
Meet**



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**75**  
YEARS



# THE VOICE OF FLORIDA BUSINESS

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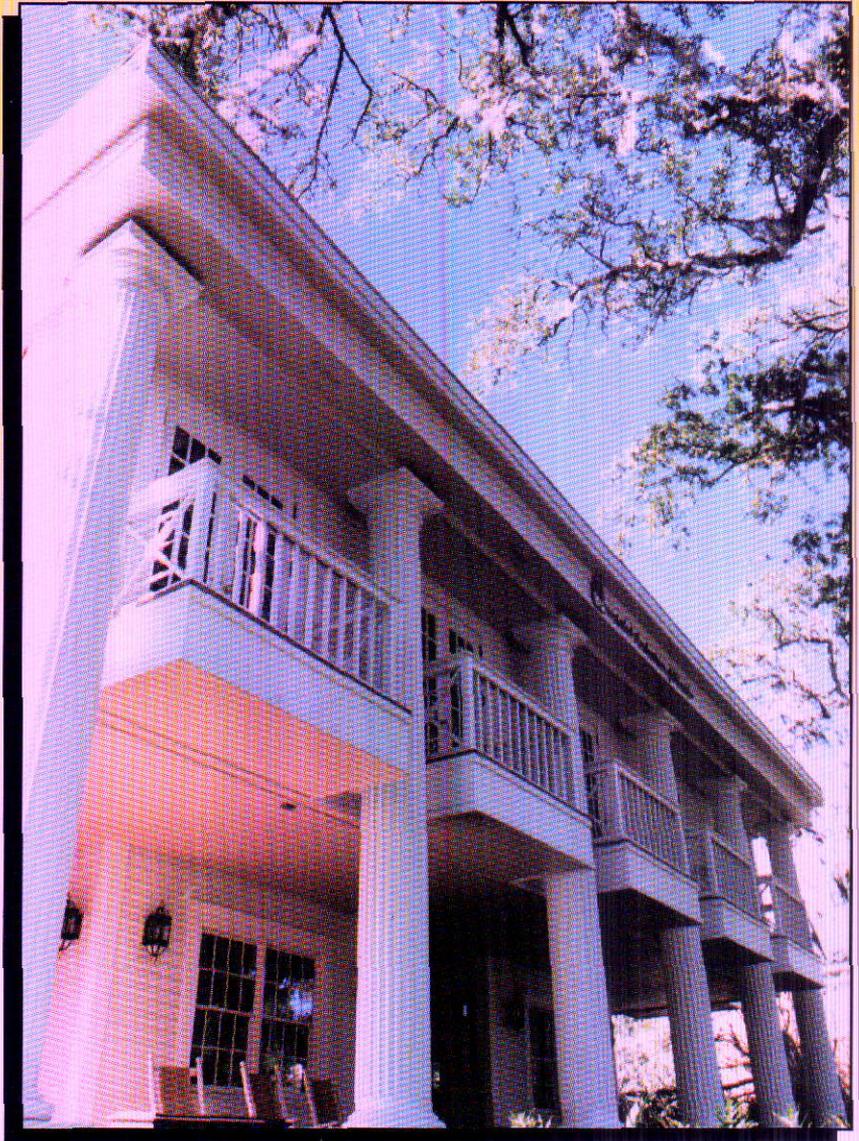


Photo by Hugh Scoggins

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# EMPLOYER ADVOCATE

September • October 1995

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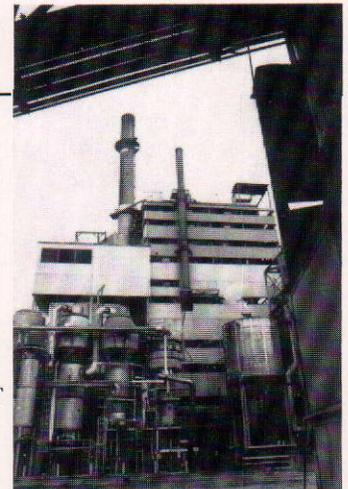


Photo: Doc Kokol



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**Jon L. Shebel**  
**President**  
**and CEO**

## Public Disservice

by Jon L. Shebel, President & CEO

**T**wo-year olds possess unerring instincts for the most effective methods to disrupt the peace and quiet of adults. During that stage of his life, my grandson was no exception. The highlight of his visits to pawpaw's office came during his trips on the elevator where he took great delight in setting off the alarm button.

As a fond grandfather, I found Jon-Ryan's antics amusing. The false alarms emitted by grownups, however, are a different matter.

Having spent a good portion of my adult life speaking out for the business community in Tallahassee, I can tell you that very little, if any, good public policy arises from manufactured controversies. And nowhere is this more evident than in issues involving the environment.

We're all easily frightened by threats to our natural resources because they sustain life. But sacrificing economic progress to environmental objectives with little or no quantifiable purpose exceeds the boundaries of reason.

Make no mistake about it; environmental advocacy is a crowded and highly competitive market. Competition in most markets is desirable. In this particular instance, however, it's leading us into folly after folly, as advocates vie for attention.

The balance that could be provided by the media in these matters is sorely lacking. When reporters abandon the hard work of digging out the facts, when editors choose tantalizing headlines over authenticity, when T.V. producers ignore truth for the sake of ratings, they're doing us all a serious disservice.

A few years ago, just 60 miles southeast of Tallahassee, one of those occasions when the media failed at its job occurred. In our cover story about Buckeye Florida and the Fenholloway River (page 2) you'll find out about what really happened in the town of Perry, a tale far different from what you might have read in the newspapers or heard on television.

Scientific research showed that Buckeye's plant had caused damage to the Fenholloway. The company never denied it. For three decades, as new technologies became available and economically feasible, Buckeye worked diligently to reduce its

impact on the environment.

Every accusation made by enemies of the company and assorted crackpots received due attention in the media. Stories containing these outrageous and fictitious claims also managed to overlook both the company's history of good faith and the particulars about the status of the river.

When public opinion is molded in this fashion, the results we get are garbled and imprudent public policy.

Our informational resources, such as newspapers, television, radio, and magazines, are one of the foundations of our liberty. They are essential to our quest for self-governance in a large and diverse nation.

But markets are wonderful things. The distrust of mainstream media has caused the rise of alternative sources of information, some reputable, some not so reputable. If matters work the way they should, the mainstream media will soon abandon biased and prejudicial reporting in favor of a thoughtful and judicious approach.

That's one good cause we can all support. ■

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**Sacrificing economic progress to environmental objectives with little or no quantifiable purpose exceeds the boundaries of reason.**



# The Very Model of a Modern Major Company

by Jacquelyn Horkan, Employer Advocate Editor

**Y**ears ago, on journeys through Florida's Big Bend to points north, south, east, and west, travellers rolled up their windows and prayed for swift passage through the small town of Perry with its landmark fragrance — the stench of rotten eggs.

Locals, on the other hand, savored the aroma and called it the smell of money — and a viable economy. The odor wafted from the smokestacks of the nearby Buckeye cellulose pulp mill — the town's economic heart. In the 1970s, construction of an interstate highway channeled traffic north of Perry and voyagers missed the opportunity to cleanse their nasal passages of old memories of the mill town.

For today, the odor is gone but the heart still beats.

Gov. Lawton Chiles and other state officials proclaim their desire to attract good clean industry to Florida. While Buckeye belongs to what is traditionally considered a smokestack industry, the company embraces the most progressive and modern principles of corporate America. A decades-old tradition

of caring for the environment and the community makes Buckeye the model for what the politicians seek — even though they may not realize it.

## The Mark of Quality

Buckeye Florida occupies a special niche in the pulp and paper industry. It manufactures highly purified cellulose pulp for export to customers in 40 countries located on every continent — with the exception of Antarctica.

Cellulose is a naturally occurring substance in the cell walls of plants, including the slash pine trees which grow abundantly in the environs of North Florida. At Buckeye's factory, the cellulose fibers are separated from the rest of the tree, then washed and refined. The cellulose is then formed into long sheets.

Buckeye customers use the sheets of cellulose to produce absorbent products, such as diapers; rayon fiber for clothing and automobile tire cord; and filters for automotive and medical applications. Buckeye's cellulose is also used in the manufacture of exhaust nozzles for NASA's space shuttles.

Every day, long-bed trucks roll up to the plant and deposit their 50 ton loads of pine trees at the mill. Seven days a week, 24 hours a day, Buckeye employees convert 8,000 tons of slash pines into rolls of pulp long enough to cover 250 miles of interstate highway.

About 65 percent of Buckeye's cellulose pulp is exported to foreign countries. In fact, Buckeye accounts for 85 percent of all export sales originating in North Central Florida.

## The Competitive Edge

"I think one thing we all learn if we stay in business long enough is that change is constant," says Chip Aiken, Buckeye plant manager. "It's the norm."

In 1983, the Buckeye plant operated, according to Aiken, "in the dark ages." A concern about the company's ability to cope with the inherent flux of the marketplace prompted management to embark on an effort to switch the plant from a traditional corporate hierarchy to a high-performance, skill-based

## Buckeye

## Cellulose Pulp Mill,

## Perry, Florida

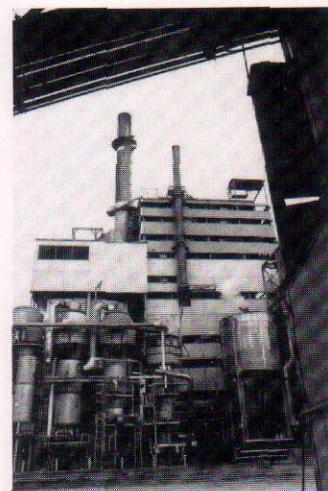


Photo: Doc Kokol



work system.

The high-performance work system concept is a kissing cousin to Edwards Demming's total quality philosophy. It is intended to break down barriers to productivity that exist in a rigid, top-down structure. Managers become facilitators as opposed to order-givers.

By developing work teams, high-performance helps eliminate the friction that can develop among workers employed in different departments and functions. Every worker is supposed to understand his specific role as well as the overall process.

The transition demanded enormous changes in attitudes and responsibilities for almost every employee in the plant. Ron Kinsey, the plant's maintenance manager explains, "What we wanted was for people to say, 'my job is to make pulp and run this plant.' So you have to change your system and allow people, regardless of how long

they've been here, to grow and develop and advance as they have the capability to do that."

After a few false starts, the high-performance work system went into effect in 1986. Over 100 job classifications were streamlined into seven pay categories. Employees moved up in the pay categories as their level of skill and responsibility grew.

Opening up the categories in this way helped employees undertake a continuous effort to improve their work competencies. As Kinsey sees it, "If people can't learn something else or pick up more responsibility because that job is filled, they start to limit themselves."

The corporate buzzwords in a high-performance system are quality and reliability. Living up to the promise of those words is the responsibility of each employee.

"We went through a long and detailed process of understanding what reliability is. It's more

than just the plant running at some rate," Aiken explains. "You've got to understand the technical capabilities of every system in your plant. You've got to understand the principles of what you're trying to accomplish for your customers and what that means in terms of the chemi-

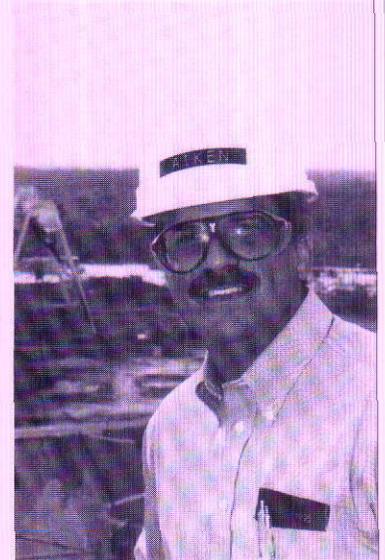


Photo: Doc Kokol

### **Chip Aiken, Plant Manager**

icals you add to the pulp, or the way you align your rotating equipment, or the lubrication you choose to lubricate your bearings, or the bearings you choose."

Kinsey's maintenance department offers a view inside the application of high-performance work principles. "Our job isn't to work on stuff. Our job is to keep it from breaking so that we don't have to work on it."

Aiken and Kinsey both prefer to give credit for the success of the system to the plant technicians. Kinsey says, "All we try to do is give some guidance and support them. Then they take these things and make them work."

If results are proof, the system is roaring success. For the last five years, Buckeye has set production and quality records. In blind surveys, customers have chosen Buckeye as the number one source of the prod-

### **Ron Kinsey,**

**(in foreground)**

### **Buckeye Maintenance**

### **Manager**



Photo: Doc Kokol



uct they need. In Kinsey's department, the budget for equipment repair is 40 percent lower. The savings are funneled into major capital improvements that increase the reliability of the plant's design.

And last year, the company's employees were selected as the sole recipients of the North American Maintenance Excellence award. Kinsey, however, is quick to qualify the significance of the word "maintenance" in the award's title. "It's broader than a maintenance award," he declares. "If you look at the award questions and criteria, it's a pretty comprehensive, overall assessment of our work system and our results."

### Patterns of Trust

The results of the change to high-performance came as no surprise to Buckeye managers, but the degree of improvement did.

After all, change is never easy. The transition to high-performance meant uprooting customs, lines of authority, power. "It's a leap of faith," Aiken acknowledges. "That's a big hump managers have to get over — giving up that perceived power and authority — but that's exactly what has to be done. You really have to trust."

That trust had to withstand increasing strain through the first years of this decade. In 1990, a maelstrom of negative, error-filled publicity swirled over the

Fenholloway River. Shortly thereafter, rumors began circulating that Procter & Gamble Co. had put the Buckeye plant on the auctioneer's block.

P&G and the Fenholloway River form an almost symbiotic relationship in the lore of Taylor County over the last five decades. Sundering the union raised fears of a return to economic instability for many locals.

The end of World War II had hit Taylor County hard. By 1947, the closure of an army air base in Perry and the shutdown of a nearby sawmill operation, the area's largest employer, prompted community leaders to take action. They traipsed off to Tallahassee where lawmakers agreed to their economic development plan. The Fenholloway was designated a Class V industrial river.

In 1951, P&G bought the present plant site and 600,000 acres of forest land in Taylor county. The Buckeye plant opened in 1954 and began discharging its effluent into the Fenholloway.

The people of Perry welcomed P&G and came to appreciate the company as more than a provider of jobs. P&G built parks, donated land for a golf course, kept timber land open for hunting, and financed the pur-



Photo: Doc Kokol

chase of homes.

While city-dwellers tend to romanticize nature, residents of rural areas take a more pragmatic view. For the citizens of Perry, forfeiting one small river to the cause of jobs hardly represented a sacrifice.

In an area abounding with rivers and forests, the Fenholloway seemed insignificant. It is little more than a stream, running about 35 miles from its headwaters to the Gulf of Mexico. As it passes the plant, it is about six feet wide, and rather shallow, occasionally turning to dust during the year.

In 1954, the impact of industry on the environment was little understood, but no one could help but notice the change in the Fenholloway. The water smelled bad and fishing fell off.

In 1964, the company constructed the nation's first industrial wastewater treatment system to clean up the effluent

**The people of Perry welcomed P&G and came to appreciate the company as more than a provider of jobs.**



Photo: Doc Kokol



**As the Fenholloway passes the plant, it is about six feet wide, and rather shallow, occasionally turning to dust during the year.**

before it was discharged into Fenholloway. The move came six years before the creation of EPA and eight years before passage of the Clean Water Act.

Environmental foresight would become a pattern: over the next three decades, the Buckeye plant would stay ahead of the regulators. The 1970 installation of equipment to reduce air pollution preceded the nation's first clean air regulations by four years.

In 1989, a sulfur-emission control program was brought on-line, virtually eliminating the rotten egg smell associated with pulp mills. One year later, a voluntary chlorine reduction project meant the plant's wastewater was three times cleaner than federal dioxin standards. As a result, dioxins can't even be detected in Buckeye's wastewater.

Along the way, P&G also worked with Nature Conservancy to convert over 100,000 acres of the company's timberland into state-owned natural refuges.

In 1992, P&G sold the Buckeye plant to a limited partnership headquartered in Memphis, Tennessee. The new owners honor P&G's legacy of progressive management, environmental stewardship, and neighborliness.

With the luxury of hindsight, no reason existed to fear the exit of P&G from Perry. At the time, however, it seemed that the sale might just spell disaster for the residents of Taylor County.

The national recession that began in 1990 hit Taylor County especially hard. With businesses shutting down all around the area, citizens wondered just how bad things could get. Before long, they would spy a threat to their economic lifeline looming on the horizon.

### **Stormy Environment**

Under the nation's Clean Water Act, rivers and lakes that do not meet Class III fishable, swimmable standards must undergo study every three years to determine whether steps may be taken to improve the condition of the water bodies.

The most recent triennial review of the Fenholloway began drawing media attention in 1991. The five-decade old industrial classification of the river acted as a lightning rod.

Before long, the press began spreading reports about mutant fish, dioxin poisoning, and contaminated drinking water in the

vicinity of the Fenholloway. Newspapers printed stories celebrating the crystal waters of the river from the days before the plant was built. Greenpeace activists chained themselves to the railroad tracks on Buckeye's property.

"We did anticipate the push to continue to look at technical improvements so that the river could move to Class III standards," says Aiken, "but the public fervor over the Fenholloway caught us a little by surprise."

The uproar was more than surprising; it was based on fabrication and exaggeration.

One Taylor County activist claimed she was viciously attacked by supporters of the plant. A law enforcement investigation subsequently found that her wounds were self-inflicted. Other residents filed class-action lawsuits against the company, alleging physical and mental injuries caused by the plant's wastewater discharges. The lawsuits were later thrown out of court.

There were no mutant fish in the river. Those reports were based on studies that indicated female fish of a certain species were developing fins shaped like those found on male fish of the species, but the change was superficial, not genetic.

Despite the appeal of the old stories, the Fenholloway never was, and never will be, crystal clear. It is a natural blackwater stream, as are the Suwannee and many other rivers in the area.



Photo: Doc Kokol

Like these rivers, it originates in swampy areas that give it the dark color of a glass of iced tea.

The dioxin accusations were based on old data. Today's most modern equipment cannot detect dioxins in the river water. Furthermore, recent studies have called into question the much-publicized research about the dangers of dioxins.

True to form in almost any media coverage of environmental controversies, the real story of the Fenholloway was completely missed.

### A Deceptive Controversy

In 1990, while the plant was still owned by P&G, studies were begun to analyze the problems with the river and what technologies existed that could restore it to a fishable, swimmable status. While Buckeye paid for the studies, they were controlled by the Department of Environment Protection (DEP) and EPA.

As a part of the effort, Dr. Skip Livingston, a professor of biological science at Florida State University and director of the Center for Aquatic Research and Resource Management, studied the effects of the plant on the Fenholloway River.

Dr. Livingston did not find a toxic soup. He and his assistants dived routinely into the water with no ill-effects. Neither did he find the water poisonous although it's not particularly tasty. But the river is not without problems.



Photo: Doc Kokol

"The Fenholloway is a sick system, there's no doubt about it," observes Livingston. "I think it's quite proper and appropriate that the mill clean it up. The question is how to do that in an economical way so that the mill

doesn't go out business."

By comparing the Fenholloway to a nearby unimpacted stream, Dr. Livingston identified three major issues that had to be addressed.

The first of these was the color of plant's effluent. As Aiken explains, "When we remove cellulose from the tree, part of what we're removing is tannic acid. That's the same material in the wood that makes the river water naturally dark."

In the case of the Fenholloway, the plant's discharge intensifies the color of the river water. As a result, when the river empties into the gulf, the



Photo: Doc Kokol



darker hue creates a larger-than-normal die-off of seagrasses.

The effluent is also very salty and loaded with organisms that use up the oxygen in the water, leaving low levels that cannot support abundant fish life.

Based on Dr. Livingston's conclusions, technical consultants reviewed more than 100 technologies before settling on a four-pronged solution to the problems with the river. After spending three years and \$3 million, the plant and the regulatory agencies decided on a plan of action.

Buckeye will devote the next five years to a \$39 million project designed to alleviate the stresses on the river. In-plant process modifications will reduce the amount of color in the effluent. An underground pipeline will move the discharge point to an area where the salty water of the gulf mixes with the river water.

At the present discharge point, there are times during the year when the only water in the

river comes from the plant's effluent. At the new discharge point, the Fenholloway deepens and broadens, making the plant's wastewater a relatively minor addition to the river's flow. Construction of an oxygen injection plant will alleviate any oxygen-deprivation problems that may arise at the new discharge point.

Finally, Buckeye will restore 7,000 acres of wetlands in the river's swampy point of origin. Dr. Livingston considers the wetlands project a key element of the plan. "Making those wetlands whole again will allow more natural flows and natural water systems to come from the wetlands."

Since the Fenholloway is a small river, the biologist is confident it will recover quickly once the project is completed.

### Trivial Facts

In September of 1994, Florida's Environmental Regulatory Commission (ERC) signed off on the Fenholloway restoration plan. Reclassification of the Fenholloway will take place in December of 1997. By that time, Buckeye should have all of the permits it needs to begin the restoration plan. It will operate under a variance until completion of the project to bring the river to fishable, swimmable standards, a period of two to three years.

The permitting process will be tricky and complicated since it includes construction of a

pipeline. For reasons that evade logic, some of the state's most radical environmental organizations will no doubt seek opportunities to stymie the project's environmental progress.

"I think all of us are environmentalists" says Aiken. "It's just that some of us want balance and common sense and some want to push to extremes in everything."

Those who deal in facts and data find themselves mystified by the disjuncture between reality and what they read in the newspapers.

"Industry is full of scientists and engineers" says Aiken. "We deal with data. We deal with good science. And most of the environmental issues today are presented as emotional arguments — the sky is falling — but without any sound data that indicates a negative trend or a positive trend."

Dr. Livingston doesn't hesitate to criticize media coverage of the issue. "They were so involved with these stupid statements that sensationalized what was going on that the scientific facts never came out."

Not only did the media miss the real story of the damage to the Fenholloway. They spurned the opportunity to provide balanced coverage. According to Dr. Livingston, "This whole industry has spent a lot of money and time trying to come up with ways to improve their effluent and they have done so. This is more of a success story from

**A plant-wide,  
automated monitoring  
system helps Buckeye  
comply with its  
environmental permits  
while maximizing  
production efficiency.**

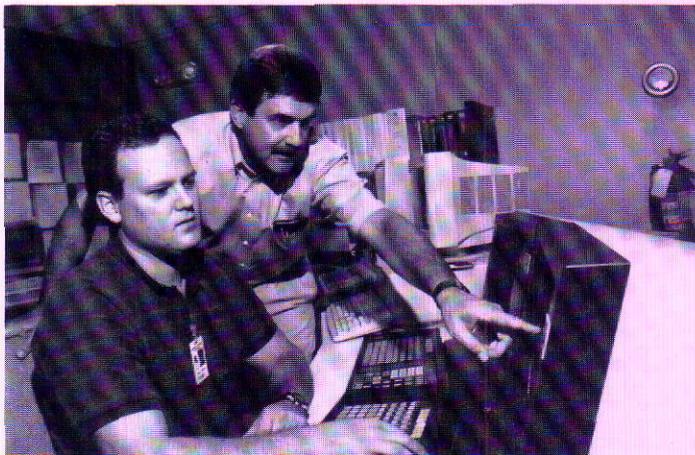


Photo: Doc Kokol



what I have seen through my work since 1971, than many other industries can brag about.”

And nowhere would you find mention of the benefits pulp and paper mills bring to the environment. An industry reliant on timber gives landowners an economically viable reason to keep their land undeveloped. When timber is harvested it allows new growth in clearcut sections, providing food for wildlife. And the forests capture rain which then sinks into ground, recharging the aquifer.

When it comes to the environment, conflict is easily manufactured while accuracy is snubbed. And perhaps that is the real significance of the Fenholloway affair. The effects of the eruption of controversy over the river still linger in Taylor County, hampering desperately needed economic development efforts.

“That’s what I hear now: ‘Oh, that’s the place that has bad water,’” says Cherry Goodman, head of the local chamber of commerce. “Our city has some of the best drinking water in the state of Florida. We don’t have bad water.”

But Goodman believes the tide is turning. Traffic through Perry has increased dramatically over the last few months, businesses are starting to expand, and the community is piquing the interest of some corporations from the outside.

And through it all, a large

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**A decades-old tradition of caring for the environment and the community makes Buckeye the model for what the politicians seek — even though they may not realize it.**

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plant on a small river in a sparsely populated county continues to set production records.

Look that way and you’ll find one of the models for Florida’s industrial expansion. ■

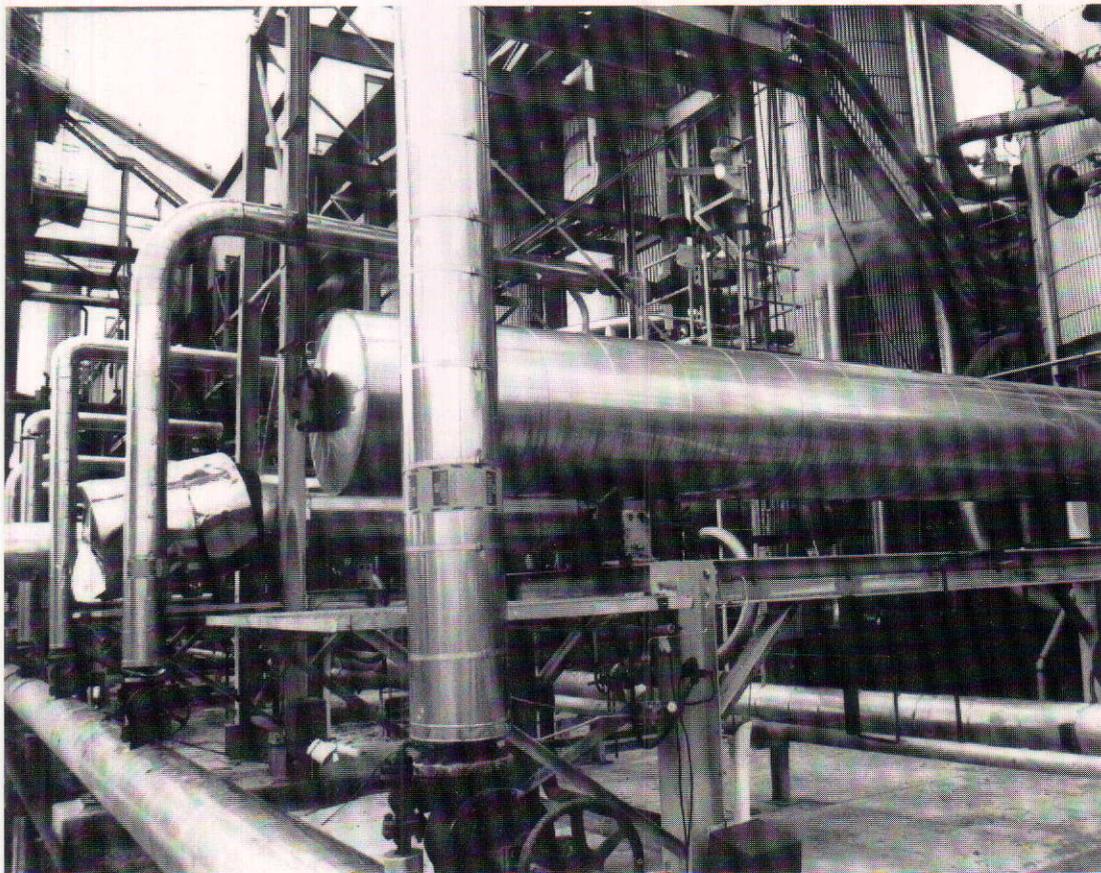


Photo: Doc Kokol



# Like MacArthur to the Philippines

by the Honorable Tracy Upchurch, The Florida House of Representatives

**The last major elections issue involved the regulation of campaign conduct and what restriction can be placed on negative campaigning within the boundaries of the constitution.**

There were three major issues that dominated the area of elections law during the 1995 Legislative Session: public financing of statewide elections; constitutional initiatives; and reforms to clean up “dirty” campaigns. The Legislature did not enact legislation dealing with any of these issues. But, like MacArthur to the Philippines, these issues will return to the Legislature.

Public financing was the most contentious issue. Secretary of State Sandra Mortham was an outspoken opponent of this policy during her service in the House of Representatives and she remained an opponent during her own statewide election. Mortham was one of the only three major statewide candidates (Jeb Bush and Henry Ferro being the others) that did not voluntarily agree to participate in the public financing system in the 1994 election. She continues her opposition in her position as chief election officer of the state.

Gov. Lawton Chiles has been just as strong a supporter of public financing, both during his first

term in office when the law was enacted, and during the last campaign when he received \$4.7 million from the state to finance his campaign.

The November 1994 elections were the first where public financing played a major role. Over \$11 million in state funds, from both trust fund and general revenue accounts, were spent. The purpose behind public financing of gubernatorial and Cabinet races is to provide an incentive to reduce the amount of money spent and to encourage citizen participation by matching small contributions from individuals.

Under current law, participating candidates for the office of governor are limited to spending \$5 million and participating cabinet candidates are capped at \$2 million. Party contributions and the candidate’s own contributions are limited to \$25,000 each. Contributions from individuals up to \$250 are matched with public dollars. If a non-participating candidate exceeds the spending cap, the participating opponent receives a dollar for

each dollar by which his opponent exceeds the cap.

In 1994, Gov. Chiles received more than \$2 million from the state under this provision because Jeb Bush elected not to cap his campaign spending. Following the election, the governor returned over \$1 million in unspent contributions to the state.

Despite the fact that eight Republicans received in excess of \$4 million in state money to finance their 1994 statewide campaigns, during the last session, the Republican Party worked very hard to repeal this law. The governor and Speaker of the House Peter Wallace worked equally as hard to preserve it.

The law was not repealed, but the issue will be back before the Legislature in 1996, just as it was in the 1994 and 1995 Sessions. Unfortunately, the controversy over it prevented all other significant election reform bills from being heard on the House floor.

The second major election issue concerned citizens’ initiatives to amend the state constitution. In 1994, 29 initiative committees were registered with the Department of State and circulated petitions. Three of these initiatives met the requirements and appeared on the 1994 general election ballot. There is every expectation that the initiative process will continue to be a popular method for citizen participation in their government.



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## **A close reading of American history will show that since the founding of our republic, "dirty" campaigns have been a part of American life.**

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During the last session, although there was a strong bipartisan desire to correct abuses in signature-gathering practices, no legislation was enacted. Other aspects of this issue, however, are grounded in a philosophical principle, which is: How easy should it be for citizens to amend the state constitution?

When that question is answered, other aspects of the issue can be addressed. For example, how soon should the Supreme Court review petition questions? Should it be as soon as the proponents are organized and the language is prepared (thereby making it easier for the proponents) or, as under current law, after 10 percent of the necessary signatures are gathered?

Who should prepare the necessary legal documents to place the proposed amendment on the ballot? Should it be some division of the attorney general's office (the effect of which would make it easier for the proponents) or should that remain the responsi-

bility of the proponents?

The Legislature may resolve some of these issues, particularly the ones that can be addressed by statute. However, with the constitutional revision commission meeting in 1998, the Legislature may well wait and let the commission answer the broader philosophical question.

The last major elections issue involved the regulation of campaign conduct and what restriction can be placed on negative campaigning within the boundaries of the constitution. This is the subject of an interim study by the House Ethics and Elections Committee.

Many in our state are disgusted by dirty campaigns and anxious to do something about them. However, such reforms are fraught with pitfalls. The most formidable is the U.S. Constitution which has been interpreted to provide significant and wide-ranging protection for political speech.

As a practical matter, it is

nearly impossible to regulate the content of such speech and almost as difficult to regulate how it is disseminated.

A second pitfall is that politics in a democracy have always been raucous. A close reading of American history will show that since the founding of our republic, "dirty" campaigns have been a part of American life.

This fact may have more to do with our being human than our being American. Yet, our being American has allowed us the freedom to show our humanness in the political process.

The third pitfall is that we do not agree about what is "dirty." What may be a lie to one person, is political satire to another.

The issues of public financing, constitutional initiatives, and dirty campaigning are major issues which affect our elections process. We can be sure that they will return during the 1996 Session. ■

**Yet, our being American has allowed us the freedom to show our humanness in the political process.**



# DEP's Plan to Implement Ecosystem Management

by Virginia Wetherell, Secretary, Department of Environmental Protection



Over the past 30 years, Florida's environmental protection and management activities have evolved to protect air, water, wetlands, wildlife, and other components of the environment. These programs plan, regulate, acquire and manage land, educate, and conduct research. While each has its successes, they still have not halted the degradation of our environment.

There are three main reasons:

- We divided the environment into parts, then developed programs for each part: land, air, water, wildlife, etc. Then we managed each in isolation.
- We relied too heavily on regulation.
- We failed to realize that government alone cannot protect the environment.

Ecosystem management is widely recognized as having great potential to address today's complex environmental problems.

We are relying on a broader array of management tools, including citizen involvement in, and

responsibility for, protection of the environment.

Ecosystem management encourages innovative solutions, accountable decision-making, better integration of programs, and the dismantling of institutional barriers to proper stewardship of Florida's natural and cultural resources. Success will be measured by environmental results.

Ecosystem management in Florida is being developed with the help of our citizens. Twelve committees of business interests, local governments, environmentalists, land owners, other agency representatives, and department employees — nearly 300 people in all — developed ideas for the program. The committees submitted their reports in October of 1994.

An Ecosystem Management Implementation Strategy Committee (EMIS), consisting of the chairs of those committees, plus additional involvement from local governments and other agencies, including federal agencies, developed an overall Ecosystem Management Implementation Strategy, and took it to public hearings across the state in August.

A common theme runs

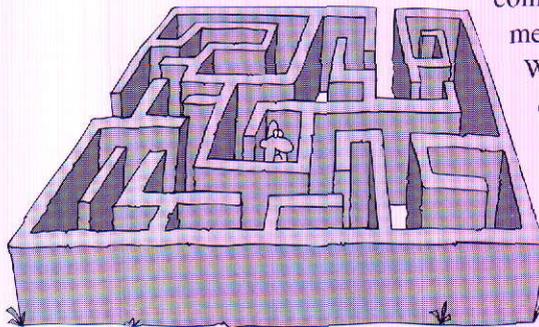
through all the recommendations — the concept of *stewardship*. As an idea, stewardship carries with it a strong sense of ownership in, and responsibility for, Florida's lands and resources. Stewardship applies to government and to every citizen of Florida; government cannot protect Florida's ecosystems without the support and participation of the citizens it serves.

The goal of Florida's ecosystem management program is to improve protection for Florida's environmental resources, encourage a conservation ethic and sustainable lifestyle by the people of Florida, and help maintain a healthy economy.

Ultimately, however, the success of ecosystem management depends on the involvement and cooperation of all of Florida's citizens. As primary employers of the state's citizens, as principal developers of residential and business properties, and as major users of the state's natural resources, the involvement of Florida's business and industrial community is critical.

The Department of Environmental Protection has been directed to assume the lead in implementing ecosystem management, but the participation of

**Government cannot protect Florida's ecosystems without the support and participation of the citizens it serves.**





business and industry is essential. Through cooperative action, we can achieve the mutually desirable goals of a clean, healthy environment and a strong economy.

### **Cornerstones of Ecosystem Management**

We have identified four cornerstones of ecosystem management.

#### **Place-based Management**

Place-based (ecosystem) management differs from traditional environmental management which typically has been media-based (air, water, or land) or permit-based. Instead, it is system-based, involving partnerships with citizens and governments at all levels. It seeks to manage resources and human activities in the context of the ecosystem in which they occur, with a focus on maintaining the overall health of the ecosystem.

*Goal:* By the year 2000, we will have place-based programs implemented for at least ten selected priority ecosystems around the state.

#### **Common Sense Regulation**

Common sense regulation recognizes that today's regulatory programs often are inflexible. Following the letter of the law rather than its intent does not always provide the best protection for the environment. Neither the regulator nor the regulated are held accountable for their action;

the only accountability is whether the law was followed. This is not conducive to good stewardship.

*Goal:* By 2000, DEP and its public and private partners will implement alternatives — such as team permitting — to the current regulatory process.

#### **Cultural Change**

Cultural change applies both to agency culture and to society at large. Implementing ecosystem management will require significant alterations in how government and the public interact. Programs which now are independent must be integrated. Government command-and-control must yield to partnerships with citizens — and citizens must assume responsibility for, and participate in protection of the environment.

*Goal:* By 1998, DEP will implement organizational changes, education and training programs, policy and rule revisions, and other measures to achieve the cultural changes needed to integrate ecosystem

management into all agency programs.

By 1997, we will establish networks of partnerships with citizens and local, regional, state, and federal agencies to encourage the cultural change needed to implement ecosystem management at the local (ecosystem) level.

#### **Foundations**

The foundations of ecosystem management — science and technology, research, monitoring, education, training, and program audit and evaluation — will provide the knowledge and tools we need to implement ecosystem management.

*Goal:* By 2000, DEP will have integrated its research, monitoring, information management, training, program audit and evaluation, environmental education, community outreach, regulatory, enforcement, acquisition, and land management programs to improve coordination within ecosystems.

*For further information on the DEP Ecosystem Management Program, call Pam McVety at (904) 488-7454. ■*

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**Implementing ecosystem management will require significant alterations in how government and the public interact.**

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# Business Says "Show Me" to Ecosystem Management

by Martha Edenfield, Akerman, Senterfitt & Eidson, P.A.



**Martha  
Edenfield, AIF  
Environmental  
Consultant**

**E**cosystem management — just what exactly is it? How will it work? How do we implement it? No one seems to have complete answers to all of these questions.

Staff members at the Department of Environmental Protection (DEP) say, "We don't know exactly what it is, but we know it when we see it." They also tell us that it is easier to describe what ecosystem management is *not* than to explain what it is. DEP is adamant that it is *not* a regulatory approach, *not* a sneak attack, and *not* a bureaucratic approach. However, the regulated community derives little comfort from these amorphous descriptions when facing a reality which values certainty above all.

However, the regulators and the regulated agree that environmental objectives through regulation and enforcement have gone just about as far as they can go with the "stick" approach. To obtain further results, a "carrot" needs to be used.

Common sense tells us that preserving environmentally sensitive areas on a piecemeal basis

is penny wise and pound foolish. What is the sense of preserving numerous postage-stamp-size wetlands in the midst of parking lots and developments while other important systems are being ignored and alternative measures, such as mitigation banking, are actively discouraged by regulators?

DEP has come to the realization that it can't protect individual parcels of property by fencing them in and that there is a need for partnerships with private businesses, landowners, and individuals. So they say, "Trust us when it comes to ecosystem management."

The business community is cautiously supportive of the concept, but we're saying "show us." AIF is taking an active role in development of the ecosystem approach as both watchdog and contributor. The association spearheads and staffs the Business for a Better Environment Committee, a group of the state's foremost environmental experts co-chaired by a former Department of Environmental Regulation secretary and a former De-

partment of Natural Resources executive director. (DER and DNR were merged in 1993 to form the Department of Environmental Protection.)

The Business for a Better Environment Committee has produced a list of goals for DEP ecosystem management which has been submitted to the agency for use in developing an approach which could be supported by the regulated community.

## **Business for A Better Environment Committee's Mission Statement**

DEP shall implement ecosystem management within its existing statutory authority. DEP's jurisdiction and powers are not to be increased in implementing this program. Additional jurisdiction or powers are not necessary for ecosystem management nor is expansion the intent of the Legislature.

Implementation of ecosystem management shall be accomplished by redirecting and shifting existing staff and resources.



No additional staff or funding shall be sought for the implementation of the ecosystem management program.

Ecosystem management shall be implemented only as an “opt in” voluntary, incentive-based, applicant-elected alternative to current regulation. An applicant may “opt out” of an ecosystem management program at any time.

*1. Ecosystem Management Must Take Into Account the Needs of Humans, Including Economic Health and Economic Viability*

- A cost/benefit analysis should be done after the ecosystem management program has been defined but prior to implementation of the program.
- Societal concerns should be part of any ecosystem evaluation. There is no justification for elevating ecosystem protection beyond the needs of society as a whole.
- As to DEP’s regulatory programs, ecosystem management shall be pursued only in connection with the permitting of those applicants who *choose* to participate in ecosystem management.
- Ecosystem protection must be balanced with siting needs for health care, educational, prison, infrastructure, linear facilities, etc.
- Ecosystem management areas must explicitly allow for compatible uses so that areas dedicated to ecosystem conservation do not become obstacles or barriers.
- Corridors for public infrastructure including, but not limited to,



- transportation, electricity, petroleum products, water, and wastewater, shall be established by DEP throughout the state. These corridors shall be established to allow the location of multiple infrastructure projects within them and to minimize the impacts on ecosystems, including those on state lands and other areas dedicated to ecosystem management.
- Ecosystem management should include improved connections between state land ownership, acquisition proposals, land management, and mitigation proposals and needs.
- The designation of lands for conservation, acquisition, and preservation must reflect the amount of funds provided for land acquisition and be sensitive to small county ad valorem tax base needs. The value of property designated for conservation, acquisition, and preservation shall not exceed twice the amount of funds available for

these purposes unless the property owner consents to the designation.

*2. Approvals Under an Ecosystem Management Program Must Be Binding on All Levels of Government*

- Ecosystem-management-based approvals must be absolutely binding on all governmental entities; federal, state, regional and local management must “buy in” to the approval.
- Ecosystem management cannot be undermined by additional demands made after concessions have been reached by all parties.
- Since ecosystem management will involve interagency coordination between federal agencies, DEP, local governments, the Department of Community Affairs, water management districts, and regional agencies, provision should be made to establish one agency as the contact point for contact and approval for citizens during reviews for

**Ecosystem management areas must explicitly allow for compatible uses so that areas dedicated to ecosystem conservation do not become obstacles or barriers.**



project impact assessments and mitigation requirements.

- Effective coordination must result in resolution of interagency differences prior to final agency action.
- Coordination should include uniformity and consistency in the process. True streamlining of permit review procedures should be our goal.
- Ecosystem management shall include improved links between data regarding natural resources collected by different agencies.

### *3. In a Voluntary Ecosystem Management Program, Projects Providing Net Ecosystem Benefits Shall Be Approved*

- Consideration of ecosystem management benefits shall include the flexibility to relax existing standards and criteria in exchange for overall minimizing of environmental impacts. If regulatory agencies are inhibited by type-for-type or acre-for-acre exactions, then ecosystem benefits become nothing more than an add-on to existing stringent regulatory requirements.

- Greater flexibility in the permitting process would accommodate large projects with multiple issues.
- Ecosystems should be capable of being aggregated along the lines of mitigation service areas as reflected in the mitigation banking rule.
- It is inappropriate on an ecosystem management basis to abide by geopolitical or other artificial boundaries.
- In projects encompassing more than one county, attainment of state-mandated goals should be viewed in the aggregate so that one county's "over-achievement" could be used to supplant another county's "under-achievement" (e.g., county solid waste reduction or recycling goals).

### *4. Incentives Must Be Provided to All Who Promote Ecosystem Management*

- Financial incentives, such as tax exemptions and incentives for pollution prevention and control devices, and natural systems preservation and management, should be established.

- Regulatory incentives which provide regulatory flexibility to develop facility environmental protection programs should be established. These incentives should allocate resources to the highest priority and the most achievable environmental goals as an alternative to strict compliance with command-and-control directives.
- Regulatory priorities should be risk-based, netting benefits commensurate with dollars spent.
- Regulated entities should be encouraged to perform voluntary environmental self-audits which will allow environmental issues to be resolved expediently and identify opportunities for pollution prevention. The law should: a) provide a limited evidentiary privilege for voluntary environmental audits; and b) provide for limited immunity from civil, criminal, or administrative penalties for voluntary disclosure of violations identified through such audits.
- The use of best management practices and other regulatory incentives in lieu of standard permitting should be encouraged in order to free agency resources to focus on compliance.
- DEP should recognize and acknowledge that many landowners are currently providing ecosystem protection and ecosystem management. DEP should encourage and provide incentives for landowners who voluntarily implement sound ecosystem management practices. Cur-



rently, good stewardship is often rewarded with additional regulations, thus providing a disincentive for landowners.

- There should be incentives for local governments to participate in voluntary pollution control programs. These should come of the form of "credits" toward state funding.

- DEP should devise incentives for permit applicants to seek ecosystem management solutions to development problems including, but not limited to, conceptual or phased permits, rapid permit renewals, and more sophisticated, less adversarial application reviews.

#### *5. Education Is a Critical Factor in Implementing a Successful Ecosystem Management Program*

- DEP staff must have unbiased training about the industries they regulate. In-the-field workdays where the staff spends time at the facilities they regulate should be encouraged.

- Educational materials developed by DEP for use in presenting the concept of ecosystem management to the public should be reviewed by representatives in the business and environmental communities to assure an unbiased presentation of the concept.

- Many of Florida's most significant ecosystems are privately owned. In such areas, private property rights must be respected in each ecosystem management decision.

- Because environmental pro-

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**DEP has come to the realization that it can't protect individual parcels of property by fencing them in and that there is a need for partnerships with private businesses, landowners, and individuals.**

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grams in Florida are predominantly regulatory in nature, there must be an effort to re-educate DEP staff to this voluntary cooperative ecosystem effort.

- There should be an extensive program to educate the public on the benefits of ecosystem management.

#### *6. Measurable Goals for Program Evaluation Should Be an Integral Component of Any Ecosystem Management Program*

- Goals and objectives, clearly stated and easily measured, should be developed for all ecosystem management programs.

Even in this atmosphere of cooperation and contribution, there are still many lingering doubts, fears, and unanswered questions which the business community has about ecosystems management.

What is an ecosystem? Who defines it? How large is it? Is the ecosystem one wildflower or the entire county? What is the "scale?" What guarantees are

there that ecosystem management will not become just another layer of regulation? Will the culture of DEP truly change or is this approach only for the tenure of Secretary Wetherell and subject to the whim of the next secretary, whoever and whenever that may be.

Is ecosystem management simply a framework being laid as a voluntary program for future mandatory programs?

Is ecosystem management merely a way to regulate uplands?

AIF and Business for a Better Environment, representing the business community, are standing together, saying "show me," and are continuing to monitor the ecosystem implementation at DEP.

*For more information on the Business for a Better Environment Committee, please contact the AIF Legislative Department at (904) 224-7173. ■*



The New Conservatism in the Florida Legislature:

## The Business Community Measures the Effects

by Diane Wagner Carr, Vice President & Assistant General Counsel



**Diane Wagner Carr,**  
**Vice President &**  
**Assistant General**  
**Counsel**

The expectations of Florida's business community were high on the heels of the general election in November 1994. Republicans had gained a majority in the Senate, holding 21 of the Senate's 40 seats at the election's end, and added another to their majority ranks when long-time Democrat W.D. Childers switched his party affiliation a few months later.

Though the Democrats retained control of the House of Representatives, their margin over Republicans narrowed to only three votes, with 63 Democratic members sharing the House with 57 Republicans.

This shift in numbers alone led many business leaders to believe that representing business interests before the Florida Legislature would be easier than in years past. The Republican plan, as exemplified by Senate President Jim Scott's agenda, centered around measures to curtail government spending and actually reduce the size of government itself. This seemed consistent with the classic *laissez-faire* philosophy to keep government from unnecessarily interfering with business.

As the 1995 Legislative Session unfolded, however, it be-

came apparent that significant departures from the Republican less-is-more philosophy would have to be dealt with by legislators and lobbyists alike.

The business community soon discovered that the election of additional Republicans to the Legislature did not translate into greater strength with regard to legal issues like comparative fault. This year, just as the last, the backing of Republican members as well as Democratic members — especially lawyer members — proved problematic. There was no guarantee of their support when asked by the business community to vote against a bill that would prevent juries from assessing damages against persons and entities that were not a party to a particular lawsuit, even when they were at fault.

Early AIF polling on the issue indicated that if a comparative fault bill reached the floor of either the House or the Senate, it would pass with *bipartisan* support. Republican members of the House Rules Committee did assist in a procedural move to keep the comparative fault bill pinned in the House Judiciary Committee so that it could not be advanced toward enactment. Other Republican legislators, such as

Rep. Bill Sublette (R-Orlando), expressed their intentions to vote for the bill at their earliest opportunity.

Some Republican members again made clear their willingness to depart from their normally business-friendly agenda to promote the enactment of anti-managed care provisions in the context of the ongoing health care debate. Provisions referred to as "any willing provider" and "direct access," which would have completely gutted managed care advancements made to date, had considerable Republican support. The cost of health care to the business community and the state would have increased radically had efforts to fend off the enactment of these provisions not succeeded.

Even more surprising than Republican support of comparative fault and anti-managed care provisions — which were often supported by legislators with a personal stake in the legal and medical systems — was Republican support of such measures as the establishment of gender-based pricing and workers' compensation presumptions.

The gender-based pricing bill would have established price police to prevent businesses from



charging men and women different prices for the same or similar goods, without regard for price differentials relating to supply-and-demand, sales volume, or other market forces.

Although the bill ultimately did not advance beyond the House Commerce Committee, it survived as long as it did largely as a result of Republican support. It was a Republican member who moved to reconsider his vote and keep the bill alive in the committee when it otherwise would have died on a tie vote.

Republican support was also instrumental in the enactment of a workers' compensation bill that greatly undermines the integrity of the system by relieving emer-

gency rescue workers of the burden of having to prove that they contracted certain diseases as the result of a work-related exposure.

The rationale articulated by Republican supporters of the bill was political, not philosophical. They indicated that their support was driven by a desire to enlarge the Republican party's constituency to include people and groups that have traditionally voted for Democrats. Similar bills had been filed by labor and union supporters for the last several years when Republican opposition had played an important part in preventing final passage.

Taken together, these actions on the part of House and Senate

Republican lawmakers indicate that members of the business community cannot afford to relax in their work to promote their legislative agenda. Although they likely will continue to find that Republican members are more receptive to the idea of scaling back government, that receptiveness may not be present when dealing with Republican members on ancillary issues.

In many such cases, the personal ambitions of particular legislators, and the Republican party's desire to expand its base of supporters, may be overriding factors as votes are called for and cast. ■

**These actions on the part of Republican lawmakers indicate that members of the business community cannot afford to relax in their work to promote their legislative agenda.**

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**The 1996 edition of *Know Your Legislators* will be available beginning November 3rd, 1995**

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*Associated Industries of Florida Service Corporation*



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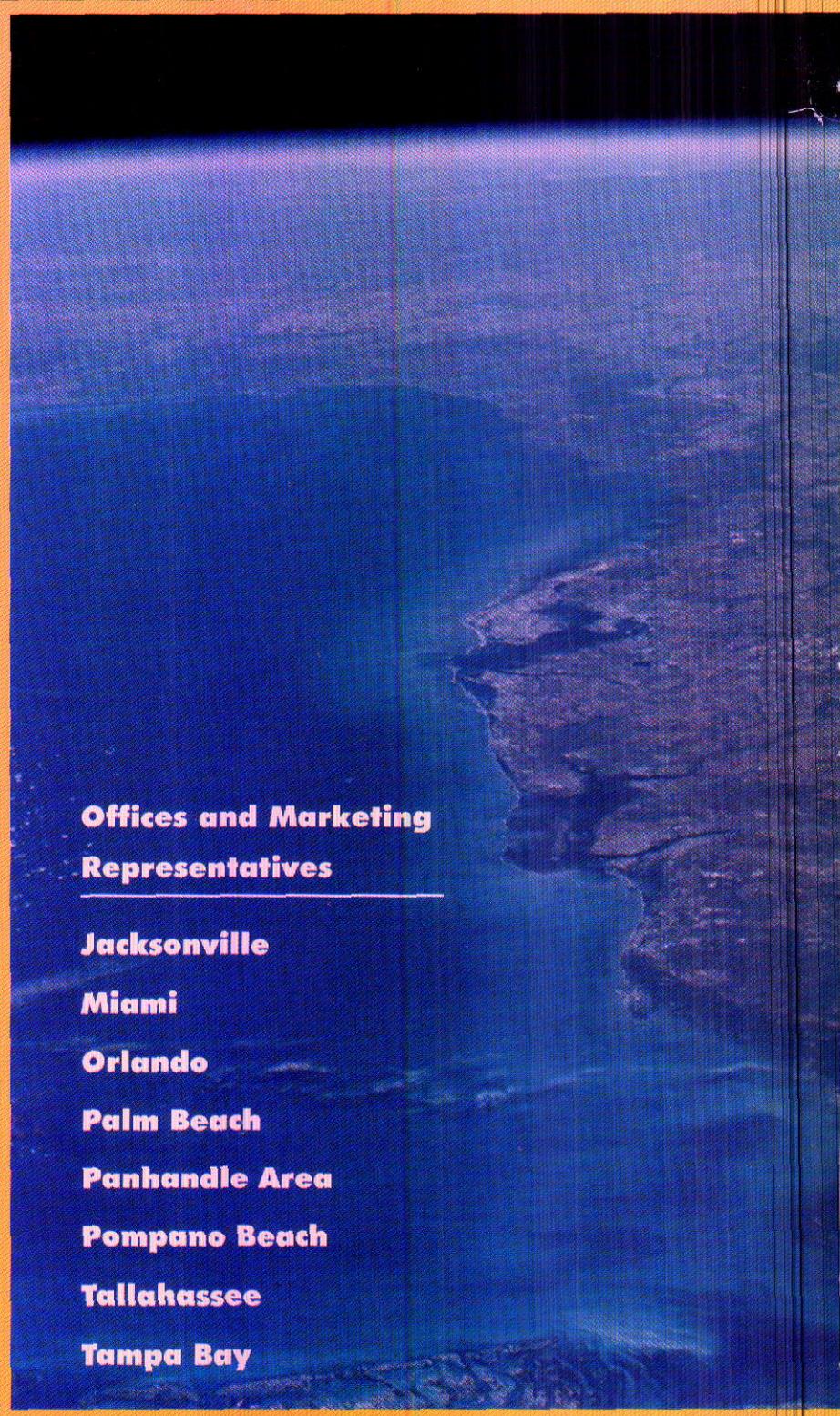


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## Making Workers' Compensation Work for You

by Frank White, Executive Vice President & CEO

**Your partnership with AIFPCT can turn workers' compensation from a necessary evil into a fundamental business management tool.**

**M**any employers, if not most, view workers' compensation insurance as a necessary evil. Unfortunately, when approached in this manner, it often becomes (unnecessarily) an evil that cuts into a company's profit margin in a significant way.

The operative element in workers' compensation is commitment. When there is a commitment on the part of the employer to partner with its workers' compensation insurer, you can make workers' compensation work for you. With that partnership, not only will work-

ers' compensation premiums be reduced, but productivity will also be increased.

Several up-front rate credits are available to an employer today: 1) a safety credit of 2 percent; 2) a drug-free workplace credit of 5 percent; and 3) a managed care credit of 10 percent. These price reductions are given to the employer who agrees to implement the prescribed programs. The true savings come, not in the up-front rate credits, but in the long-term premium savings and increased productivity that result when the programs are embraced and not

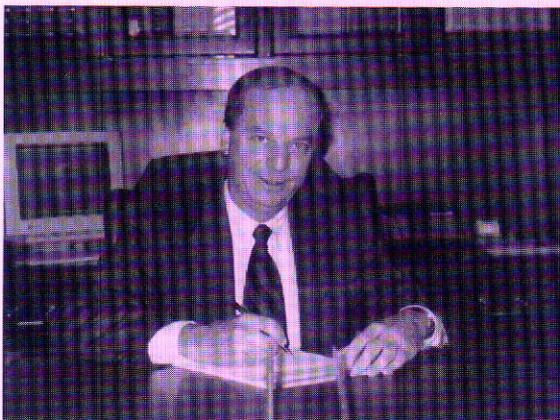
just implemented.

The first two of these programs (safety and drug-free workplace) are designed to prevent accidents, while the third pro-

gram is designed to reduce the costs of an accident when one does occur. The safety credit can be obtained by meeting certain prescribed minimum criteria, such as establishing a safety committee, providing safety training, establishing first aid procedures, etc.

While a minimum commitment to a safety program can be made in order to qualify for a credit, an employer can save much more by boosting the safety consciousness of all employees. The prevention of just one lost-time claim, or the reduction in severity of one accident, can significantly reduce the experience modification rating for three years and, thus, the total premiums paid. A safe workplace also translates into a safer place for customers, which helps reduce the costs of general liability insurance.

The second program is establishment of a drug-free workplace. Again, the up-front premium credit understates the true



**Frank White**  
**AIFPCT Executive**  
**Vice President &**  
**CEO**



savings that such a program, when fully embraced, can bring to an employer. Studies have found that drug or alcohol impairment has been a contributing factor in the cause or increased severity of accidents in a significant percentage of claims. Beyond reducing long-term workers' compensation costs, a drug-free workplace program can have the impact of increasing the quality of the workforce, leading to improved morale and productivity.

The last program — enlisting in a managed care arrangement — carries the largest up-front credit and the greatest potential for savings. Two pilot studies conducted by the state showed that active participation in managed care, and its return-to-work principles, can reduce losses by up to 40 percent.

These levels of savings are possible by ensuring an injured employee comes under the care of a medical provider certified by the managed care network. A medical provider in any effective network is more attuned to the treatment of occupational injuries and the principles of workers' compensation.

While a managed care network may result in lower charges for medical treatment, the largest savings from an effective program come from a reduction in the amount of time an injured employee loses from work. While the medical providers can manage the treatment for an early return to work, unless there is a job for the employee to return to, the

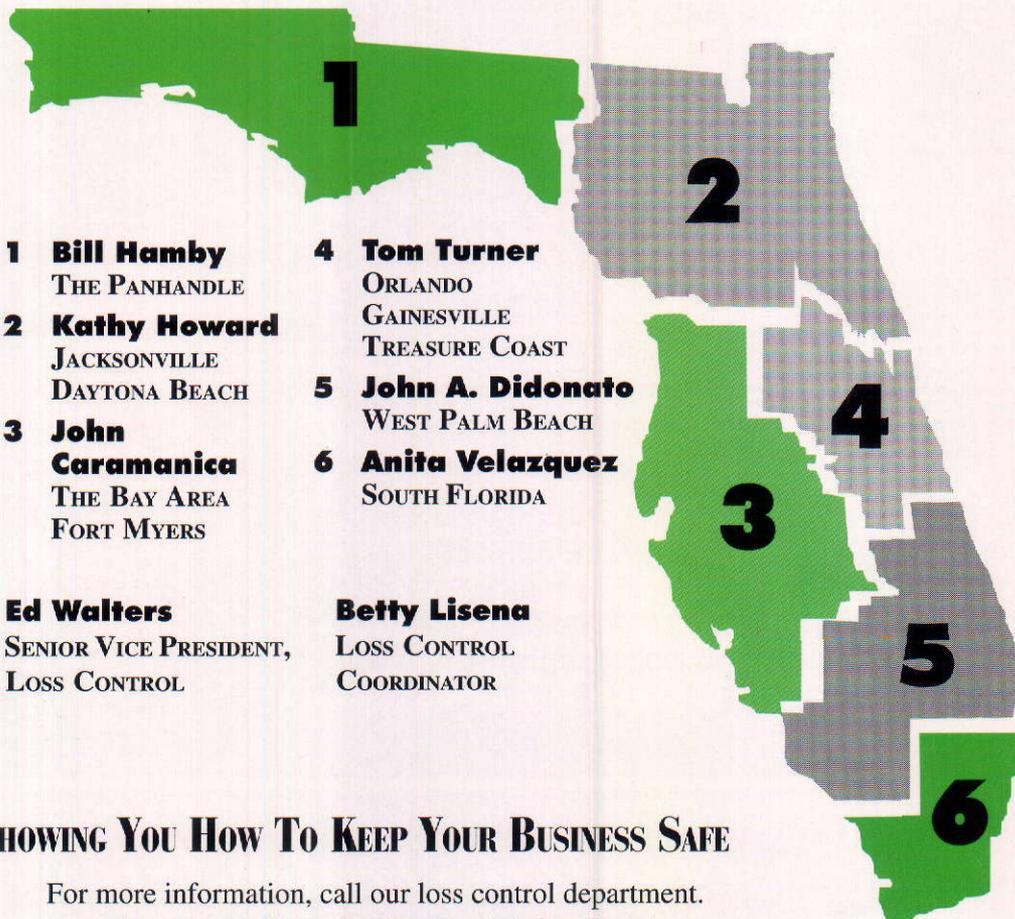
true savings of the program are lost.

Thus an employer must not only direct the injured worker to the proper medical care provider (in non-emergency situations), but must also cooperate with the providers and the insurer to return the injured worker to employment.

In closing, workers' com-

pensation programs can have added benefits beyond reducing the cost of insurance. Ancillary benefits can be witnessed in higher employee productivity levels and lower turnover rates. The longer-term savings and added benefits can only be achieved, however, when workers' compensation is approached as a commitment to a partnership. ■

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Marketing Director  
The Panhandle

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**Don Fouraker**  
Marketing Director  
Central Florida

## REGION 2



**Jacque LaBelle**  
Marketing Director  
Northeast Florida

## REGION 5



**Bob Bruening**  
Marketing Director  
Palm Beach &  
Southwest Florida

## REGION 3



**Bob Simmons**  
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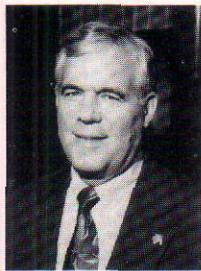
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**Region 1**  
*The Panhandle*  
**John Lewis**

John Lewis began his insurance career in 1972 with Metropolitan Life as an agent for Marianna and Chipley, Florida. In 1980, John obtained his 220 insurance license and was instrumental in establishing an agency in Pensacola. In 1982, he joined Fisher-Brown, Inc., in Pensacola as a personal lines producer. Then, in 1988, John joined the marketing team at AIF Property Casualty & Trust as marketing director for West Florida. ■



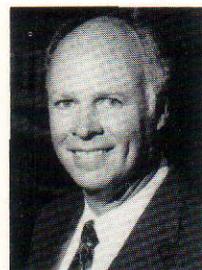
**Region 2**  
*Northeast Florida*  
**Jacque Labelle**

Jacque Labelle's insurance career was launched over thirty years ago with a prominent property and casualty insurance company in Jacksonville. Although his experience includes a number of years with a national brokerage firm, Jacque's emphasis has been on the agency side of the business in Jacksonville for the past 25 years. He is currently an active member of the Independent Insurance Agents of greater Jacksonville and has previously served as an officer and director of the association. ■



**Region 3**  
*The Bay Area*  
**Bob Simmons, RHU**

Bob Simmons has 16 years of experience within the insurance industry — twelve of those years with an emphasis on third-party administration and fund-type programs. Bob's specialty includes marketing, management, and development of fund programs. He has received his Registered Health Underwriters (RHU) designation from the National Association of Health Underwriters and has been with the PCT for about 8 years. ■



**Region 4**  
*Central Florida*  
**Donald Fouraker, CIC**

Donald Fouraker began his insurance career in 1973 as a marketing representative with Commercial Union Assurance Company in the Jacksonville and Charlotte, North Carolina areas. For about 18 years, Don served as a marketing representative with Continental Insurance, and for the latter five years, as Senior Commercial Lines Underwriter in Jacksonville, Panama City, and Orlando. He brings two safety designations to the AIFPCT marketing team — his professional Safety Certificate and his Advanced Safety Certificate. ■



**Region 5**  
*Palm Beach & Southwest Florida*  
**Robert Bruening**

With over 16 years of experience in independent agency operations, primarily in Broward and Palm Beach Counties, Robert Bruening brings to AIFPCT his specialty in marketing, field sales and office administration. Bob graduated with honors from the Aetna Casualty & Surety home office sales school in Hartford, Connecticut and has resided in South Florida for 38 years. ■



**Region 6**  
*South Florida*  
**Anthony La Monica**

Tony La Monica entered the insurance industry 40 years ago and in 1994 received recognition from the Florida Association of Professional Insurance Agents as the company representative of the year. In 1980, Tony became producer/underwriter (VP) with Atlas General Agency. Prior to that, Tony served as assistant vice president within the production department at Cosmopolitan Mutual Insurance Company in New York. Tony joined the AIFPCT marketing team in 1991, and is now the South Florida regional marketing director in Dade and Broward Counties. ■

**Associated Industries of Florida Property & Casualty Trust introduces regional marketing directors.**



## Term Limits

by Marian P. Johnson, Vice President, Political Operations

**From now on, every freshman class entering the Legislature will make its mark quickly.**



**Marian Johnson**  
**Vice President**  
**Political**  
**Operations**

Voters set a new course for the Florida Legislature in November of 1992 when they approved an amendment to the state's constitution that limited legislators to eight consecutive years of service in one chamber. The 1992 election activated the clock for every state senator and state representative elected that day. The days of political longevity, of career politicians, are gone. What that means for the business community remains to be seen.

Now, it is September, 1995 — the start of another countdown to the 1996 elections *and*, more significantly, the *guaranteed halfway* mark of many legislative careers. Should an incumbent be fortunate enough to win each election subsequent to 1992, the year 2000 will be the end of his service in that chamber.

Florida has produced some great leaders — the vast majority of whom had served in government a long time, learning how the process worked before ascending the leadership ladder. This, they felt, would allow them to become masters of the issues

and the legislative process.

But times have changed. The amendment prerogative was exercised, the voters spoke, and now Florida lawmakers must abide by term limits. No longer is it uncommon to find a freshman playing a major role on the leadership team.

And whether we like it or not, the legislative staff has become even more important in the process. Legislators now are generalists, lacking the intricate knowledge of the issues possessed by their predecessors.

"So what," you might be thinking. "Who cares? What does this mean to me?" Well, you would definitely get quite an assortment of opinions, pros and cons, if you asked. Those who support term limits hail its benefits and those who oppose the limits just as insistently decry its drawbacks.

I think we'll find that the effects of term limits are not so extreme as some proponents and opponents claim. It will not destroy mature democratic processes nor it will usher out partisanship and political maneuvering.

But for the business community, term limits translated instantaneously into the necessity for a cohesive, consistent plan of incessant involvement in the election process — getting to know the candidates and their stances on the business issues, then choosing who to support.

From now on, every freshman class entering the Legislature will make its mark quickly. Thus, we will have to continue our charted course of assessing and choosing our elected officials carefully. ■

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**Those who support term limits hail its benefits  
and those who oppose the limits just as  
insistently decry its drawbacks.**

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## Rulemaking Reform: An On-going Task

by Diane Wagner Carr, Vice President & Assistant General Counsel

Quite a bit of time has passed since the Administrative Procedure Act received the scrutiny it did during the 1995 Legislative Session.

After having read the newest bible on administrative rules — Philip Howard's *Death of Common Sense* — Gov. Lawton Chiles received a revelation: rules actually work against regulators and regulated alike. By binding the hands of bureaucrats, rules keep these public servants from exercising their discretion when making decisions about how best to resolve the myriad problems with which they are confronted.

Closer to home, the governor found himself on the wrong end of numerous rules when he wanted to add on to his hunt camp cook shack. Not long after his cook shack problems surfaced, the governor used his inaugural address to proclaim rule repeal and reduction as a primary part of his legislative agenda for 1995.

After his adamant and eloquent declarations of his rule-elimination goals, the governor proceeded to backtrack on his promises by vetoing CS/CS/SB 536, an omnibus bill revamping the rulemaking provisions of the Administrative Procedure Act. The bill, sponsored by Sen. Charles Williams (D-Live Oak), and its House companion, sponsored by Rep. Ken Pruitt (R-

Port St. Lucie), represented the best efforts of Lt. Gov. Buddy MacKay, many legislators, lawyers, and lobbyists, as well as staff from the House, Senate, and governor's office.

That a group this diverse and large could actually produce a work product and enact it in a single legislative session was a testament to their hard work and dedication.

From AIF's perspective, the primary objective was to refine the rulemaking process itself rather than promote a slash-and-burn campaign against all of the rules contained in the Administrative Code. The governor's approach precluded democratic debate about whether a specific rule has a sufficient statutory basis, and whether the statute upon which the rule is based is valid and should remain in effect.

Specifically, AIF sought to have attorney's fees and costs paid by the state when it loses a rule-challenge case, and to put the burden of proving rule validity on the agency proposing the rule, rather than on the rule challenger. Both these provisions were included in the bill passed by the Legislature.

Although AIF was not wholeheartedly behind other provisions in the bill (especially the amendment that would allow the Department of Transportation to suspend all its rules and operate only on guidelines for a three-year period) it was

apparent to everyone who had input into CS/CS/SB 536 that no one person or entity would be able to claim that they were pleased with all the bill's many parts.

The numerous players involved in the project surmised that rulemaking reform would be a cumulative process, with incremental progress made one legislative session at a time.

With the governor's veto of CS/CS/SB 536 the ball is now back in the Legislature's court and two options are available. The Legislature may override the governor's veto when it next convenes in session, or it may resume its reform work with a new bill. Proponents of both plans are now sizing up their chances of success and finetuning their strategies, with the hope of producing a bill that can pass both chambers of the Legislature and the governor's office.

For them, the task resembles that of Sisyphus. They know they have to accomplish the legislative equivalent of rolling a huge rock up a very long, steep grade. With any luck, Gov. Chiles will not push the rock back down to the bottom of the hill after telling everyone to push it up the hill.

Of course, that's what he did last session. If these events don't make any sense to you, just consider that they happened in the state capitol — and everything will become clear. ■



**Diane Wagner Carr**  
**Vice President &**  
**Assistant General**  
**Counsel**

**The primary objective was to refine the rulemaking process itself rather than promote a slash-and-burn campaign against all rules.**



## Taxes at this Time of the Year?

by David P. Yon, Executive Vice President & CFO

You know you have to pay them, but with a little planning throughout the Year you might avoid taxpayer shock.



**David P. Yon,**  
**Executive Vice**  
**President & CFO**

Typically, most business people think of taxes as federal income taxes that are filed annually. What they often fail to realize is that taxes should be a concern throughout the year.

In addition, there are many other taxes to be considered other than the federal income tax — corporate income, sales and use, payroll, tangible personal property, intangible personal property, and real estate.

A little planning throughout the year can often save a substantial amount of taxes, no matter what type they are. Mid-year is a good time to do this since the previous year's tax results are available, the results for the first half of the current year are available, and there is time to implement any strategies that might be needed.

### Federal Income Taxes

Any time during the year is a good time to review whether the company is making sufficient tax deposits to cover anticipated tax liabilities.

If significant operating cost increases or increases in revenue are anticipated during the last half of the year, provisions for income taxes can be adjusted accordingly.

One way to generate additional tax deductions is to write off uncollectible accounts, obsolete equipment, software, or other assets which are no longer useful or being used.

This also assists in the preparation of tangible and intangible personal property tax returns. Items no longer on the company's records do not appear on the tangible or intangible tax returns and are therefore not taxable.

### Sales & Use Taxes

If you have never been audited by the Florida Department of Revenue, then you can't appreciate what it's like to have one of their auditors scrutinizing every invoice looking for unpaid sales and use taxes. Failure to pay these taxes happens frequently. There are three circumstances where this usually occurs.

- Where valid exemption certificates are not received for organizations that claim exemption from sales tax.
- Unique sales and use tax exemptions are presumed to exist when, in fact, they do not.
- Purchases of items from out-of-state vendors that do not collect sales taxes. Florida requires that use taxes be paid on such items when sales taxes are not collected by the vendor. These taxes are added to the monthly or quarterly sales tax reports that are filed with the state. When use



taxes are paid, the applicable invoice should be stamped "use tax paid" to avoid missing any items or double-paying any items.

### **State Tangible Personal Property Taxes**

Tangible personal property taxes are due on the value of certain tangible property as of January 1 of each year. Tangible personal property consists of leasehold improvements, furnishings, equipment, computers, and other items of non-real estate property. To reduce the amount of tax that would otherwise be due, as well as possibly generate additional cash, dispose of unutilized or obsolete assets.

A review of all tangible personal property should be made annually, well in advance of January 1.

### **State Intangible Personal Property Taxes**

Intangible personal property taxes are due on the value of certain intangible property as of January 1 of each year. Items which are typically taxed for intangible tax purposes are accounts receivable and certain investments, including stocks, bonds, and most mutual funds. Often, decisions can be made to eliminate or reduce various intangible assets prior to the end of the year. This would reduce the intangible tax that would otherwise be due.

### **Real Estate Taxes**

The most significant impact on real estate taxes is, of course, its valuation for assessment purposes.

Each year a review should be made to determine whether land should be revalued because of adverse environmental changes or other governmental "takings." The value of land improvements and buildings should also be reviewed to determine whether the tax assessment reflects the actual value. Once the assessment and tax (TRIM) notice is received, it should be reviewed, with the assessed values being compared to actual values.

An inquiry should be made to the property appraiser's office to determine the factors used in arriving at the assessed value.

These factors include the dimensions of the land, buildings or improvements, and the description of the property. Sometimes building components are incorrectly listed or described or the year of construction is wrong. The appraiser's factors and calculations should be checked for reasonableness and accuracy.

If there is disagreement, contact the appraiser. If the appraiser won't change his assessment, file an appeal.

### **Caution**

Sometimes it makes no business sense to take any of the steps mentioned above. In other words, do not implement tax-saving strategies if the costs involved are greater than the tax benefits realized. ■

**Each year a review should be made to determine whether land should be revalued because of adverse environmental changes or other governmental "takings."**

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**To reduce the amount of tax that would otherwise be due, as well as possibly generate additional cash, dispose of unutilized or obsolete assets.**

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## The Militant Secretary

by Jacquelyn Horkan, Employer Advocate Editor

In 1939, the members of Associated Industries of Florida were ready for a change of course in their association and, by a stroke of fortune, John P. Ingle, Sr. was available to come on board as the pilot.

When Ingle moved to Florida in 1922, his new home was, in many ways, a frontier state. Small, undeveloped, underpopulated, the Sunshine State's closest relatives could be found, not in her dreaming neighbors of the former Confederacy, but in the Wild West.

Fewer than one million people lived in the hot, steamy, mosquito-ruled environs of Florida. By 1930, the population had swelled by more than 50 percent, most of them lured by the promises of paradise at a cheap price.

Ingle would begin his tenure as the general manager and secretary of AIF at a time of great economic distress for the association, the state, and the nation. He would retire from AIF after watching his adopted state begin its transformation from the vacation spot of America to a complex and modern juggernaut.

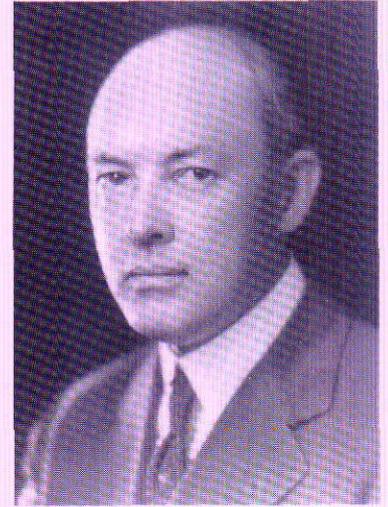
### A Manager of Great Competence

On November 1, 1939, John Ingle took over AIF as secretary and general manager. His appointment came with a glowing recommendation from R.E. Spaulding, vice president of Jacksonville-based Aetna Iron and Steel Co. and president of the AIF board of directors.

According to Spaulding, Ingle "in every way will be highly representative of, and a credit to, the industrial life of Florida through his connection with this organization."

Since his move to Jacksonville in 1922, AIF's new general manager had collected tributes from a disparate set of admirers. The streetcar union called Ingle a manager of great competence. An article in the August 1930 edition of *Florida Municipal Record* referred to him as an "able and well-liked Florida executive."

The accolades extended beyond his managerial prowess. At different times during the 1930s, he served as president of the Jacksonville Community Chest, the city's Rotary Club, and the



local chamber of commerce.

In 1932, Ingle was awarded the American Legion's medal as Jacksonville's most public-spirited citizen. During his speech to the American Legion, Ingle issued a harsh rebuttal of the prevailing wisdom about the depression gripping the nation.

While many still preferred to believe that the three-year old crisis was nothing more than a temporary setback, Ingle told his audience, "Jacksonville unemployment is at a critical stage and relief is an immediate necessity. Talking good times has brought no results, so it is now necessary to tell the truth."

Gov. Dave Sholtz would appoint Ingle chairman of the state's emergency relief committee. At the end of the decade, while he was chairman of the state Public Health Commission, the contributions of that organization were recognized at the national convention of the American Public Health Association.

According to John Ingle, Jr., his father's community service



ethic arose from a sense of his own humble beginnings. “He came up the hard way, so I think that maybe pride had something to do with it.”

It was pride mixed with empathy and a pragmatic nature that resulted in a wise compassion.

### The Self-Made Man

John Pierce Ingle, Sr. was born in 1882 in Salisbury, Maryland, the son of a college math professor. Like so many other youngsters of his time, Ingle dropped out of high school to help support his family.

He later made up his lost education and enrolled in Georgia Tech where he received a B.S. in civil engineering in 1906. After graduation, he went to work for Stone & Webster, a Boston, Massachusetts engineering firm.

At the beginning of the century, Stone & Webster had discovered a need among public utilities for talented managers with backgrounds in engineering. They began contracting with the utilities to train and provide engineers who would run the utilities for the owners.

During his first 16 years with Stone & Webster, Ingle managed electric and gas utilities in Georgia, Louisiana, Iowa, and Massachusetts. In 1922, the firm transferred Ingle to Jacksonville where he took over management of Jacksonville Traction Co. which ran the city’s streetcar operations.

Ingle was given responsibil-

ity for a troubled company. Inflation springing from World War I had cut deeply into profits. The increasing availability of inexpensive automobiles reduced ridership. In 1919, Jacksonville Traction had gone into receivership.

After settling into the executive suite, Ingle quickly took action. By 1924, gross receipts were rising and operating expenses were falling. An early devotee of good press, Ingle embarked on a public relations campaign to promote the company and its streetcars.

He hired Herbert Bayer, a respected newspaper man with the *Florida Times-Union*, to run the publicity program. Bayer helped keep Jacksonville Traction in the news with a spate of human interest press releases. The two also hatched various p.r. schemes — with mixed results.

A plan to provide transportation for schoolchildren was quickly abandoned when the young commuters proved completely unmanageable.

The “Color-A-Streetcar”



**Unemployed Floridians working for a government-sponsored mattress-manufacturing operation — one of many Depression era relief projects.**

contest more than offset the disappointing outcome of the school transportation project. Ingle and Bayer placed ads in area newspapers featuring an outline of one of the company’s streetcars. Readers were invited to color in the trolley and submit their drawings to Jacksonville Traction. The winners were rewarded with the sight of trolley cars newly painted to match their designs.

Under Ingle’s management, the company weathered the stormy years that followed the collapse of Florida’s land boom in 1926 and the stock market crash in 1929.

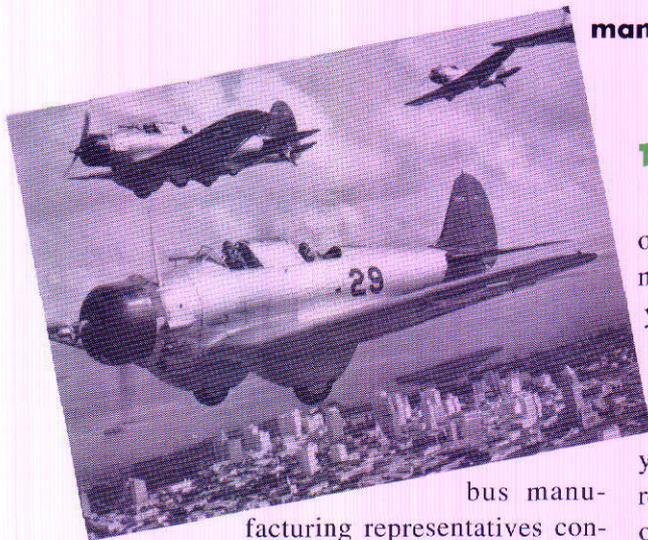
In 1939, however, when the transit company’s franchise came up for renewal, a group of



**City and transit company officials gather in the rain to bid farewell to Jacksonville's trolley cars.**



## A squadron of Navy bombers practice maneuvers over Miami.



bus manufacturing representatives convinced the city council to transfer the contract to them and John Ingle found himself out of work.

At that same time, key members of AIF's board of directors decided that the political climate in the nation and the state necessitated a stronger presence for industry in the halls of power. Timing and capability combined to make Ingle their choice to guide that effort.

### The Perilous Years

Once again Ingle inherited an organization suffering from financial anemia. The end of the year audit revealed a bank balance of \$58 and a deficit of \$2,000.

Over the next couple of years, Ingle would not always receive his entire monthly salary of \$400. Instead, he took whatever could be spared, preferring to apply the association's limited moneys to the task at hand. By 1943, Ingle had AIF's finances back on track and he collected his past due salary — money he had worked hard to earn.

For businesses struggling to survive during the Great Depression, it sometimes seemed that government was conspiring against them. For business people struggling to keep alive a free enterprise system, the enemy was the same.

In 1935, Florida employers began paying three new taxes: unemployment insurance, workers' compensation, and social security. Most supported the measures as necessary responses to the distress of the times, but their worst fears soon became reality as organized labor sought to expand the compass of workers'

comp and unemployment comp.

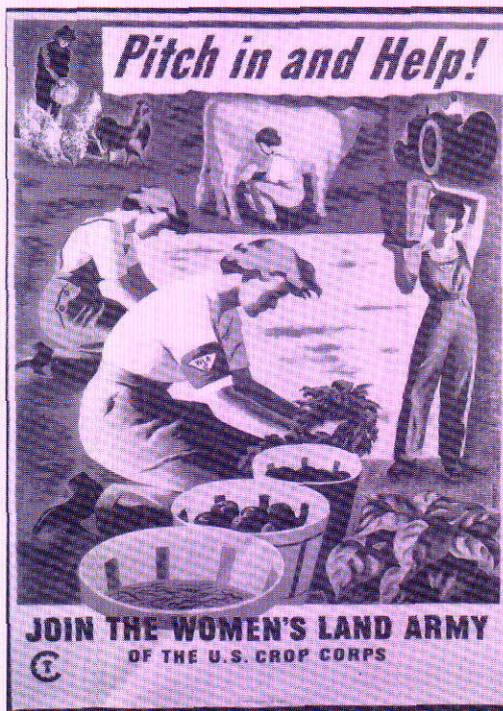
The newfound power of organized labor blossomed under the tender hand of President Franklin Roosevelt. FDR began his first term seeking a partnership with business, but the two sides held incompatible views of the essence of the alliance.

The president wanted to establish "code authorities" which would set prices and wages for individual industries. While his plan received mixed reactions from the business community, the U.S. Supreme Court looked at the idea with disdain and declared it unconstitutional.

Employers' disinclination to submit to FDR's vision of a planned economy angered the president so that he turned to unions for solace. New Deal legislation expanded the clout of labor organizations to previously unimagined levels. While FDR and the union bosses promoted their alliance as the best-hope of the working man, it seems to have led to policies that were biased toward increasing the incomes of those who still had jobs at the expense of those who remained unemployed. And they both favored a redistribution of income that hardly tallied with the principles of capitalism.

Ingle's past successful dealings with labor unions were a definite plus in his role as head of AIF. In 1942, AIF president C.G. McGehee, president of Jacksonville Paper Co., gave Ingle his sobriquet "the militant

**World War II**  
**Poster urges**  
**civillians to lend**  
**a hand in the**  
**war effort.**





secretary.” The title was bestowed in honor of Ingle’s forceful handling of important issues during the 1941 Legislative Session.

McGehee told his compatriots on the board of directors, “It is a matter of concerted effort and we shall demand from politicians in the future just as labor has been demanding for these last perilous years.”

### The First Session

Today, environmental extremists and rapacious trial lawyers are the most vehement opponents of the business community. In the early stretches of this century, labor unions filled that role.

Labor played its hand ruthlessly and, with what seemed to many, an unpatriotic fervor. The policy of economic disruption, often accompanied by violence, frightened citizens living in an epoch marked by peril.

Some union leaders considered unemployment comp and workers’ comp cash cows for laborers. With the help of federal administrators, labor pushed for an expansion of unemployment benefits that seemed to defeat the entire purpose of a system designed to soften the blows of *temporary, involuntary* loss of work. Under their agenda, any employee who left his job, for whatever reason, would be entitled to benefits.

They also fought attempts to use experience in the setting of

unemployment taxes and workers’ comp premiums.

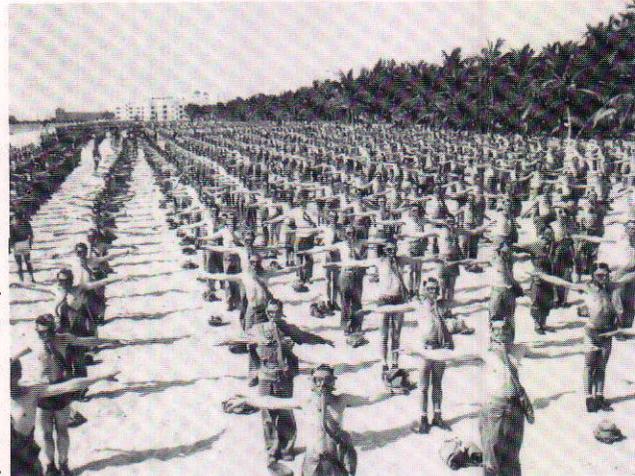
Under Ingle, AIF was successful on both issues. Six months after

taking over, he presented evidence of the fiscal integrity of the state’s workers’ comp system and convinced officials to reduce workers’ comp rates by 3.98 percent.

During the 1941 Legislative Session, Ingle won passage of a bill that introduced experience rating to unemployment insurance. It was a major victory over union leaders and unemployment administrators from Washington who wanted all employers to pay the highest rate, regardless of their track record on keeping workers employed.

As you might expect, the 1941 Session featured its share of absurd proposals. Ingle squelched one very popular measure that would have outlawed paint sprayers and required all paint to be applied by brush.

Florida was politically conservative and most of the state’s New Deal reforms were originating in Washington, which forced the association to expand its efforts to the nation’s capital. To Ingle and other AIF leaders, Washington’s social programs presented a threat, not just to free



**World War II converted Miami Beach from vacation getaway to boot camp.**

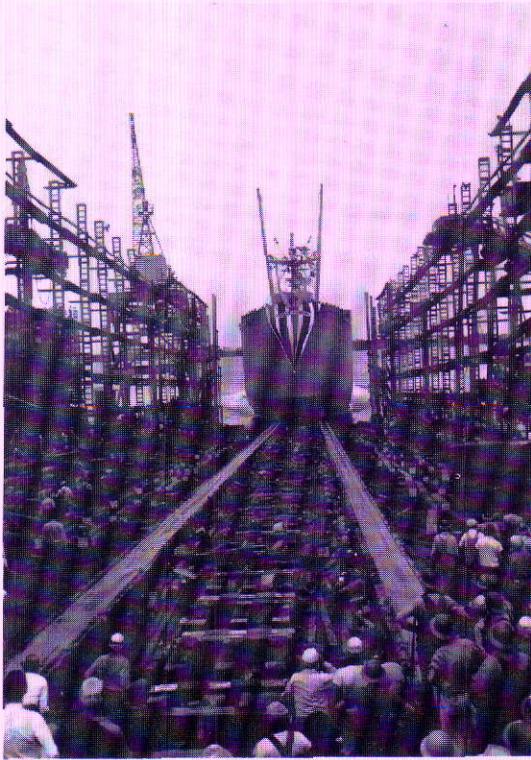
enterprise, but to the nation’s security and way of life.

### On the Home Front

Since the first World War, the U.S. had undergone a major disarmament. In the early 1930s, the total number of military personnel on active duty dropped below 250,000 and it kept falling. In 1934, the Army’s budget was cut in half to fund New Deal social programs. Fifteen other nations, including Greece and Portugal, had armies larger than America’s.

A shortage of weapons forced soldiers to practice with wooden guns and cutouts of tanks and cannons. As Germany built its panzer divisions and powerful howitzers, the U.S. *army still had horse-drawn cannon.*

When the legislative session ended in June of 1941, America’s involvement in World War II was still six months away, but President Roosevelt was in the midst a long-overdue defense buildup. Florida’s warm climate, level terrain, long coastline, and large expanses of unsettled territory



would attract the nation's military machine and begin a transformation of the state.

Prior to World War II, there were eight military installations in Florida. By the end of the war there were 160. Soldiers, Marines, sailors, and airmen replaced tourists. The armed forces commandeered the state's hotels and restaurants and converted them to barracks and mess halls. Florida manufacturers kicked into high gear, feeding the nation's starved war machine.

Ingle pledged the full cooperation of Florida business in the effort, declaring victory in the war as the first priority of the association. In March of 1941, AIF President R.E. Spaulding was forced to resign his voluntary position; his steel and iron company was working overtime to fulfill orders from the military.

Florida manufacturers built battleships, amphibious landing units, and aircraft. The state's farmers provided nourishment for the nations under siege. Every sector of the Florida business community contributed to the war effort in great and small ways.

Today, it's difficult to imagine the unity of purpose that reigned in wartime America. Rationing, scrap metal drives, civilian patrols, blackouts, and, most importantly, the perils of military service — all

were accepted as necessary sacrifices to an honorable cause. Employers and employees alike fought the battle on the homefront, working long hours under great stress to provide the materiel and provisions necessary to defeat the forces of Germany and Japan.

Not everyone in the nation was so patriotically-minded. The buildup required resources of manpower that were untapped during the Great Depression. Some union operatives took unscrupulous advantage of the opportunity.

They took control of the supply of labor by entering into closed shop agreements with major industries desperate for workers. The agreements dictated union membership for every person in the workforce.

Union business agents used the closed shop agreements to

fatten their bank rolls. Instead of allowing job applicants to join the unions, the agents would sell them "work permits" which authorized the laborer to work for a certain number of weeks while his membership application was pending.

Many of the applications were never processed. The workers never became full-fledged members of the union, with the corresponding privileges of voting on whether to allow the union bosses to continue in their positions of power. Workers simply paid their permit renewal fees over and over again.

It was an outrageous strategy that backfired. After a three-year campaign, Florida's attorney general and the state's business leaders got a right-to-work constitutional amendment on the 1944 ballot. It was overwhelmingly approved by voters, making Florida the first state in the nation to enact such protection.

The amendment guaranteed people's freedom of employment by making the closed shop agreements illegal. No job could be made dependent on union membership.

### **The End of The Storm**

World War II conquered the national malaise of the Great Depression, succeeding where the New Deal failed.

Wartime rationing had checked the effects of inflation that could have arisen during a time of heavy demand and scant

**Florida  
manufacturers  
kicked into high  
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nation's starved  
war machine.**



supply. It also caused an accumulation of money that couldn't find an outlet for spending during the war. So, with the end of the conflict, business boomed.

Ingle and business people across the country clamored for the release of power assumed by federal bureaucrats during the crisis years of 1941 to 1945. Peacetime brought a return to liberty, but the relation between government and the governed was forever altered.

The New Deal had greatly expanded the role of the federal government in day-to-day American life. Providing retirement and unemployment benefits, regulating the banking and financial industries, building low income housing, subsidizing agricultural production — the federal government became the mediator in disputes between competing groups of interests.

It was a development that troubled those who adhered to 19th century liberal principles that celebrated the opportunities of independence and self-regulation and it demanded an aggressive plan of action for Florida's employers. John Ingle presided over the origins of that transformation of AIF from a small association to a formidable force in policy debates.

From 1939 to 1947, Ingle helped formulate the plan of action for the business community. AIF opposed measures that extended government regulation of business beyond its legitimate

limits into control of economic interactions.

The association favored child labor laws and implemented safety programs to reduce the occurrence of workers' comp and auto accidents. This latter policy was accompanied by a simple statement of its rationale: "We recognize that a personal injury suffered is a loss to the individual involved, his family, industry, and society in general."

In 1940, the Board of Directors adopted a resolution urging employers to maintain a balance between older and younger workers, cautioning them against discrimination based on age. And the association continued to promote "the free interchange of ideas between management and employees on all matters of common interest."

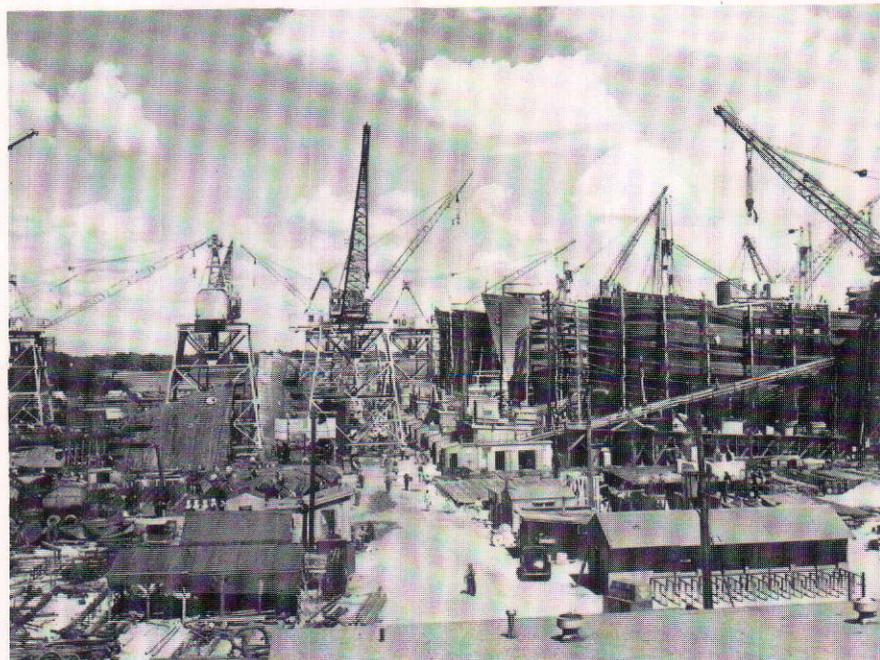
AIF's political activism under Ingle's administration was not welcomed by some bureaucrats and elected officials who resented the association's communications with its members that stirred up the business community on important political issues. By 1942, AIF was overcoming that as the association established a reputation for common sense advocacy and fact-

based reasoning.

Poor health forced John Ingle to retire from AIF on March 26, 1947. On that same date ten years later he passed away at the age of 75.

He bequeathed to the association a set of principles that reflected his personal convictions. "He believed in motivation by example," explains his son, John Ingle, Jr. "He taught his children that responsibility comes with privilege. He did say he aspired to have a Cadillac, but a Buick was as high as he got." ■

## One of Florida's bustling shipyards during World War II





# The New Schoolhouse

by Jacquelyn Horkan, Employer Advocate Editor

Judy Meyer pauses as she considers her answer. "School to Work is not an easy thing to quantify," she admits, "because it's really a system, not a program. If it was a program you could say 'here's how you do it.' That's one of the hardest things to explain to people."

It may pose difficulties when trying to describe Florida's newest educational reform venture, but that very lack of clarity probably represents its greatest advantage. The School to Work Transition is an attempt to do just what it says: prepare students to make the transition from the classroom to the workplace. And it offers open-ended opportunities for local schools and businesses.

Meyer, an official with the Department of Labor & Employment Security (DLES), is a part of the team that is coordinating Florida's transition to a School to Work model. And she gives a very compelling reason for taking this step.

"We need to bring all of the players together" says Meyer, "so that we can make a better match between the skills students graduate with and the skills they need."

To make that match, state officials are relying on the input of Florida employers to direct the future of education in our state.

## The Floor Plan

Twelve years have passed since the release of *A Nation At Risk* shattered the complacency of Americans. That report, published by President Ronald Reagan's National Commission on Excellence in Education, warned of a "rising tide of mediocrity" in our country's schools.

Since that time, we've seen a flurry of educational reforms statewide and nationally. Florida's efforts have focused on returning control to the local level, raising standards, and rewarding effective innovation in the classroom.

School to Work (STW) takes the next step in the process by addressing the role

education plays in economic development.

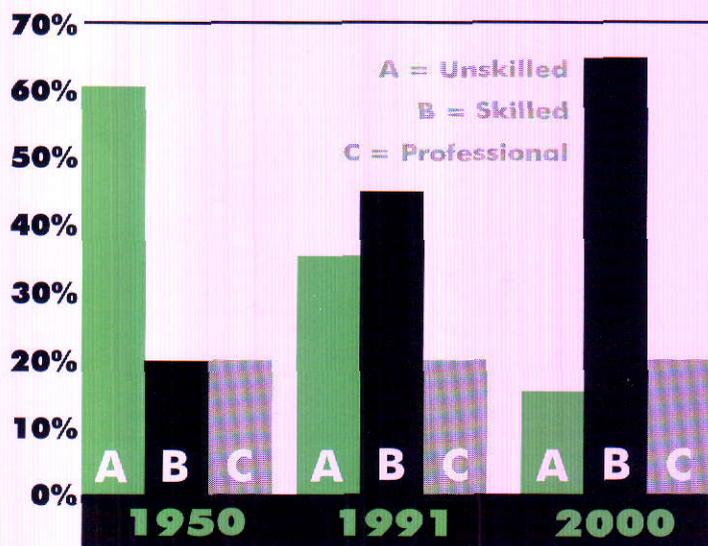
At a recent meeting at AIF's headquarters, Commissioner of Education Frank Brogan described that imperative. He told members of the STW task force, "We want to create more jobs than any other state and we want Florida kids to get those jobs. To do that, we need to promote our students' readiness to enter the workforce."

Mike Brawer is heading up the STW task force at the Department of Education. As he explains, "about 20 percent of the students in school today will go on to college. In the past, we've put the focus on them. We want to change that so that our efforts are directed at all students."

As our economy progresses from the Industrial Age to the Information Age, employers will require employees with sophisticated skills. No longer can the high school dropout, or even the high school graduate, expect to find a secure, well-paying blue-collar job.

The STW model emphasizes fundamental academic skills, while adding job skills and the work ethic to the educational mix. Students will receive some specific employment training, but the overall objective is to give them a foundation that will help

**An economic transformation: demand for skilled workers outpaces demand for unskilled. Will the supply keep up?**



Source: Bureau of Labor Statistics



them adapt to a dynamic and fluid business environment.

### The Construction Team

Achieving this ambition depends on collaboration between state agencies. The state Department of Education (DOE) will provide administrative and fiscal oversight of the effort. DLES will contribute resources in the form of programs it currently administers that help match workers with jobs.

Since the project is a national initiative, representatives from the federal education and labor agencies are joining the partnership. But STW does not entail a series of edicts from Washington, or even Tallahassee. Teachers, administrators, school board members, parents, and business people will help design the structure and get it implemented in their areas.

Building on local strengths is the centerpiece of Blueprint 2000, Florida's plan for comprehensive educational reform. Goal two of BP 2000 makes a commitment to the people of our state: "Students graduate and are prepared to enter the workforce and postsecondary education."

"Blueprint 2000 encompasses school reform," says Brawer. "Enterprise Florida is economic development. School to Work is the link between the two. A well-educated and well-trained labor pool is one of the essentials of economic growth."

State officials recently received approval of a five-year grant from the federal government to implement the system in our state. Once the five years are up, the feds will end their involvement.

Barbara Kelly, an official with the U.S. Department of Education, explains the role of federal money in the effort. "Any time you change — whether it's business or education — the major expense is in the change or the new setup. After five years, School to Work should be incorporated in the schools and it should not cost school systems any more than they're spending now. But they are going to get a more powerful education for what they spend."

### The Tools

STW does not come with a host of new programs and gimmicks. Rather, it builds on strengths we already have.

"We have a lot of efforts going on right now," says Mike Brawer, "but they're fragmented. We'll use School to Work to find out what works in all these programs and make that formula available to all students."

Those efforts include the education reforms overseen by DOE, the economic development initiatives of Enterprise Florida, and the workforce development programs of DLES. For the past two years, public and private sector individuals have worked out the details for the consolida-

## Putting It All Together

You might think of an STW educational system as a building with lots of doors in and out.

Children will come into the system when they begin their education in Florida.

Adult students will enter through the Department of Labor & Employment Security's programs and service centers. Or they may find their way in through community colleges, technical centers, or a private industry council office.

No matter how they get there or where they plan to go, each will leave armed with academic skills and knowledge of the workplace.

New emphasis is put on a menu of fundamental academic skills:

- Reading with comprehension
- Written and verbal communication
- Basic algebra and geometry
- Analyzing and solving problems

Students will be taught in a framework of applied learning. In other words, students will not just study textbooks; they will use their lessons in real world applications.

Applied learning helps the student retain knowledge. It makes the educational process more enjoyable. And, perhaps most importantly, it demonstrates to pupils the purpose of the lessons they are learning. ■



## What Can You Do?

Blueprint 2000 provided the gateway for employers to take an active role in the education process. STW opens that door wider.

So what can you do to get involved?

One of the foundations of STW is work-based learning. That means giving students the opportunity to spend part of the school day on the job, applying their knowledge to the culture and values of the workplace.

You might be able to hire a student as a paid or unpaid apprentice.

You or your employees might invite a middle school student to spend the day shadowing you as you go about the business of your business.

Members of the STW team envision companies opening their workplaces to teachers, giving educators the opportunity to become acquainted with the needs of the end-users of their products.

You might be able to help teachers design methods to apply classroom lessons to the real world. Or perhaps you could give input on what skills students need to learn. ■

tion of these programs into an STW model. With the federal money, the plans will be implemented.

This collaboration between agencies is another key benefit of STW. It reduces duplication of effort and solidifies the opportunities for success. But make no mistake. Public sector members of the alliance desperately want to expand the role business people play in developing an effective STW system.

According to Brawer, the most obvious evidence of a STW system will come in the junior and senior years of high school when students begin serious preparation of their career tracks. That is the time when schools will seek businesses who will accept students in paid or unpaid apprenticeships or in actual employment. Educators will seek opportunities for students to gain valuable experience that they can use on the job once they graduate.

The career awareness objectives of STW are not limited, however, to those 16 to 18-year olds. Students of every age, from first grade on up, will be introduced to different occupations. Middle school students may be

given the opportunity to shadow professionals or serve apprenticeships in stores, factories, and offices.

STW officials also seek the input of business people about labor trends and current shortcomings. What do students need to learn that is not being taught? What are the growth occupations and industries?

Employers are the end-users of the products of the education "factory." As such, employers hold one of the keys to its success.

Every person in business today needs look no further than the classroom to find the impetus for the future success of his company. So think about doing more than looking; take a step into a nearby school and find out what you contribute.

In the upcoming months, Gordon Lightfoot, vice president of AIF's training and education division will be visiting Florida communities to update business people on the progress of the School to Work initiative.

If you'd like to get involved now, call Lightfoot at (904) 224-7173. ■

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**What do students need to learn that is not being taught? What are the growth occupations and industries?**

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## A Look Inside STW

While STW has not been applied on a large scale, it has been used with success in several Florida schools.

The Disney School in Orlando is a special academy for teenagers who are at-risk of dropping out or have already done so. Its students include young unwed mothers, recovering addicts, and youngsters who have gotten in trouble with the law.

The Walt Disney Corporation established the school and provides financial support and employment for the students. Students spend four hours a day in the classroom and four hours a day working at one of the Disney theme parks. The academic and employment expectations are high and students are held personally accountable for classroom and job performance.

The combination of responsibility and education has paid off at the Disney School. Young people, previously adrift in life, now make plans for continuing their education at vocational schools, community colleges, and four-year universities.

At Belle Vue Middle School in Tallahassee, the STW model is being applied school-wide. "Having a School to Work component across our curriculum," explains Laura Hassler, Belle

**"Some of these students have got enormous social and economic barriers to overcome and if we don't pitch in, I don't know who will."**

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Vue principal, "helps motivate kids to use the self-discipline to apply themselves day to day and to stay in school and do well. They can see that there is a payoff after graduation and after college because they can see that what they're learning is related to something that's useful and needed."

As one of Florida's Break the Mold Schools, Belle Vue is lighting the way for realigning the methods of knowledge transfer in state public schools. Courses are taught by teams of teachers and subjects are grouped thematically. Classes run in longer blocks of time, allowing instructors to delve more deeply into lessons.

Hassler relies heavily on her business partners to assist in decision-making and curriculum development for the school. She also asks them to act as mentors for her students. She plans to expand those relationships through School to Work.

"We have business people come in and talk to the students, because we're not experts in

those areas. However, our students are very interested, so it involves having many more guest speakers in our school."

John "Swiftly" Watkins of Prime Vending is one of Belle Vue's business partners. "I think our role at Belle Vue is to support the teachers and the school in leading these kids along to maturity," says Watkins. "Some of these students have got enormous social and economic barriers to overcome and if we don't pitch in, I don't know who will."

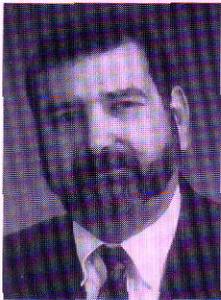
Hassler sees those obstacles up-close every day. "Many of our students don't have a parent who works. They've never seen the other side of the counter. They don't know what happens inside the business place. They don't have a role model for employability skills and job-related behaviors."

With the help of STW, Hassler, educators, and business people across the state hope to give school-children the extra push they need to make it over the hurdle. ■



## Alexander Graham Bell for the 21st Century

by Doc Kokol, Vice President, Video Production



**Doc Kokol,**

**Vice President,**

**Video Production**

**Used correctly, voice mail can speed response time, ensure correct responses to customers' requests, and be an effective, efficient tool in your business.**

Although it's one of the least respected business tools, the telephone may offer more than you think. The telephone of today is a marvel of technology and, unlike your VCR that still flashes 12:00, it's easy to use. Let's look at some basic business options and then we'll move into the star-wars arena.

Whether you hate it or love it, voice mail — that mechanical voice telling you to “press one now”—is here to stay. Used correctly, voice mail can speed response time, ensure correct responses to customers' requests, and be an effective, efficient tool in your business. Used incorrectly — you will never hear from your customer again. Here are some suggestions that will help make voice mail customer-friendly.

The cardinal sin is not to return your calls promptly. Most systems have a signaling device that lets you know when you have voice mail. It may be a light on the phone or a stutter dial tone. Whatever it is, use it. If your system does not have some way of showing you that a mes-

sage has been left, change it, or you'll find it more trouble than it is worth.

Change your voice message to let the caller know what's happening. If you are going to be out of the office for more than a day, let your caller know that you are out, but that you will be calling in to check on messages and return calls. Since the caller may need your immediate attention, give him a second option. Most voice mail systems can be administered to let the caller press “O” to return to the main switchboard.

If you don't have voice mail and want to give it a try, contact your local telephone company. Since you often are buying a service, not equipment, many will let you “try before you buy.”

Keep voice menus simple and straightforward, and always give the name first then the number to press to get to that person's extension.

Second on the telephone technology hit parade may be the fax machine. If you only have one line doing double duty in your office, consider the use of a fax

detector. This equipment routes phone calls to the right instrument: either the fax or your phone depending on if it “hears” the fax tone when the call is answered. These units keep you from asking someone to call first before sending a fax. They usually cost less than \$100 and can be purchased at phone or electronic stores.

In small offices, the fax machine can serve double duty. It can receive fax transmissions and serve as a low volume copier. Keep in mind that the fax machine probably uses heat sensitive paper, and copies made in this manner will not be permanent.

As always, let me know your experiences, good and bad in the ever-expanding world of technology. ■

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*Next month, we'll look at what high-tech phone systems will do for you — things like connecting your telephone to a computer — picture phone and desktop conferencing.*

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# When It's Too Important To SETTLE for SECOND-BEST

## CHOOSE THE FBN SYSTEM

**E**ach legislative session, Florida employers collectively hold their breath. After all, no one group in Florida has as much at stake in what happens in the Florida Legislature as the business community.

Every year our state lawmakers file approximately 4,000 bills. Regardless of whether it's taxes, fees, regulations, or insurance, you want to *know the impact each may have on your business*. While there are other sources of legislative information, both on-line and print, one fact remains clear.

*No one can report to you on business issues as well as the Florida Business Network (FBN).*

The reason is simple: the FBN system is the *only* on-line computer service developed by those directly involved in this state's business issues. The FBN system is the *only* one with analyses and updates available directly from the people who patrol the halls of the Capitol every day, debating business issues before the Legislature.

And there's a big difference between those who report what they *hear* and those who report what they *know*.

With a few taps on your keyboard you find out what you need to know.

- ▶ Basic information on every bill, action, vote, committee, and legislator.
- ▶ News articles from around the state on the major issues facing Florida businesses.
- ▶ "ALERT" notices on a continuous basis (24 hours a day) notifying the employers of the developments on business issues.

*Plus*, you'll get the following *exclusive* information from FBN.

- ▶ Up-to-the-minute analyses written by business experts as developments occur.
- ▶ 21 years of historical voting records that let you know how each legislator voted on business issues.
- ▶ Weekly congressional updates on federal business issues — written by the largest manufacturing association in the U.S.

So don't settle for any other run-of-the-mill on-line service. Get the one with over 100 years of collective experience in reporting business issues from the state capital.

### For More Information

For more information about FBN, contact Stephen Trickey, Vice-President and Chief Operating Officer, 904/224-7173.

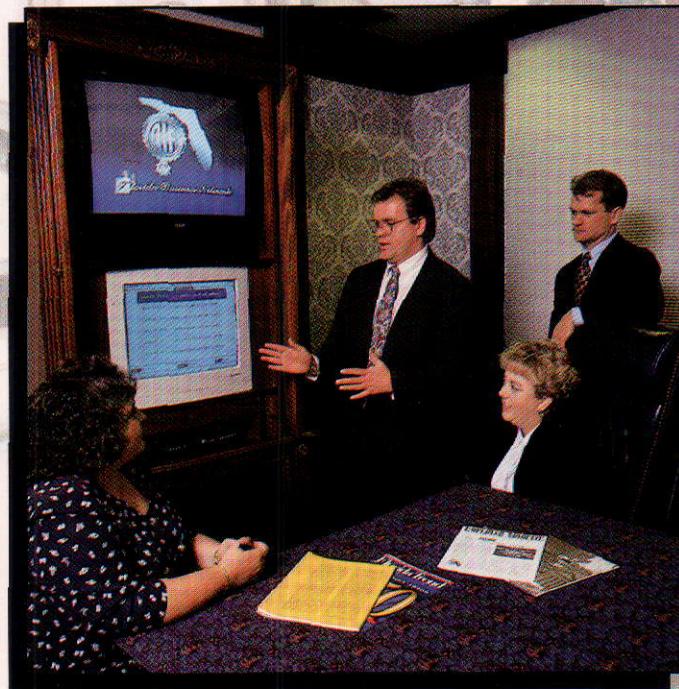


Photo by Ray Stanyard

# Florida Business Network

A DIVISION OF

# Associated Industries of Florida Service Corporation



# WHEN TOMORROW'S TOO LATE

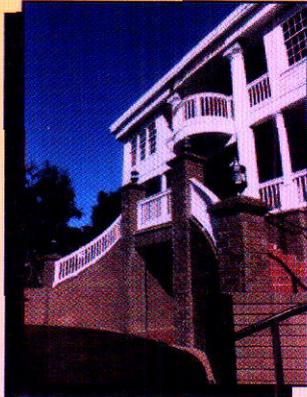


Photo by Hugh Scoggins

*D*elay equals lost opportunities.

That's especially true when lawmakers meet in session. If you wait 'til tomorrow to find out what they're doing today, you've lost your opportunity to influence final decisions.

Associated Industries of Florida implemented the Florida Business FaxNet to let Florida employers penetrate the legislative decision-making process. When you sign up for the Florida Business FaxNet, you'll receive facsimile transmissions from the AIF lobbying team *before* lawmakers vote on pivotal business issues.

We explain the issues and give you a choice of messages you can send to your representative and senator. You fax your message back to us and we make sure your legislators hear from you.

Sign up for the Florida Business FaxNet today. Don't lose your opportunity to make your voice heard.

The Florida Business FaxNet - putting Tallahassee back in touch with you.



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