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EMPLOYER ADVOCATE

The 429 Million Dollar Question

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Jon L. Shebel
President
and CEO

Finding Good Government

By some random law of nature, there are certain things that must occur during the session...

Environmentalists will find a proposal that represents "the worst environmental legislation we've ever seen." An enraged lawmaker will throw a citizen out of a committee hearing for "exhibiting disrespect for the dignity of public office." Every time a bill that's good for the economy moves along the process, newspapers will find reason to criticize the "influence of special interests."

And somewhere, someone will proclaim "good government depends on good leaders." That statement is a distortion. Our country was designed to minimize the effects of political roulette where we take our chances that those ascend to leadership are the best our country has to offer.

Instead, in America, good government depends on good citizens — honest, industrious, knowledgeable, generous, inde-

pendent citizens. We hold the reins of power in all of our country's many branches and many levels of government.

Today, far too many of the participants in and observers of public life don't believe good citizens exist. Too many of our current laws seem based on an assumption that people cannot be counted on to live up to their obligations and responsibilities. Therefore, government must appropriate the custody of civic virtue and economic planning.

But for all the ills caused by that assumption of power by government, we retain the prerogative to reorder the relationship between government and the governed. The patterns of democracy and the much-maligned free enterprise system anchor our ability to control leadership of our country and state.

Abraham Lincoln called capitalism "a just, and generous,

and prosperous system," because it promotes freedom of condition. For Lincoln, economic and civil rights merged to create the equality of opportunity we enjoy in this country.

Speaking of slaves, he said, "I want every man to have a chance. And I believe a black man is entitled to it ... when he may look forward and hope to be a hired laborer this year and the next, work for himself afterward, and finally to hire men to work for him! That is the true system."

Lincoln, born poor, was a self-made man. How seldom these days we hear a person described as self-made. That's not, I suspect, because there are fewer of them. Rather, it seems that today's describers have lost interest in the concept of one who has succeeded by his own efforts. The image does not conform to the view of a world in which government must manage the lives of men and women.

That is an artificial world based on false promises. Ambition and the courage to face an unknowable future thrive in democracy and capitalism, despite the best efforts of those who want to obliterate risks and surprises.

Let's hope all of our leaders discard the notion that the United States is peopled by the weak and untrustworthy and rediscover faith in a nation of confident, capable, and honorable citizens. ■

**Our country was
designed to
minimize the
effects of
political roulette.**



The 429 Million Dollar Question

by Jacquelyn Horkan, Employer Advocate Editor

There are so many disturbing elements to the state's Medicaid Third-Party Liability lawsuit against tobacco companies.

The lawsuit is based on a law passed by the Legislature under the most suspicious of circumstances. Even its supporters call it a "stealth amendment," meaning they relied on trickery to get their bill enacted. Gov. Lawton Chiles, one of the few elected officials in the state who knew of the plan, admitted later that he was misled as to the bill's contents.

That law is now under constitutional attack. Furthermore, the majority of the Florida Legislature supports its repeal. In recognition of that fact, the state rushed the suit to court before the opening of the 1995 Session, hoping to neutralize the policy

choices of the state's elected lawmakers.

The law eliminates the opportunity for private citizens to fairly defend themselves against state accusations. It ignores traditions of justice carefully nurtured over centuries. It dissolves the rules of evidence so that the state can draw upon vehicles of proof that are inadmissible in any other civil court of law.

But perhaps the

most troubling aspect of this law is its rejection of the normal balance of power between individual citizens and the state. According to a statement released by the governor's office, "Unlike individuals, the state has always held a privileged position in the law." Thomas Jefferson, please call your office — have we got news for you.

So why is the state of Florida pursuing a lawsuit of such dubious merit?

That is the \$429 million question.

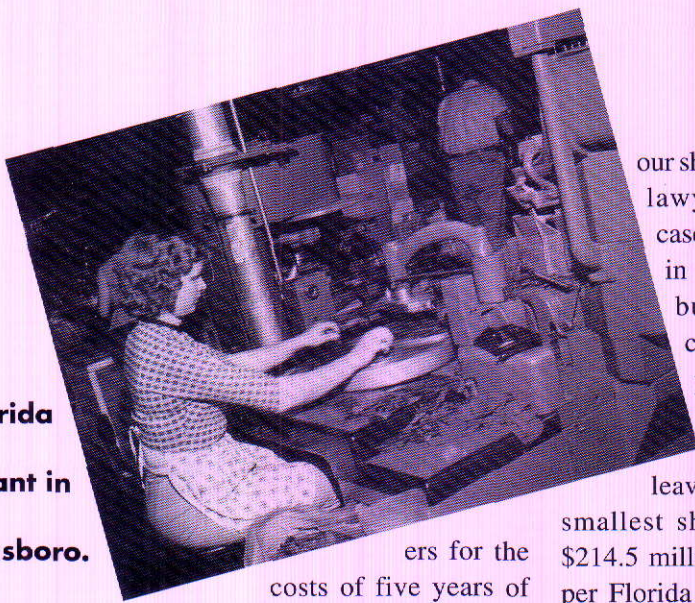
The Sum Total

The lawsuit seeks \$1.43 billion to reimburse Florida taxpayers

Perhaps the most troubling aspect of this law is its rejection of the normal balance of power between individual citizens and the state.



Delivering high-grade tobacco to American Sumatra Tobacco Company packing house, 1913.



**1953 Florida
tobacco plant in
Greensboro.**

**The private trial
lawyers pursuing this
case will get about 30
percent, or \$429
million, of the jury
award, leaving Florida
with the smallest share
of the pot.**

ers for the costs of five years of treatments for Medicaid patients with tobacco-related diseases. And how much of that money do you think Florida taxpayers will enjoy?

If the state wins a \$1.43 billion settlement, \$786 million immediately gets shipped off to Washington D.C. After all, the federal government picks up 55 percent of Florida's Medicaid burden. Most of us don't expect a tax rebate from the Feds.

That still leaves us Florida taxpayers \$643.5 million, right? Not really. All of the attorneys' fees and expenses come out of

our share. The private trial lawyers pursuing this case will get 25 percent in fees and their reimbursable expenses could run as high as 5 percent, giving them \$429 million of the jury award. That leaves Florida with the

smallest share of the pot — \$214.5 million or about \$15.30 per Florida resident. But don't start filling out your deposit slip.

The government has already incurred expenses for preparing and publicizing this lawsuit. It will continue to toll up costs for monitoring the progress of the suit and researching and preparing court documents, meaning the "taxpayer windfall" of \$214.5 million will steadily dwindle.

Right now, there are 13 prominent trial attorney firms representing the state in this suit. Each had to cough up about \$100,000 to earn that privilege. According to the governor's office, the case will take about two to five years to reach

resolution and the private attorneys will spend about \$5 million of their own money during that time.

The state is using that \$5 million "donation" to portray

these trial lawyers as public-minded citizens. Actually, fronting the costs of a lawsuit in return for a contingency fee is the standard practice for trial attorneys. You might think of it as an investment in research and development. Spend \$5 million upfront on the prospect of a \$429 million return.

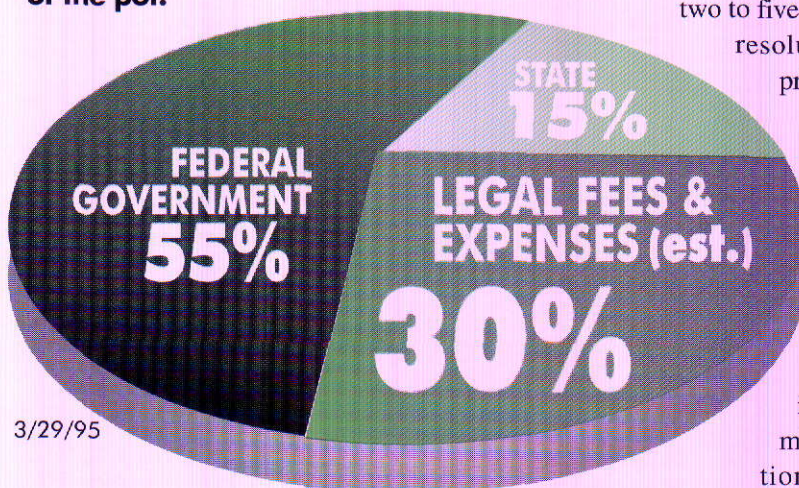
But why do we need the best attorneys since this law strips the defendant of all his legal protection, making victory for the plaintiff virtually assured? For that matter, why is the state using private lawyers when we've got a stable of government lawyers who could do the job for less?

Because this is the trial lawyers' case. They concocted the whole idea behind this lawsuit, drafted the bill that made it legal, and engineered its sneak passage through the Legislature. In the eyes of the trial lawyers, this lawsuit is their property. And doesn't the Constitution protect the right to private property?

Constitutional subtleties and legal niceties, however, are not decisive factors in any trial lawyer's decision-making process. The thrill of victory and the scent of money are what matters.

Lies, Damned Lies and Statistics

In the 1992 general election, all three presidential candidates were left-handed yet, according to statistics, only 12 percent of all adult Americans are left-handed, making that slate of hopefuls a sta-



3/29/95

tistical improbability.

Statisticians would like to consider themselves scientists who can predict, within a reasonable circumference of accuracy, the actions and effects of human behavior. Trial lawyers love statistics because the numbers can be manipulated to present any version of reality that supports a plaintiff's claim for damages.

Comparing statistics to science, however, is like comparing the art of Paul Cezanne with that of Michelangelo. Both looked at something and painted what they saw. The only difference is, you could compare what Michelangelo saw with what he painted and see the close resemblance.

Cezanne, on the other hand, looked at something and filtered it through the subjectivity of his artistic vision to create an impression of the object. You could look at what Cezanne saw and what he painted and see only a translucent likeness between the two.

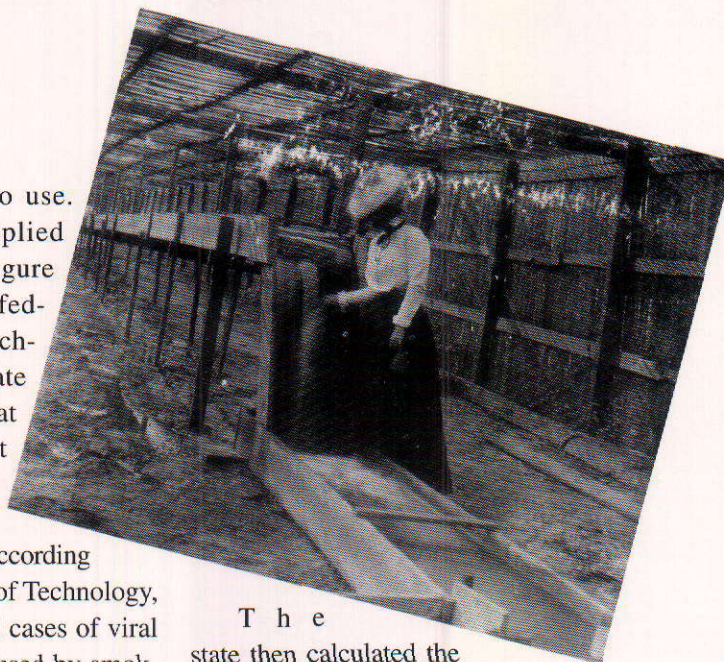
With the advent of Florida's Medicaid Third-Party Liability Act, courts will have to accept the Cezanne version of evidence. Statistics, not facts, will justify and document the state's allegations.

Let's take one example. How does the state know how much taxpayers contribute to treat smoking-related illnesses? First, state workers totalled the amount of dollars spent on treating Medicaid recipients with certain illnesses that have been

linked to tobacco use. Then they multiplied that total by a figure supplied by the federal Office of Technology to calculate the amount of that spending that could be attributed to smoking.

For instance, according to the U.S. Office of Technology, 24.7 percent of all cases of viral pneumonia are caused by smoking. A review of Medicaid expenditures showed that in fiscal year 1992-93, the state spent \$12,680,870.68 to treat welfare patients with that disease.

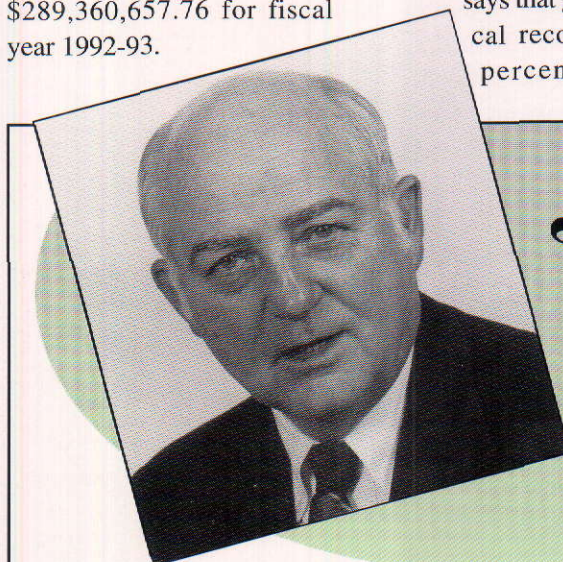
Therefore, the state assumes it spent \$3,132,157.06 (24.7 percent of \$12,680,870.68) to treat Medicaid patients with viral pneumonia caused by smoking. State workers applied this methodology to 43 different diseases and arrived at a total expenditure of \$289,360,657.76 for fiscal year 1992-93.



**1900's San Julia
irrigation trough
directs water down
each row of tobacco
plants.**

The state then calculated the percentage of growth in Medicaid spending for each year from fiscal year 1990-91 through fiscal year 1994-95, and used those percentages to calculate the amount of Medicaid dollars spent on smoking-related illnesses for each year. After all of this juggling, the state determined its Medicaid cost at \$1.43 billion for the five fiscal years beginning on July 1, 1990.

Interestingly enough, the state's top public health official says that government medical records show that 5 percent of Medicaid



Senator W.D. Childers, (R-Pensacola) recently admitted to reporters, "We snookered 'em" into passing the Medicaid Third-Party liability amendment in the closing hours of the 1994 Legislative Session. ■



deaths are definitely linked to smoking, but insists the figure is much higher, anywhere from 8 to 15 percent. But according to claims made by his office, one out of every five deaths, 20 percent, is caused by smoking. So we're dealing with a range of error totalling 15 percentage points.

In other words, the state's claim for damages is built on a lot of assumptions but little hard evidence. If the state wins its lawsuit, damages will be due based on the same kind of calculated probabilities.

Let's say 10 percent of Florida smokers buy Marlboros. The state will assume that 10 percent of Medicaid smokers also smoke Marlboros. Therefore the makers of Marlboro cigarettes will be liable for 10 percent of the damages awarded by the state plus any other share of the market they own through any other cigarettes they manufacture.

Anomalies are an unavoidable consequence in any statistical survey. That doesn't worry the trial lawyers, however, because reliance on statistics gives them the only chance they have to win these cases. Reputable facts would be too hard, if not impossible, to come by.

That obliges the state to wage a full-fledged propaganda campaign to prop up its otherwise rickety lawsuit.

Putting on the Spin

Since the governor was out of the country on the day the press conference was held to proclaim the filing of the lawsuit, he sent along his general counsel, Dexter Douglass.

Douglass, surrounded by fresh-faced students, earnest advocates, and professional health officers, opened the press conference with rhetorical excess and boosted the lavishness with

every word.

He equated the number of smoking-related deaths to the fatal crash of a jumbo jet every day for a year. According to Douglass, that imagery puts the issue "in a little more realistic perspective."

Call that a very little perspective on reality. If a fully loaded jumbo jet crashed every day for one year, 182,500 people would die by December 31. According to the state's "reliable statistics,"

What the Future Holds?

When the Third-Party Medicaid Liability amendment got smuggled into Florida law last year, Associated Industries of Florida lobbyists immediately raised the warning. While it was advertised as a method to "get" tobacco companies, the law contained no such restriction.

Any manufacturer,

distributor, wholesaler, or retailer of any product was vulnerable to a lawsuit under the new law.

Gov. Lawton Chiles promised the law would never be used against any industry but tobacco. Of course, as a temporary leader in a democracy, that's not a promise he can make. The best he can do is limit application of the law during his term. But will he?

The state's claim for damages is built on a lot of assumptions but little hard evidence.



28,212 Floridians died from smoking-related diseases in 1992. The comparison of 182,500 deaths to 28,212 is not a logical analogy but it is emblematic of the arguments favored by trial lawyers.

Before joining the governor's staff, Douglass was a prominent and successful member of that profession so his hazy perspective on reality is understandable. According to

Listen to the words of the governor's new general counsel, Dexter Douglass, and decide for yourself. At the press conference announcing the filing of the lawsuit, Douglass was asked by a reporter why the state was suing tobacco and not alcohol.

Douglass replied, "At this point, we don't have the statistics to proceed in that regard. We're only proceeding against tobacco. You [sic] got to take them one at a time. I don't believe anyone in the world can handle all those industries at once." ■

Douglass, if the tobacco industry had any degree of social responsibility, "they'd offer to take out of their profits the funds to pay these Medicare [sic] expenses. Instead, they've chosen to take on the state of Florida and to bring every possible argument that can be made against this lawsuit."

Apparently Mr. Douglass is operating under the mistaken impression that the tobacco companies, not the state, filed this lawsuit. He also seems to believe that the defendants should not use "every possible argument" to defend themselves. Perhaps in the near future he'll dictate a memo to the tobacco companies advising them of which arguments they should use.

According to the governor's press packet, people who smoke should have to pay for their own illnesses, but when they can't Florida's taxpayers have to assume the burden. The governor's office then goes on to accuse the tobacco companies of "privatizing profits while socializing the cost of their misconduct." Come again? The tobacco companies socialized health care and created the Medicaid program?

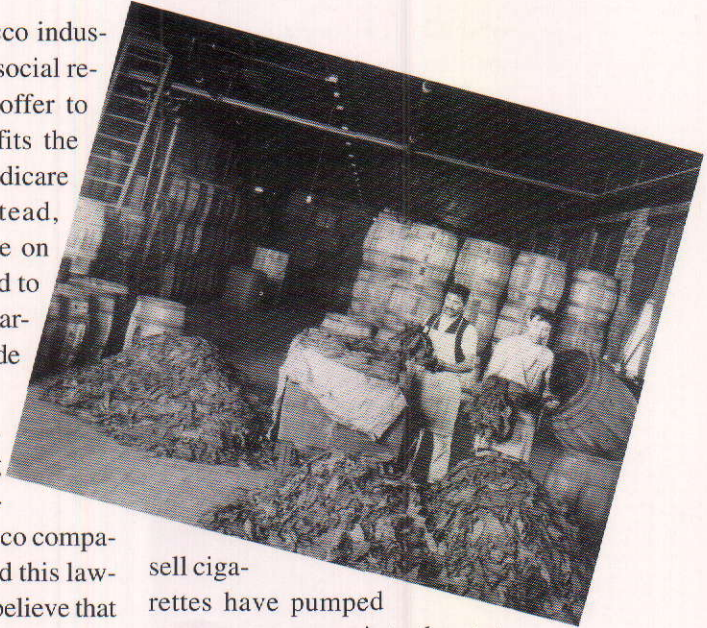
Over the last five years, however, the state of Florida has collected \$3 billion in excise and sales taxes on tobacco products. License fees and income taxes paid by Florida businesses that

sell cigarettes have pumped even more money into the state treasury. The state's pension fund has received dividends from the tobacco stock it owns and commissaries in state prisons have sold cigarettes to inmates.

All of this tobacco-related income could have been used to cover the costs of treating Medicaid recipients with smoking-related illnesses for the last five years. Plenty would have been left over to address every problem the state perceives as arising from "the carnage" inflicted by the tobacco companies.

Nevertheless, the governor's office claims this lawsuit is part of the effort to combat government waste. After squandering over \$3 billion worth of revenue collected over the last five years, how will the state's puny share of the contemplated damages end government waste?

All of these statements made by the governor's staff call their



**1924 — Preparing
filler at Cuesta Ray &
Company cigar
manufacturers, Tampa.**

**Over the last five
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credibility into question. Do they really mean everything they say or do they just hope we won't listen very closely?

And this is just the beginning. Over the lifetime of this lawsuit, you can expect a steady barrage of florid propaganda to issue forth from the governor's public relations staff, who, don't

forget, are compensated with taxpayer dollars.

High Stakes

If this lawsuit is successful and the business community is unable to repeal the law, more suits of its kind could follow. The elimination of the defendant's courtroom shields, combined

with the high stakes involved, makes that prediction a dire prospect.

After this law passed last year, the governor came to Associated Industries and admitted that he didn't know the bill he supported was so broad. He had been misled. He then offered to support statutory language that

Stretching a Point

No wonder our country is in such bad shape. According to the proponents of the tobacco lawsuit we are all blind, witless pawns only able to make the decisions that advertising slogans seduce us into making.

As the young spokesperson for the Student Coalition Against Tobacco says, "Each year the tobacco industry takes one million more American youths and hooks them on a highly addictive drug."

How do they do that? According to the lawsuit

written by the legal and psychological geniuses in the trial attorney world:

■ "The advertising imagery used to promote cigarette smoking among young people particularly appeals to those with low self-esteem and emotional insecurity."

■ "The ultimate status symbol and secret desire of almost every teenage boy is a powerful motorcycle. That's why so many cigarette brands have used motorcycle imagery to encourage teenage boys to smoke."

■ As for teenage girls, "You've come a long way

baby" fills the core of their adolescent longings: "One of the most important psychological needs of most adolescent girls is to become independent from their parents."

Of course, this blather is all part of the effort to convince the public and the jury to hold smokers blameless for their personal actions.

Nevertheless, one suspects that, deep down, these people believe the claims outlined above and their vision offers a chilling prospect. How can democracy exist in that world? ■

After this law passed last year, the governor came to Associated Industries and admitted that he didn't know the bill he supported was so broad. He had been misled.



would limit the law to tobacco.

We turned him down. Chiles's offer would mean an annual battle against the trial lawyers' attempts to expand the law. And what is wrong for all is wrong for any.

A few weeks into the 1995 session, Chiles signed an executive order limiting application of the law to tobacco products and illegal drugs. The order was an obvious attempt to siphon support from the popular effort to repeal the law.

Executive orders, however do not carry the binding force of statutes and they can be rescinded just as easily as they are enacted.

At the crux, this lawsuit and this law aren't about the harmful effects of smoking or the alleged attempts of the tobacco industry to mask the destructive nature of the product it produces.

It is not about government waste or taxpayer relief.

It is not about concern for the children of Florida or the health of the state's citizens.

This lawsuit is about upsetting the proper balance of power between government and the private individual. It is about the ability of trial lawyers to upset that balance for the sole purpose of enriching themselves.

And *that* folks, is the answer to the \$429 million question. ■

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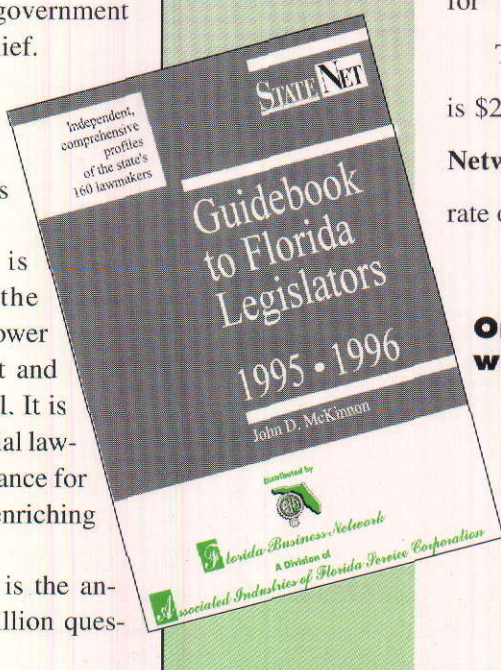
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"While the people retain their virtue and vigilance, no administration, by any extreme of wickedness or folly, can very seriously injure the government in the short space of four years."

— Abraham Lincoln



Restoring Trust

by The Honorable Sandra Barringer Mortham, Secretary of State of the State of Florida



**The Honorable
Sandra
Barringer Mortham**

Over the past two months, over 200,000 Floridians have added their names to the registered voter rolls in Florida. We would all like to believe that this phenomenon occurred as these citizens had a heightened awareness of the democratic process. But most likely, these citizens registered to vote because of the new system of voter registration commonly known as "motor voter."

Whatever your opinion of the National Voter Registration Act (motor voter), the reality is that by year's end over one million additional citizens of our state will be eligible to vote. Rarely before have we had the opportunity to include so many disenfranchised citizens in the democratic process. As Florida's chief elections officer, I am convinced that we must take steps to encourage these newly registered voters to participate on election day. In order to do so, we must look at what has stifled turnout and discouraged interest in our elections over the past several years and act to eliminate those factors.

Elections in Florida are too long, too expensive, and too negative. I have developed a package of reform measures which, if adopted, will help level the playing field, increase accountability of all participants, clarify election laws, and provide for swift and sure punishment for violations.

This package is broken

down into three major categories: Fair Campaign Practices and Accountability; Campaign Finance Reform; and Election Administration Reform. I call on the legislators to act on these proposals during the current session. We have a limited window of opportunity to pass many of these measures as it is an off-election year and statewide campaigns are four years away.

**"I propose
the
elimination of
public
financing of
political
campaigns."**

As disgusted as voters are with negative advertising in campaigns, the only point they find more offensive than the advertisements is the fact that in many races, those advertisements were paid for with taxpayer dollars. Last year, nearly \$12 million in taxpayers' dollars was spent. Many Floridians do not know that they are footing the bill for some of today's campaigns. Citizens are shocked, confused, and amazed that in today's tight fiscal times, politicians spend public dollars on personal political ambitions.

I propose the elimination of public financing of political campaigns. Whatever the intended benefits of this program, taxpayers' dollars should be spent on more pressing needs. *As a candidate for statewide office, I did not accept tax dollars to fund my campaign.* When we are debating funding for schools, prisons, and health care, it seems foolish that we would even consider political campaigns in the equation.

Additionally, we can further clean up campaign finance by more clearly defining the cap on party contributions to candidates. Currently, there exists a huge loophole that allows both major parties to contribute well in excess of the \$50,000 limit imposed by statute. By better defining what is considered allocable toward that \$50,000 limit, we would know exactly how much support each candidate is receiving from the political parties.

Likewise, candidates who find themselves without opposition after qualifying, frequently make large contributions to their political parties. The perception is that leadership in either the state house or senate in turn uses this money in targeted races to affect outcome. Whether this is perception or reality, by limiting these "turnbacks" to a reasonable amount we can eliminate an opportunity for further mistrust of government by the voters. ■

**Citizens are
shocked, confused,
and amazed that in
today's tight fiscal
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Antitrust and Florida's Business Environment

What Should a Company Do to Avoid Trouble?

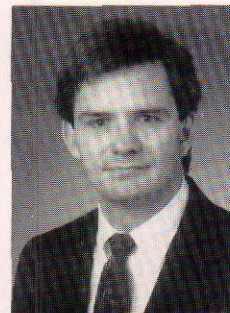
by Bill L. Bryant, Jr. and Bruce D. Platt
Katz, Kutter, Haigler, Alderman, Marks & Bryant, P.A.

One of the greatest fears of many men and women in business is that, because of some inadvertent conduct or a seemingly innocent conversation, they and their company may be exposed to an expensive and time-consuming antitrust action, exposing the business person to the threat of substantial fines, jail, injunctions, and treble damages.

*I*t is no wonder people in business are worried. The same antitrust laws that are designed to provide deterrents to anti-competitive economic conduct, and to compensate those damaged by violations, do not precisely specify what a company and its agents may or may not do.

The ambiguity in the antitrust laws is essential to their effectiveness. Since any market is characterized by an infinite number of economic arrangements, an antitrust analysis is inherently fact-intensive.

The broad language in the antitrust laws allows the courts the necessary flexibility to address and arbitrate these varied disputes and reach a fair con-



clusion.

Unfortunately, the ambiguity inherent in the antitrust law does not help someone who is worried about crossing the fine line between legal "wheeling and dealing" and illegal anti-competitive conduct.

To provide some guidance, the federal and state governments have developed programs designed to clarify their enforcement goals.

In some areas of business, such as health care, the federal Department of Justice and the Federal Trade Commission have dredged out "safe harbors" de-

**Bill L. Bryant, Jr. (left)
and Bruce D. Platt
Katz, Kutter, Haigler,
Alderman, Marks &
Bryant, P.A.**



signed to inform businesses of specific types of conduct that are not considered violations of the antitrust laws. (*Statements of Antitrust Enforcement Policy In the Health Care Area*).

Although these safe harbors are necessarily limited in scope and do not cover most of the issues that businesses will face, they provide examples of the prosecutor's approach, which can provide a useful analogy for other instances.

In addition, the federal Department of Justice and the FTC, as well as the antitrust division of the Florida Department of Legal Affairs, issue business reviews and advisory opinions that address specific situations a business may encounter. However, these reviews and opinions take time to prepare and issue, and they often are not available to meet the fast-paced demands of today's business world.

For example, the federal agencies recently committed to respond to requests for business review or advisory opinions from the health care community within 90 days for non-merger matters addressed in the policy statements, and within 120 days for all other non-merger health care matters. This is a significantly shorter time frame than has been available in the past. Other types of businesses do not have the advantage of this mandated shorter response rate.

One example of indirect evidence may be consistent prices that have no rational business explanation.

What Should a Business Do To Avoid Antitrust Problems?

There is no precise list of guidelines that will apply in every situation. An attorney should be consulted whenever a business pursues a course of conduct that may have antitrust implications, or whenever specific antitrust issues arise. In addition, companies should periodically engage an antitrust specialist to review their practices and perform an antitrust audit.

With these provisos, however, the following are some general guidelines to consider in developing and following an antitrust strategy. (*"The Antitrust Laws, A Primer,"* by John H. Shenefield and Irwin M. Stelzer).

► *Do not discuss prices with your competitors.* The more detailed the conversation, the greater the likelihood that there is an antitrust violation. However, even seemingly innocent, casual conversations may come back to haunt a company. It does not matter if the agreed-upon price is reasonable; it is a violation even if only a portion of the total price is agreed upon.

An example of such a violation would be if two copier manufacturers, each with an exhibit at a trade show, discussed their prices. Even if they only agreed to provide the same credit terms to their clients and did not discuss prices for the copiers themselves, there would be an antitrust violation.

► *Do not arrange with your competitors to stay out of each other's markets.* Any type of arrangement whereby a company agrees with its competitor not to compete in certain areas is a violation of the antitrust laws. However, covenants by employees not to compete with their employers, or covenants not to compete in connection with the sale of a business, may be valid.

If the copier manufacturers in the above example agreed to concentrate their sales in separate areas of the state, they probably violated the antitrust laws. If, however, the owners of a print shop sell their business, an agreement with the purchaser that the sellers not operate another print shop for a limited period of time in the same area will probably not violate the antitrust laws. Of course, the amount of time and the size of the area must be reasonable given the nature of the business.

If our copier manufacturers merge, thereby accumulating a major share of the market, there may very well be an antitrust violation, especially if their combined share is so large that they can control the price structure of the market. If two small, independent print shops in a large, metropolitan area merge, however, there probably will not be antitrust implications.

► *Do join trade associations and other groups designed to promote your industry as a whole.* Associations and meetings de-



signed to strengthen the industry which do not discriminate against particular members of the industry, are acceptable.

Neither the copier manufacturers nor the print shop owners will have any antitrust problems merely by attending trade shows. However, both should be careful of inadvertent discussions with competitors concerning business tactics, costs, customers, or prices.

Associated Industries of Florida finds it useful to begin each meeting with the reading of an antitrust preamble that reminds everyone of the purpose for the meeting and the limitations of what members should discuss.

► *Do not price below cost with the intention of driving out competitors.* Below-cost pricing is acceptable in some situations, such as introductory offers and "loss leaders." However, below-cost pricing may not be used solely to drive out competition. The use of such pricing should be considered carefully, particularly if the company has a large market share.

Intent to drive out competitors may be shown directly or indirectly. Direct evidence includes a memorandum in a company's files stating that it is pricing solely to get rid of competition in order to increase profits in a forthcoming monopoly situation. One example of indirect evidence may be consistent prices that have no rational busi-

ness explanation.

If our copier manufacturers or print shops consistently price their products below cost with no justification except to bankrupt the competition, they will face antitrust problems.

► *Do suggest prices to retailers, but do not try to coerce retailers into accepting the suggested prices.* It is per se unlawful for a manufacturer to set and enforce a resale price. However, companies may suggest prices and they may offer incentives.

Our copier manufacturers may engage in promotional allowances, dealer-assistance programs, and rebates provided directly to the customer. All of these have been held lawful. On the other hand, if they attempt to engage in sanctions for price deviations, polling prices, retaliatory wholesale price increases, and short-term leases that appear to be aimed at coercion, they may be found guilty of unlawful vertical price-fixing.

► *Do not charge similarly situated buyers different prices for the same product without a valid justification.* Price discrimination, however, is legitimate in some situations.

Both the copier manufacturers and the print shops may offer price differences if it does not lead to a competitive injury; if it is a good faith response to meet an equally low price of a competitor; if there is a valid cost justification, such as a volume discount; or if there are other

changing market conditions.

► *Do not terminate or refuse to maintain a relationship with a dealer or distributor unless you have a valid business justification.* A company may terminate a relationship with a dealer if it has valid business concerns, such as unsatisfactory performance or failure to meet quality standards. A refusal to deal may also be valid if it can be shown that there will be not an adverse effect on competition because alternative sources for the company's products are available.

Our copier manufacturer probably may terminate dealings with a particular distributor if the dealer sells other brands of copying machines with similar features, or has access to selling similar brands. However, if the copier manufacturer's products occupy a unique niche necessary for the dealer's business, the copier manufacturer may face antitrust difficulties unless it can show specific performance problems with the dealer.

► *Do not tie the sale of one product to another.* If two or more items are perceived as one product by the buying public, there is no tying arrangement. These exceptions are not the rule, however, and in general such arrangements are prohibited.

The copier manufacturer may not force a customer to buy copier paper from it as a condition in the sale of the copier. However, a left shoe and a right

The ambiguity in the antitrust laws is essential to their effectiveness.



shoe are considered to be one product and a shoe store can demand that its customers buy both shoes.

► *Do not enter into exclusive dealing arrangements unless there is a valid business necessity.* Exclusive dealing arrangements, such as requirement contracts or output contracts, are subject to the rule-of-reason analysis. In determining the validity of such arrangements, courts will examine the market share, the length of the contract, any relevant business justifications, and any pro-competitive effects of the arrangements.

If our copier manufacturer is a new company, it may need exclusive arrangements with dealers to help develop a market share. Because this will increase competition in the copier manufacturer market, it will probably not be considered an antitrust violation. However, as our copier manufacturer develops a larger market share, it will not be allowed to enter into any more of these exclusive sales agreements, and it may need to non-renew some of the exclusive agreements into which it had previously entered.

► *Do periodically review your company's practices through an antitrust audit.* In addition to these general guidelines, businesses should explore the possible anti-competitive effects of any action and consult an attorney in any questionable case.

As previously mentioned,

companies should periodically undergo antitrust audits to verify compliance with antitrust laws and their varying interpretations.

The antitrust laws are designed to allow courts to determine the legitimacy of a variety of fact-specific questions. It is difficult, if not impossible, to generalize as to what is or is not

an antitrust violation. If time is not of the essence, government agencies are available to answer specific questions and review specific proposed actions.

If time is critical, companies should review the suggested guidelines and, in all questionable situations, consult an antitrust specialist. ■

IN A NUTSHELL

Do's & Don't's

Do periodically review your company's practices through an antitrust audit.

Do join trade associations and other groups designed to promote your industry as a whole.

Do suggest prices to retailers, but do not try to coerce retailers into accepting the suggested prices.

Do consult an antitrust specialist in all questionable situations.

Do not discuss prices with your competitors.

Do not arrange with your competitors to stay out of each other's markets.

Do not price below cost with the intention of driving out competitors.

Do not charge similarly situated buyers different prices for the same product without a valid justification.

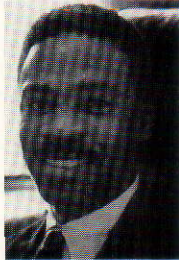
Do not terminate or refuse to maintain a relationship with a dealer or distributor unless you have a valid business justification.

Do not tie the sale of one product to another.

Do not enter into exclusive dealing arrangements unless there is a valid business necessity.

**Companies should
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The Role of a Lobbyist



by Kevin R. Neal,
Assistant Vice President — Governmental Affairs

Florida law defines a lobbyist as one who, for compensation, seeks "to influence" governmental decision-making. For people unfamiliar with the real-life operations of the Florida Legislature, this definition may help fuel misconceptions about the true role of lobbyists.

Contrary to popular belief, lobbyists do more than seek to influence lawmakers. In fact, one of the essential roles of a lobbyist is to serve as a reliable resource to lawmakers. With the myriad of complex issues facing legislators — from deciding whether to regulate the intrastate moving business to determining whether to establish a state-subsidized health insurance program — it's impossible for legislators to develop in-depth knowledge of each issue. By filling in the information gap, lobbyists help facilitate an intelligent decision-making process.

Being prepared to provide reliable information on specific issues is one of the biggest challenges faced by lobbyists. With thousands of bills filed each year in the Florida Legislature, lobbyists must devote considerable

time to analyzing the potential impact of proposed legislation.

Additionally, since lobbyists are looked upon as experts in their respective areas, lobbyists must remain educated on issues affecting their areas of expertise. Keeping up-to-date involves reading industry publications; keeping abreast of current events on local, state, and national levels; and attending industry forums.

To be effective, lobbyists must know the ins and outs of the process. Although this should go without saying, lobbyists need to fully understand every step involved in creating, amending, or abolishing a law. Many laws fail to be enacted due to procedural hurdles. Knowing the rules

of the process aids in avoiding unforeseen pitfalls.

There are always at least two sides to each issue with lobbyists representing each side. It is the job of the lobbyist to inform decision-makers of the potential impact of their actions. A lobbyist must offer persuasive arguments on the merits of adopting his particular position.

The lobbyist who succeeds at "influencing" lawmakers is the one who offers the most credible, persuasive arguments. Of course, this is an oversimplified version, but the definition of lobbyist should be changed to reflect the true nature of lobbying, which is more about educating than influencing. ■



Photo by Hugh Scoggins

The state capitol lobby bustles with activity during the Legislative Session — thus, the term "lobbyist" was coined.



Change in Legislators + Election Law Proposals = Campaign Reform?

by Marian P. Johnson, Vice President — Political Operations



We have all heard the old adage, two things in life are certain — death and taxes. From a political point of view, there is a third certainty — change! And this past election year was no exception.

The last election cycle saw the Republicans take over the Senate and creep closer to that objective in the House. The changes did not end with the election. On February 23, long-time Democrat W. D. Childers of Pensacola switched his party registration to Republican. This new “convert” gives the Senate Republicans an edge of 22 to 18.

The GOP has been waiting over three decades for this moment. In 1952, there were over one million Florida voters — 1,119,361 Democrats and 88,236 Republicans. Nevertheless, Republican presidential candidate Dwight D. Eisenhower carried the state that year, garnering 55 percent of the votes.

That GOP “takeover” was limited to the presidency, however. Republican gubernatorial nominee Harry Swan received only 25.2 percent of the vote while spending a total of \$5,000 on his campaign. His Democratic opponent, Dan McCarty, spent nearly \$230,000 — in the primary alone. Four years later, LeRoy Collins spent \$292,000 in the primary and only \$174 in the general election against Republican nominee William Washburne.

The reason for the spending differential? In those days, the elections were usually decided in the primaries. Democrats could virtually ignore the election in November.

But times have changed. The 1994 Republican gubernatorial nominee Jeb Bush spent over \$5 million during the election cycle and nearly all elections are now decided in the general election. Gone are the days when all the candidate had to do was to win the primary!

This legislative session, there are five proposed committee bills (PCBs) and nine individually sponsored bills relating to changes to the Election & Ethics Code. Additionally, there currently is one PCB and three legislative bills offering changes to the procedure for enacting constitutional amendments.

One always expects more election code amendments in the legislative session immediately following an election. Many officials notice incidents which they feel need correcting. Keep in mind, we also have a new secretary of state who has a bill of her own, offering major changes in certain campaign techniques, such as phone solicitations (see related article on page 10).

We are monitoring these proposals closely as they would greatly affect the way campaigns are conducted. Not all the measures are controversial or momentous. One that is, however, is House Bill 487 which would abolish the second primary (or runoff election as most politicians refer to it). Proponents and opponents alike have good arguments.

Those who support it, such as the supervisor of elections and candidates who win the first primary, argue that the elimination of the runoff would save dollars and too much is spent on elec-

State Senate: First Primary

SENATE DISTRICT 19 PASCO, PINELLAS COUNTIES

PARTY	CANDIDATE	% OF VOTE	RAW VOTE	RESULT
R	Manny KOUTSOURAIS	28.8	9,973	Lost
R	Jack LATVALA	33.3	11,545	Runoff
R	Jamie WILSON	37.9	13,113	Runoff
100% Precincts:			34,631	FINAL

3/30/95



State Senate: Second Primary

SENATE DISTRICT 19		PASCO, PINELLAS COUNTIES		
PARTY	CANDIDATE	% OF VOTE	RAW VOTE	RESULT
R	Jack LATVALA	55.5	9,537	Won
R	Jamie WILSON	44.5	7,657	Lost
100% Precincts:			17,194	FINAL

3/30/95

tions already. Candidates say the bill would allow them more time to prepare for the general election. Election supervisors contend the bill gives them much-needed time to prepare the ballots.

Opponents (who include candidates who have come in second in the first primary and their campaign managers) say it discourages candidates from running if there is a crowded field. Others point to those past great leaders who would have never led our state had it not been for the second primary.

A second primary is required if none of the candidates in the first primary receives over 50 percent of the vote. Having spent over 30 years in the political arena, I have been on both sides of this issue. I have managed campaigns where my candidate was so well known I knew he would come in first but, because of a crowded field, he would not reach that magic number — 50 percent plus one.

In those circumstances, I hated the second primary. It took time away from what we really needed to concentrate on — the general election.

I'm sure former U.S. Senator Paula Hawkins remembers this well. In 1980, her first primary included a crowded field of six candidates. She received 48 percent of the vote and her closest competitor only received 27 percent. But since she missed the magic 50 percent by 2 points, she had to run in a second primary.

The results of the second primary? Senator Hawkins received 62 percent of the vote. She went on to win the general election, but it cost extra money and time to concentrate on what we knew would be a pointless race.

But I have also written many campaign plans where there were three or more candidates in the primary. Knowing the difficulty

of getting over 50 percent with three candidates, the campaign plan was based on getting enough votes to establish the candidate as a viable choice in the second primary. In other words, we were just interested in clearing out the field for the second primary.

This philosophy has worked many times. For instance, in Lawton Chiles's first campaign for the U.S. Senate, he placed second out of five candidates in the first primary, then won the second primary and the general election.

AIF is taking no side in this issue. I have spoken with legislators on both sides of the aisle. Some like it and some do not. This bill is sponsored by a Republican, yet one of the biggest opponents is a fellow Republican.

There have been attempts to abolish the second primary in the past and they have been unsuccessful. Will this one succeed where the others have failed? It's too early to tell. ■

Knowing the difficulty of getting over 50 percent with three candidates, the campaign plan was based on getting enough votes to establish the candidate as a viable choice in the second primary.

State Senate: General Election

SENATE DISTRICT 19		PASCO, PINELLAS COUNTIES		
PARTY	CANDIDATE	% OF VOTE	RAW VOTE	RESULT
R	Jack LATVALA	59.7	81,026	Won
D	Chuck LEHR	40.3	54,719	Lost
100% Precincts:			135,745	FINAL

3/30/95

When Florida's first territorial legislative council met in 1822, the representatives were required by federal law to be "the most fit and discreet persons of the territory." From the looks of this official, maybe next year the GOP members of Congress should add that clause to their Contract with America. (Actually the teddy bear stand was a gift to then-state representative Ileana Ros-Lehtinen who was at home caring for a newborn child.)



In 1903, the refurbishing of the state capitol was completed just in time for the opening of the legislative session. A problem quickly developed however.

The glue used to affix the new floor tiles gave off a horrible stench until it dried. When it became obvious the glue would not dry by the opening of the session, the Ladies Garden Club of Tallahassee stuffed the building with fragrant blossoms to mask the odor.

This last-minute desperate solution evolved into an opening day tradition that found lawmakers barely visible behind the transplanted gardens blooming on their desks.

Political Photo Album

Lambert M. Ware came to Tallahassee in 1903 as a newly elected member of the Florida House of Representatives and the only Republican in either chamber, a situation this cartoonist for the Florida Times-Union found highly amusing.



Prior to 1913, state legislatures selected U.S. Senators for the voters. In 1891, the reelection of U.S. Senator Wilkinson Call would inspire one of the strangest incidents in the history of the Florida Legislature.

Hoping to prevent the casting of a ballot for Senator Call, a majority of the Florida Senate bolted from the city and headed across the state line into Georgia. The remaining members simply ignored the rebellion and proceeded to reelect Senator Call. The AWOL senators were subsequently given the nickname "The Babes in the Woods," presumably in deference to their naive assumption that they could so easily halt the machine of state.





The New Creed

by Jacquelyn Horkan, Employer Advocate Editor

**There's one
thing we can all
agree on:
Government
needs to be
more
responsive.
Right?**

**In 1973, construction
began on the 22-
story state capitol, a
monument to
modern
government.**



When Gov. Lawton Chiles promised in his inaugural address to reduce governmental regulations by 50 percent, he was responding to the people who wanted less government and more freedom. Just as, when he proposed an enormous tax hike three years ago, he was responding to the people who wanted more government.

As the old Yiddish proverb warns, be careful what you ask for. You might just get it. After all, the big, bloated bureaucracy we have today is the result of a responsive government.

The current plans for reducing government frighten as many segments of our population as it excites. So who should government respond to?

That's the dilemma that arises when we judge government solely by

its level of responsiveness. Deliberation is replaced by emotion and principle is overshadowed by the prevailing winds of opinion.

The new litany in Tallahassee stressing limited government and economic expansion is quite a turnaround from the "soak the rich" rhetoric we heard as recently as 1992. But are all the new converts truly saved or are they just being responsive?

As another proverb cautions, the devil is always in the details.

Then and Now

In 1973, construction began on Florida's new capitol, a 22-story monument to modern state government.

Over the four years taken to complete the structure, the state paid out \$44,970,741 — in cold hard cash.

A booming economy and overflowing state treasury endowed the state with the luxury to build a skyscraper on a pay as you go basis. In the intervening years, however, the political class squandered the wealth of the state, even as they boosted their share of it.

In 1973, Florida's direct rev-



enue pot held about \$4 billion. In the current fiscal year (1994-95), state government will spend about \$38.7 million, almost ten times as much as in 1972-73. Of course, population growth and inflation account for the swell in taxes, right?

Not really. Even if you close the gap to ten years and adjust for population growth, the rate of increase exceeds reason. Between FY 1984-85 and FY 1994-95, the state budget tripled while personal income doubled. In addition, during that ten-year period government employment increased 31 percent while the population grew by 25 percent.

During the decades of the 1970s and 1980s, every level of government extended its wings over more and more of the processes and systems of our daily lives. Environmental regulation, growth management, and employment decrees all increased the cost of government, both directly and indirectly.

Nobody knows for sure, but according to rough estimates, local, state, and federal regulations squeeze anywhere between \$35.8 billion to \$75.2 billion out of Florida's economy every year. This cost cramps private investment choices and constricts the economy.

The Struggle for Control

Recently citizens have reacted to the surge in government with restrictive measures. The constitu-

tional amendments to limit the growth of government revenue and slow increases in property taxes are evidence of a readjustment in the mood of the electorate.

Even the 1992 enactment of term limits can be viewed in the same light. Critics disparage this initiative with claims that it limits voter choice and, after all, if people really don't like their elected representatives they already have the privilege to discard those politicians.

This argument ignores the real target of term limits. They are simply a method of controlling the other members of legislative bodies that each voter does not select. It is a reaction not to individual lawmakers, but to the prevailing culture of government that rewards profligacy with taxpayer dollars.

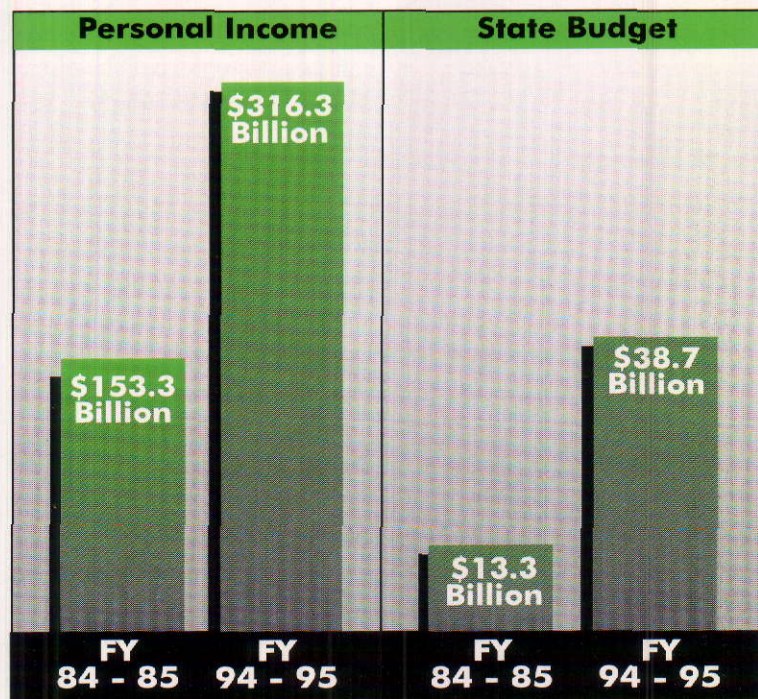
The system, however, is fight-

ing back against efforts to tame it. Because it is so massive and unwieldy, those within it often simply cannot see a better or different way of operating.

Last year, when state agency directors submitted their proposed budgets for the upcoming fiscal year, their combined spending plans totalled \$43 billion — a 10 percent increase over FY 1994-95 appropriations.

According to state number crunchers, however, the state would only have about \$39.3 billion dollars to spend. And since the time those budget documents were prepared, a flagging economy has forced the revenue estimators to lower the projections twice. State agencies, which had requested \$4.3 billion in new spending, will only have \$560 million in new income to spend next year.

There's a dilemma that arises when we judge government solely by its level of responsiveness.



Between FY 1984-85 and FY 1994-95, the state budget tripled while personal income doubled.

4/1/95



Seeking efficiencies and novel approaches to reduce state spending is more than a principle now. It's an imperative. But it's still not popular in Tallahassee. Chairman of the Senate Ways and Means Committee, Mario Diaz-Balart (R-Miami) found himself in the center of a media firestorm when he asked agency heads to identify 25-percent savings in their budgets.

Despite the criticism heaped on Sen. Diaz-Balart, his request came with an assurance that budgets would not receive 25 percent cuts; the Senate merely wanted a menu of options for reductions. His exercise in budget-cutting was an attempt to force the agency heads to perform a task they were reluctant to undertake. Until the state ranks its functions and streamlines its operations, budgeting will remain a fruitless and panic-driven activity.

Power in the Pocketbook

Over the last three years, Republicans in the statehouse have led the effort to wean government from its growth habits. In 1992, when an economic recession slowed the flow of money into state coffers, Gov. Chiles responded with an ill-fated plan to raise taxes by \$1.3 billion.

Several House Republicans countered his offer by preparing a "priority budget" which cut government employment, the

Legislature's budget, and some expense and capital outlays. They used the reductions to fund critical services.

Ultimately the GOP representatives' budgeting style prevailed but how long will it last? Gov. Chiles appears poised to launch another campaign to increase taxes. His current plan would extend the sales tax to purchases of goods and services that are now exempt. He aims to balance that revenue increase by lowering property taxes.

The governor wants to take his crusade directly to the voters in the form of a petition drive to place a constitutional amendment on the ballot. His strategy is already clear. School children will give him the fulcrum he needs to pass a tax hike.

The administration's proposed 1995-96 spending package appropriates \$6.9 billion for education, a paltry \$5 per student increase over current funding. Senate President Jim Scott (R-Ft. Lauderdale) has seen Chiles's education bid and raised it by \$200 million. Education Commissioner Frank Brogan has designed a strategy to reduce the administrative costs of the school system and return more power to local school boards while increasing the overall budget by \$239 million for a per pupil increase of \$72.

During his state of the state address, Gov. Chiles hinted at his intention to call a special session after the regular session ends to

address the "inadequacy" of schoolroom funding. Republicans scoffed at the idea of announcing a special session when the regular session was barely minutes old.

Republicans are wondering whether the governor had intentionally low-balled his education budget in order to massage public opinion into supporting his desire to increase taxes.

Reign of Nonsense

Some observers also wonder if the Chiles's attack on regulation is part of his tax increase agenda. Is it a ploy to gain popularity with employers?

The governor's newfound concern about red tape was apparently inspired by a New York attorney named Philip Howard who authored a book entitled *The Death of Common Sense: How the Law is Suffocating America*. The governor bought 200 copies of Mr. Howard's book, and sent one to each legislator, cabinet member, and agency head.

The book contends that regulation is strangling the nation's liberty and economic creativity. Mr. Howard wants to see more reason applied to the rules bureaucrats use to implement laws.

The proliferation of rules began in the 1960s as part of the idea that the solution to every problem would come through more intervention by a government run by a new breed — the technically sophisticated, politi-

BRAIN SNACK

Bureaucrats are the accursed of God, Mr. Morrison. They record everything and understand nothing. They invent a spurious mathematic by which every human factor is reduced to zero.

— **Morris West,**
novelist



cally neutral bureaucrat who would be able to cut through all the tangles created by the checks and balances and separation of powers of our republican model of governance.

As Howard rightly observes, "Process once existed to help humans make responsible decisions but now has become an end in itself. We have deluded ourselves into thinking that the right decisions will be ensured if we build enough procedural protection."

He asserts that the opposite has happened; decisions, if they occur at all, occur by default. As a result, resources in the private sector are siphoned from productive endeavors into a separate tank where rules must be studied, interpreted, negotiated, and complied with. And those rules often establish conflicting objectives.

Sewers or Palm Trees?

For example, a Pompano Beach company, under contract to the government of Metro-Dade county to install enlarged sewer lines, recently cut down 35 sabal palm trees. Dade county is under federal court order to repair its sewer system. The contractor, operating on an emergency order to complete the work, would have needed three weeks to transplant the palms.

Cutting down the palm trees, however, violated a rule and the county is now punishing the private contractor for doing what he had to do to meet their deadline. He must plant 35 new sabal palms

Regulations serve an important purpose.

They keep government in check and provide crisp guidelines for private citizens.

on the site and plant another 70 in areas to be selected.

He is also subject to fines for not taking out permits to cut the trees or lay the sewer lines. According to the county manager, "This will send out a message." But what is the message? Essential work must be ignored in order to comply with niceties?

Although this example involves county government, it defines the mindset that permeates those who develop the rules that implement laws at all levels of government. So how do we overcome this mindset?

Throwing Away the Rule Book

Lt. Gov. Buddy MacKay, the administration's point man on the 50-percent reduction maneuver, swears that his boss's goal of cutting red tape in half is not negotiable — 50 percent will go, one way or another.

The star in the Chiles's anti-regulation galaxy is Department of Transportation secretary Ben Watts. Mr. Watts has asked the Legislature for permission to sus-

pend all of his department's rules for three years. Theoretically, this will give him, his district administrators, and their staff the freedom to exercise "common sense."

Mr. Watts's proposal would also allow him to employ outside legal counsel for any proceeding that arises under the non-rule reign of power. His department will not have to abide by the state's purchasing review process when procuring the services of these outside attorneys. Why is Mr. Watts seeking this prerogative? Does he anticipate an increase in legal proceedings if his department operates without rules?

This plan simply expands the power of DOT bureaucrats to unreasonable lengths. Without rules, who will know how to play the game? Those who make the decisions, that's who. Simply eliminating rules does not protect the people; it politicizes the discretionary authority of the phantom government ruled by state workers.

Regulations serve an important purpose. They keep government in check and provide crisp



guidelines for private citizens. The guidelines are not now crisp and they should be subjected to a sharper knife, but the radical surgery proposed by Gov. Chiles goes too far.

While it is billed as a measure to limit government, it will have the exact opposite effect. Individual bureaucrats, operating in shady areas of opinion, will gain greater control over economic and social matters.

AIF's proposed legislation, included in a bill sponsored in the Senate by Sen. Charles Williams (D-Live Oak), seeks a fix for the process by enacting provisions to curb regulatory excesses. This is our best hope for limiting the power of state government.

In a system where government gets its authority from the people, government should be held

accountable to us. Currently, that balance is reversed. Individual citizens bear the burden of proving that individual rules represent an invalid exercise of power. The AIF bill restores the proper order and requires government to pay the attorneys' fees and costs of the citizens when it is wrong.

In other words, it forces government to trust in the incentive-based and self-correcting mechanisms of the marketplace. The common sense in this plan comes from the citizens.

A Fresh New Wind

In all fairness, the administrative branch is not the only obstacle to true budget reform. Lawmakers must tackle the difficult job of evaluating the costs and benefits of the programs it enacts. Debate on the appropriations bill must be-

come more than a rote allocation of dollars.

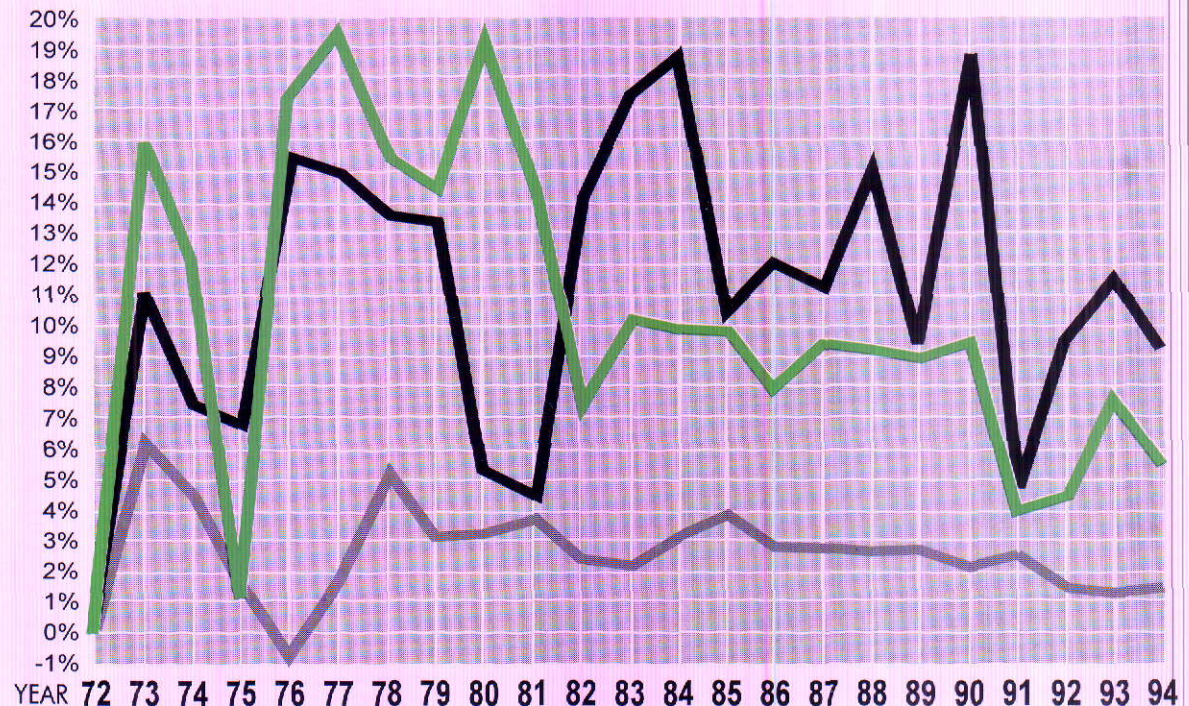
As the 18th century politician and philosopher Edmund Burke observed, "Economy is a distributive virtue, and consists not in saving but selection."

Deliberations must begin on the role government is to play in the future. Before spending any amount, no matter how insignificant, lawmakers must ask themselves whether they are funding an essential function of government or if they are assuming a task that will constrict the natural flow of the market.

The desired end result of the current rethinking of government is a vibrant atmosphere of freedom, productivity, and trust in the people's ability to regulate their own lives, opportunity, and future. ■

State spending
outstrips income
and population
growth.

Personal
Income
Population
Total Direct
Revenue



Your Privilege For Self-Critical Analysis: *Why Florida Business Supports It*

by Diane Wagner Carr, Vice President & Assistant General Counsel



The performance of self-critical analysis has become an important tool for all types of organizations who police themselves in order to improve their performance in such areas as hiring, accounting, and environmental procedures.

Self-critical analysis refers to the use of internal investigation and review for the purposes of evaluation and improvement on the part of an organization.

The performance of self-critical analysis has become an important tool for all types of organizations who police themselves in order to improve their performance in such areas as hiring, accounting, and environmental procedures. Organizations and their management rely on self-critical analysis to determine whether internal performance standards are being met and, if not, what can be done to bring actual performance in line with acceptable standards.

When companies are sued for any number of reasons, plaintiffs' lawyers often try to unearth in-house reviews that may help them prove their case. Unfortunately, as organizations' potential for liability with regard to self-critical analysis has increased, some have become more reluctant to rely on it as a self-

policing tool for fear of being subjected to lawsuits in which their own best efforts at improvement are used against them.

In recent years, however, organizations that rely on self-critical analysis have gotten some help in specific areas, especially with regard to internal environmental and banking audits. Legislatures in six states (Oregon, Colorado, Kentucky, Indiana, Maryland, and Virginia) have chosen to make it harder for plaintiff's lawyers to access these internal materials. Officials in these states realize that forcing companies to turn over these documents effectively punishes them for trying to root out inappropriate activity in the first place so that it can be corrected.

What is needed in Florida is additional legislative protection for a broader universe of persons and organizations who will likely become discouraged in their work to become better at what they do unless they too are provided limited protection for their self-critical analyses.

Self-critical analysis refers to the use of internal investigation and review for the purposes of evaluation and improvement on the part of an organization.



**AIF is supporting a
bill that creates the
"Self-Critical Analysis
Privilege Act."**

To that end, AIF is supporting a bill that creates the "Self-Critical Analysis Privilege Act," which is sponsored by Rep. Debby Sanderson (R-Ft. Lauderdale) and Sen. Jim Horne (R-Jacksonville). The bill establishes a limited privilege for persons and entities who employ self-critical analysis in their operations.

A self-critical analysis is defined to mean any voluntary internal audit or other review of a policy, practice, or procedure conducted by the management of an organization and containing subjective evaluations concerning a policy, practice, or procedure.

A person or organization that conducts a self-critical analysis has the privilege to refuse to disclose, and to prevent any other person from disclosing, the self-critical analysis. The privilege, however, is not absolute.

It is limited in its application. The privilege can be overcome by a party seeking discovery of a self-critical analysis upon the party's showing that its need of the materials in preparation of its case is exceptional and substantially outweighs the public benefit from non-disclosure.

The bill represents a common sense approach to the self-policing dilemma facing organizations today and should have the effect of encouraging self-policing so that performance can be improved, while discouraging the unnecessary litigation associated with it. ■

KNOW YOUR LEGISLATORS

Your Road Map to the Florida Legislature

*I*n Florida, all political roads lead to Tallahassee where the Capitol becomes the center of bargaining and decision-making. To help you reach the right decision-makers for your topics of interest, we have just the right road map for you — **Know Your Legislators** is a pocket-size handbook that briefs the following:

- Committee staff and assignments;
- Legislator addresses, staff, and phone numbers in Tallahassee and the district;
- Maps showing the boundaries for Senate, House, and Congressional district;
- Complete cross-reference list of county representation for each district in each chamber.

To receive your copy, call (904) 224-7173.
VISA and MasterCard accepted.

*Associated Industries of Florida
Service Corporation*



Help for Employers

by Frank T. White, AIFPCT Executive Vice President & CEO

In the last edition of the *Employer Advocate*, we discussed the complicated nature of workers' compensation insurance and assistance available to the injured worker through the Office of Employee Assistance.

Workers' compensation is not only confusing to the injured worker but also to the business person. To assist the *employer*, the Department of Labor and Employment Security has created the Employer Services Section as a new unit within the Division of Workers' Compensation.

The section will provide general resource information and referrals to employers. Section employees will provide employers with technical assistance for implementing cost containment programs. The drug-free workplace program will be overseen by the unit, and information and assistance on this program will be provided to employers.

Another aspect of the section is its program to provide public speakers for employer organizations.

For those small employers participating in the occupational health management system (OHMS) pilot program, the section will provide direct services and assist employers to lower costs by integrating the following:

Safety

Prevention

Case Management

Return to Work

A telephone hotline service will be implemented whereby an employer can obtain immediate answers to workers' compensation questions. Feedback from this hotline will be given to the division about employers' perspectives and concerns.

In addition to this section, an employer advisory group has been established which holds regular meetings. Michael Niss, the section coordinator, leads this advisory group and provides feedback from the meetings to the division. ■

For More Information

**Employers who
desire information
regarding this section
and its services
should contact the
coordinator's office
at (904) 921-6966.**

**A telephone hotline
service will be
implemented
whereby an employer
can obtain immediate
answers to workers'
compensation
questions.**



A Roar Sweeps

A Boom, A Collapse, and A New Association

by Jacquelyn Horkan, *Employer Advocate Editor*

In 1920, Atlanta Federal Penitentiary prisoner number 9653 received one million votes in the nation's presidential election. He was easily defeated by the top vote-getter Warren G. Harding, but the incident was an apt finale to several years of lunacy. And things would only get crazier.

That presidential candidate/federal prisoner was a gentleman named Eugene V. Debs who embodied two of the great shibboleths of his day: he was the leader of the Socialist Party and founder of the American Railway Union.

On the day of Debs's election defeat, Associated Industries of Florida was in its fourth month of existence. Alexis de Tocqueville, the 19th century French observer of American political and social life, once remarked, "Americans of all ages, all stations in life and all types of disposition are forever forming associations."

Associations are a normal occurrence in a free society where people expect to solve their own problems. In 1920, the Jacksonville businessmen who

formed Associated Industries could look around and find abundant grounds for anxiety.

The 20th century seemed to get off to a good start. Sure, the industrial revolution had caused some disruptions, but all in all science and technology bore the promise of a grand future.

New machinery and chemicals would eradicate hunger. Enlightened education methods would eliminate ignorance. Armed with the knowledge of psychology and sociology, business managers would boost productivity to record levels. Those same social sciences would reduce crime to a negligible degree.

Sadly, the promises would not bear fruit and within a few years political turbulence in Europe would give birth to a vicious and bloody world war.

The Red Scare

When World War I ended in 1918, four great empires had fragmented into political domains of questionable stability. The once-mighty Czar of All the Russias had been toppled from his throne and executed by a band of communist insurgents.

Americans looked at the mutineers in Eastern Europe and cast an apprehensive eye inward to their own shores. Domestic radicals encouraged their fears, boasting in pamphlets and brochures that the U.S. was on the verge of socialist uprising.

Actually, the radical groups were long on disorganization and short on cash, but they spread their seeds of fear well. Within one hour on June 2, 1919, a series of bombs blew up outside public buildings in eight American cities. One of the devices exploded outside the home of the U.S. Attorney General, shattering the front of the structure, injuring a night watchman, and killing the bomb thrower.

Two months later, radical socialists formed the American Communist and the Communist Labor parties with the express intention of promoting the proletarian revolution which they promised would arrive any day.

President Woodrow Wilson and his Cabinet, joined by the media, fell headlong into panic, touching off the Red Scare of the 1920s. Across the nation, citizens would respond to the perceived

**President Woodrow
Wilson and his
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the media, fell
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touching off the Red
Scare of the 1920s.**

through Florida

threat with a vengeance.

The New York Legislature expelled five members elected on the Socialist Party ticket. An Indiana jury would spend a full two minutes in deliberations before deciding that shooting a man for yelling "To hell with the United States" could not be considered a criminal offense.

Bolsheviks and Labor Agitators

In the midst of these tremors, labor unions entered the fray. Union members earned the hostility of the populace during World War I when they broke their pledge to avoid strikes. The war's labor shortages proved too great an enticement to the workers' desire for higher wages, union recognition, and control over the work process.

The number and impact of strikes would continue to climb after the war. In February of 1919, workers in Seattle staged a general strike. The city's mayor responded by declaring the strike a first step in the Bolshevik and union plan to paralyze the nation.

Later that year, the Boston police force would unionize and declare a work stoppage. By spring of 1920, the contagion had spread to the vital coal, steel, and railroad industries. Each time, an imminent Bolshevik revolution would be cited as the impetus behind the strikes.

Florida was not immune to the madness. In April of 1919, 3,500 workers at three southwest Florida phosphate mines walked off the job, soon to be followed by employees at 14 other companies. Railroad workers declared a sympathy strike and refused to haul phosphate from the mines.

Efforts to import replacement workers resulted in violence and casualties on both sides. Gov. Sidney Catts (1917-1921) called out the National Guard to restore order, then removed Polk County Sheriff John Logan for siding with the mine operators. Newspapers lashed out at the governor, accusing him of Bolshevik sympathies.

Boom to Bust

In the midst of all this turmoil, just when the need for a good stiff drink seemed the greatest, the United States approved the 18th Amendment to the U.S. Constitution, beginning its 14-year flirtation with Prohibition.

The temperance movement, begun in the middle of the 19th century, found its greatest ally in the 20th century love affair with

modern science. "Scientific" surveys showed a sensational increase in the consumption of alcohol between 1900 and 1915. Other evidence "proved" the addictive and poisonous nature of alcohol.

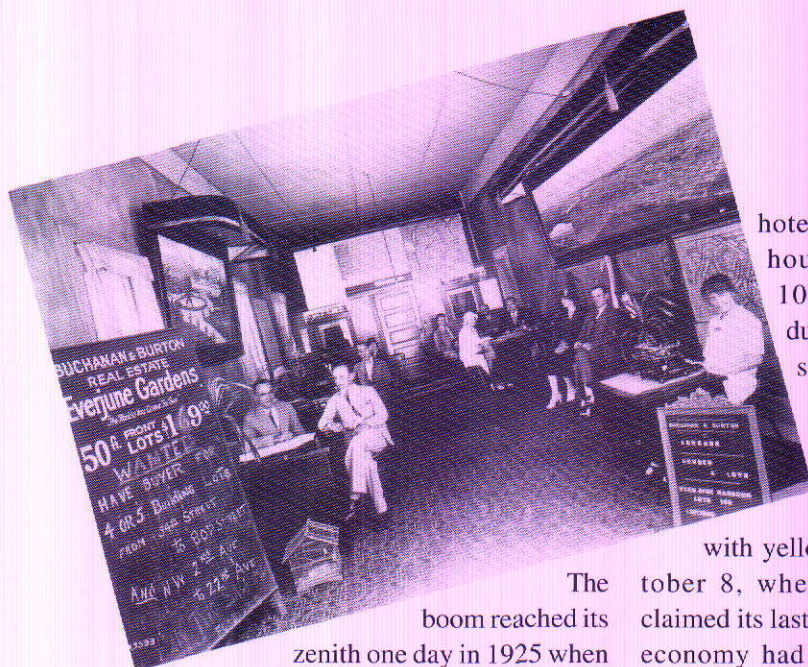
Ironically, this Victorian attempt to coerce morality occurred during one of those periods of American history when a significant minority seemed determined to flout every convention.

In southern Florida, where rumrunners were heroes while sober souls were stifling bores, the great land boom swirled out of control. Fraudulent property schemes prompted Northern newspapers to warn readers to avoid Florida at all costs. But the speculators flowed in at unprecedented rates.

Skyscrapers

sprouted up like
spring weeds
during the zenith of
Florida's real estate
boom in 1925.





**1926 — Miami land
auctions and
developments fed the
voracious appetite of
the Roaring Twenties.**

The boom reached its zenith one day in 1925 when the *Miami Daily News* published a 504-page edition chock full of real estate ads. That issue of the *Daily News* still holds the record for the largest in newspaper history.

By autumn of the following year, the boom crashed and former tycoons found themselves living in public parks eating beans out tinned cans.

An Island of Calm

Jacksonville stayed immune from the best and worst of the land boom. According to the city's promotional material, its financial interests "held a sane regard for the future stability of the state" as opposed to the "consideration of immediate but ephemeral profits" that dominated other areas of Florida.

After all, the city entered the storms of the third decade of the 20th century from a position of experience. In 1888, this largest and wealthiest city in Florida boasted a population of 20,000 and a thriving transportation and commercial center. Its 20 large

hotels and boarding houses hosted 100,000 visitors during the peak season for tourism.

On July 28, 1888, one of those visitors infected the city with yellow fever. By October 8, when the epidemic claimed its last victim, the city's economy had suffered a near fatal blow. Thirteen years later, as the city was overcoming the 1888 disaster, a great fire would destroy Jacksonville.

By 1920, Jacksonville's citizens had rebuilt their city. With a population of 91,558, almost 10 percent of the state's residents lived in the metropolis on the St. Johns River. It was the center of the state's financial, insurance, and commercial enterprises. It offered cultural and civic entertainments unknown to Floridians in every other part of the state.

Seeking to protect their hard-won affluence, some of the town's leading merchants and manufacturers formed an organization called the Duval County Employers Association (DCEA). The group's charter was officially recognized on July 6, 1920.

DCEA began as a local organization devoted to fostering good relations between employers and employees and between Jacksonville businesses. It was an effort to overcome the influence of labor unions by disprov-

ing the necessity for them. Members of DCEA would voluntarily accept a code of conduct to guide their dealings with each other and their employees.

In 1922, Adabelle R. Quinlan took over as the third administrative leader of the association. Under her direction, DCEA would change its name to the Florida Employers Association and open membership to all Florida businesses.

In 1927, the Florida Employers Association informally adopted a new name. In 1930, the charter was officially amended to reflect the new name: Associated Industries of Florida. By that time Florida's fling with land speculation had ended in a disaster which quickly spread to the rest of the nation.

Growing Pains

The Roaring Twenties were an exciting but painful decade for Florida. The state's population would grow by over 50 percent during that ten-year span. By 1930, for the first time in our state's history, more Floridians would live in cities than in rural areas. Miami would lead the way, transforming itself from a seaside hamlet of 29,751 residents to a cosmopolitan powerhouse of 110,637.

South Florida would give birth to nine new counties, each vying with the other for the services and infrastructure that would draw tourists and settlers. The bonded debt for Florida



counties hurtled upward, from \$86.2 million in 1922 to \$365 million in 1926. The level of municipal obligation continued to multiply until it reached \$532.5 million in 1931.

Fortunately, the politicians in Tallahassee abstained from the wild spending spree undertaken in the counties. Under Gov. Cary Hardee (1921-1925), the state actually decreased its bonded debt. He spent his four years in office trying to persuade the counties to follow Tallahassee's example. He also warned the citizens of the dangers of debt, telling them they were "in the anomalous position of demanding more and more government each year and at the same time demanding less taxes."

His words went unheeded.

With the collapse of the land boom in 1926, county managers found themselves trying to juggle immense debts with declining tax collections. Between 1926 and 1930, the assessed value of Florida real estate dropped from \$623 million to \$441 million. Per capita income plummeted a terrifying 58 percent. The average amount collected by the state and local governments from each Florida taxpayer dropped from \$62.23 in 1926 to \$47.84 in 1931.

The general profligacy of the county governments and citizens of Florida motivated the Jacksonville members of the Duval County Employers Association to attempt a statewide alliance

against the insanity of the period.

It also drew those business leaders into politics, where they argued for an increase in conservative and businesslike attitudes. Unfortunately, the infant organization lacked the power to make its voice heard above the din in the boom communities.

They had more luck in the state capitol, where legislators and governors agreed to pursue a rational course of economic development. By 1929, however, Tallahassee could no longer ignore the economic chaos in the counties.

That year, Gov. Doyle Carlton (1929-1933) asked the Legislature to increase the state's gasoline tax from one penny per gallon to five cents per gallon. The Legislature did Carlton one better, increasing the tax to six pennies per gallon, with two of the six cents dedicated to retirement of the counties' bonded debts.

But the situation would only get worse. Since most of the state's income came from property tax collections, the dropping value of property caused a \$2.5 million deficit in the 1931 state budget. Once again, Carlton asked lawmakers to increase the gas tax, setting off a bruising battle.

The Legislative Session dragged on for 40 days longer than its normal 60-day course. Most legislators supported the Carlton tax proposal, but a significant minority, particularly

those from north Florida counties that had resisted the debt impulse, vehemently objected to another increase. Opponents of the measure claimed they were locked out of the chamber during a significant debate on the bill. At one point, two members of the House faced off in a fistfight over the issue.

Finally the tax increase passed, a fitting footnote to the decade. After all, the gas tax was first enacted in 1921 at a rate of one penny per gallon. Within ten years, it had rocketed to seven cents a gallon. What could better illustrate the crazy exorbitance of the age of flappers, bolsheviks, and demon rum?

The Years of Transformation

During the 1920s and into the 1930s, the members of Associated Industries kept an arms-length distance from the Legislature, preferring to rely on friendships with individual legislators to express their views on proposed bills.

That restraint would soon dissolve. The social and economic dislocation of the Depression years set off an unprecedented foray by government into the personal affairs of businesses and citizens.

The escalation of government meddling, combined with the increase in political activity by labor unions, would force the business leaders of AIF into the state capitol. ■

BRAIN SNACK

When the war closed...we were challenged with a peacetime choice between the American system of rugged individualism and a European philosophy of diametrically opposed doctrines — doctrines of paternalism and state socialism.

— **President Herbert Hoover**

Next month: AIF's

Militant Secretary

— **John P. Ingle.**



FINANCIALLY \$TONG

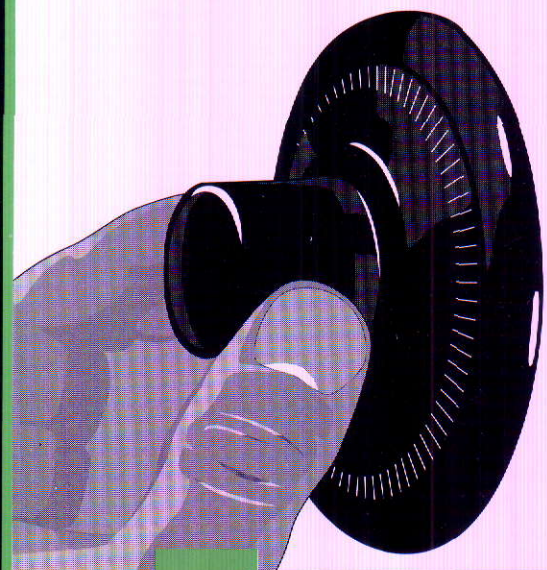
1992
1993
1994
1995

*I*n 1992, we made the statement "Deep in the Black."
In 1993, we generated more surplus, and became
"Deeper in the Black." In 1994, we increased our
surplus **35** percent.

As of today, we are financially stronger than ever.
On December 31, 1994, our revenues were
\$58,927,350 and our policyholders' surplus was
\$14,685,834 after losses and expenses.

These are numbers we are very proud of, and we
want you to know that our writings to surplus ratio is
now 4:1. Our numbers are real — we can prove it.
And, that's a fact you can take to the bank. ■

**For a copy of our financial statement,
call our Marketing Department at
1-800-866-1234, extension 2118.**



*A*ssociated Industries of Florida
Property & Casualty Trust

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POMPANO BEACH, FL 33061

FACSIMILE: (305) 772-7836



SSA Furnishes PEBES Informational Package to Employers

Reprinted from **Reporter**, a quarterly newsletter published by the Social Security Administration and the Internal Revenue Service

In mid-February, the Social Security Administration (SSA) began mailing *Personal Earnings and Benefit Estimate Statements* (PEBES) to the almost nine million people who are age 60 or older, have earnings posted to their Social Security record, and are not currently receiving Social Security benefits. The mailings will continue through September. Then, beginning in October 1995, and each year thereafter, SSA will send PEBES to people who reach age 60 during the year. By the year 2000, statements will be mailed each year to workers who are age 25 or older (an estimated 123 million).

The Package

Because employees often contact their own payroll office first with questions about their earnings statements, SSA developed the PEBES Employer Information Package. The package helps employers: 1) make sure employees are aware that they will be receiving a PEBES, thus reducing the volume of questions once the automatic mailings be-

gin; 2) respond to many of the generic questions that may arise; and 3) correct any erroneous posting of earnings that the employer may have reported.

The following is an excerpt from the PEBES Employer Information Package.

General PEBES Information

The statement provides a year-by-year display of the worker's earnings based on information employers reported to

SSA on a Form W-2, *Wage and Tax Statement*, or magnetic media equivalents. That information helps workers make sure their earnings are correctly reported. This is especially important because the reported earnings are used to calculate a person's future Social Security benefits. The PEBES also provides an estimate of retirement, survivors and disability benefits a worker (and family) may be eligible for, now and in the future. That makes the statement a valuable financial planning tool for the employee. It is, therefore, essential that employers send SSA timely, accurate Form W-2 information.

Discrepancies in wage record information, such as the name or Social Security number (SSN) on the Form W-2 not matching SSA's records, prevent wages from being credited to the worker's record. Mismatched records cannot be posted, and, if contact with the employee or employer is unsuccessful, SSA places the earnings in a suspense file. *Uncredited earnings* could affect the employee's future eligibility for benefits and may re-

Because employees often contact their own payroll office first with questions about their earnings statements, SSA developed the PEBES Employer Information Package.

FOR MORE INFORMATION

You may obtain a copy of the PEBES Employer Information Package, Publication 20-003, by accessing SSA's Bulletin Board System by dialing **(410) 965-1133**

or, by writing to:

SSA

451 Altmeyer Building
6401 Security Blvd.
Baltimore, MD 21235.



sult in unnecessary additional inquiries to employer payroll offices. This explains why SSA stresses the importance of recording and reporting the correct name, SSN, and wages for each employee.

What Can You Do

You may want to use the following, sample language in pay stub stuffers or company newsletters to tell your employees about SSA's upcoming PEBES mailings.

(Insert Employer's Name) matches your Social Security and Medicare taxes dollar for dollar. This investment serves as a base for your retirement planning when you combine it with savings, individual retirement account, or investments. To help you plan for your financial future, the Social Security Administration (SSA) can provide you with a Personal Earnings and Benefits Estimate Statement (PEBES) showing the earnings recorded under your Social Security number. The statement also provides an estimate of Social Security benefits you and your family may qualify for now and in the future.

If you're age 60 or older and not receiving Social Security benefits, SSA will automatically send you a PEBES sometime between February 1995 and September 1995. Beginning in October 1995, and each year thereafter, people who turn 60 in that year also will automatically receive a PEBES. By the year 2000, So-

cial Security expects to begin sending statements each year to everybody who is age 25 or older. After you read the statement, you don't have to do anything unless you believe the earnings information is incorrect. If the error involves recent earnings at your current job, contact the payroll office. If your statement shows any other incorrect earnings, call Social Security's toll-free number, 1-800-772-1213 to report the discrepancy.

When you call be sure to have your records of the correct earnings handy — such as W-2s, pay stubs and tax returns. You should also call the toll-free number to report an incorrect name or Social Security number on the statement.

Be sure to check the PEBES to make sure your name and number are correctly listed. Name and SSN discrepancies may prevent SSA from properly crediting your earnings record, which could affect future Social Security benefits payable to you and your family.

When Questions Arise

When employees ask you questions about PEBES, it's helpful for payroll offices to know when to offer assistance and when to refer the employee to SSA. The following can serve as a guide.

You can offer assistance when —

■ The PEBES is incorrect due to an employer filing error.

(This may occur when an adjustment is made to the W-2 before it is submitted to SSA and the employee is not furnished a corrected copy.) Employers can help employees whose PEBES show missing or incorrect earnings by submitting the proper correction forms. *Please note:* Earnings discrepancies that exceed the four-year payroll record retention period established by the Internal Revenue Service should be returned to SSA for resolution.

■ The employee's name and/or Social Security number (SSN) on his or her Social Security card doesn't match the name and/or Social Security number (SSN) in the payroll record.

When employees should contact SSA —

■ A PEBES shows either missing or incorrect earnings that occurred while working for another employer. The employee should have his or her tax record(s) for the year(s) in question available when making the call.

■ A state or local employee receives a PEBES with missing or incorrect earnings before 1987.

■ The name and/or SSN on the PEBES statement is incorrect. Employees should make sure the name on the PEBES statement matches their Social Security card and their payroll records so they can receive proper credit on their Social Security earnings record. ■



AIF Introduces New Staff Members



Robert W. Konicki

Senior Vice President
and
Chief Operating Officer

Associated Industries of Florida Property & Casualty Trust

Robert W. Konicki, who joined Associated Industries of Florida Property Casualty & Trust in 1994, is Senior Vice President and Chief Operating Officer. In this role, Bob is responsible for the coordination of all internal operations with direct responsibility for all operating divisions other than Claims.

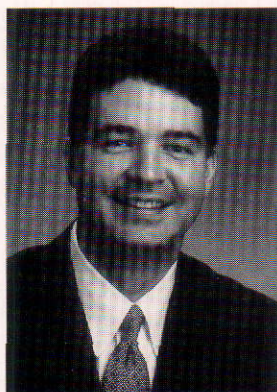
Prior to joining AIFPCT last year, Bob was the Senior Vice President and Chief Financial

Officer for the National Council on Compensation Insurance with responsibility for the effective management of all financial resources, capital assets, and fiscal planning. Bob also served as the Treasurer of National Workers Compensation Reinsurance Pool managed by the NCCI. He has also had varied insurance experience in both a financial and operations capacity with a national insurance carrier and a reinsurer. ■

Foster Harbin was an active participant in one of the most exciting and challenging presidential elections since 1960: the 1988 presidential campaign between then Vice President George Bush and Gov. Michael Dukakis. Foster backed the winning side in that battle.

Following Bush's landslide victory over Dukakis, Foster served on the Bicentennial inaugural committee as an aide to James A. Baker III. Harbin also worked with Roger Ailes, the media mastermind responsible for the Bush communications strategy in 1988 and the Rush Limbaugh Show.

In 1989, Foster began to represent the President as an advance man. In this capacity he



Foster Harbin

Vice President,
Corporate Development

served as special White House representative to Soviet President Gorbachev and coordinated several bilateral summits on behalf of President Bush. In 1992, Foster was tapped for the Bush-

Quayle '92 Campaign as a national deputy financial director and Midwest regional director. Upon the conclusion of the primaries, Foster relocated to Florida where he worked with Spearman Management and The Ounce of Prevention Fund of Florida before joining AIF.

Foster's duties at AIF include membership retention, recruitment campaigns, and marketing for all AIF programs, including Florida Business Network, Florida Business United, video production, and insurance services.

Foster is a graduate of Stetson University. He and his wife Martha have one child, Pierce. ■



See What You Can Find...

by Irv B. "Doc" Kokol, Vice President, Video Productions



*If you haven't found a reason
to check out the Internet yet,
let me offer you some
motivation.*

While scanning the condensed news clips on AIF's Florida Business Network, I found several articles about two bills under consideration by the Joint Committee on Information Technology Resources to provide access to public records over the Internet.

The federal Department of Justice, the Securities and Exchange Commission, and the state governments of Hawaii and California all use the Internet to provide information to the public. It seems Florida may be preparing to do the same.

Access to the Internet can be as easy as calling your local library. Many cities in Florida offer a "Freenet" — community access to the Internet at no cost or for a very small charge. All you need is a modem, a computer, and some inexpensive communications software. The Freenet

may be administered by a local university or community college, but your local library staff should be able to point you in the right direction.

Interactive TV

Technology is also moving into your home in the guise of interactive television. Several communications conglomerates are providing versions of interactive television in test markets today. This technology gives viewers the ability to tailor what they see and how they see it.

Your television set may soon become information central in your home. Retailers are looking at interactive television as a means to bring their goods and services directly to their customers. Soon you will be able to buy your groceries by shopping the aisles of a virtual reality grocery store.

In the future you will be able to pay your monthly mortgage bill via television remote control. You will be able to order first-run movies which will start when you want to see them. You will be able to pre-program the system to play mood music for your

next house party.

How consumers will access this information and how much they are willing to pay for it remains to be seen.

Paid Per View

While some groups are concerned about the total expendable dollars a consumer will spend on interactive television, one test market has a new twist. It's called "paid per view." Here's how it works. One of the items on your menu might be an infomercial for a new car. When you select it and view the infomercial, you will receive a credit on your interactive television bill.

The car manufacturer will, in turn, receive information about you, probably your name, address, and demographic information about your household. It's an interesting twist that the industry will watch closely in the on-going trials.

That's it for this month. I'd like to hear about your successes or nightmares on the Internet. Contact me at my Internet address, kokol@freenet.fsu.edu, or at the AIF headquarters. ■

**Next month, direct
mail marketing
with video: Is it an
advertising
panacea or just
expensive junk
mail?**



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

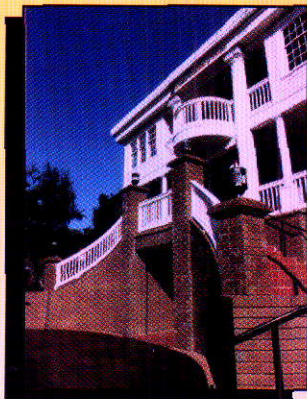


Photo by Hugh Scoggins

*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.



an exclusive service for members of Associated Industries of Florida

Associated Industries of Florida

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