

MADISON POLICY DIGEST

January 3, 2005

www.jamesmadison.org

-
- * USS Kennedy Targeted in Budget Cuts
 - * State Eyes Pollution Credit Program
 - * Oyster Bar Owner Battles State Law on Smoking
-

USS KENNEDY TARGETED IN BUDGET CUTS

http://www.jacksonville.com/tu-online/stories/123104/met_17574373.shtml

A Pentagon proposal to retire the Mayport-based USS John F. Kennedy as early as 2006 could deliver what state and local officials say is a crippling blow to Jacksonville's economy and the city's military presence, the Florida Times-Union reported Friday.

This comes just eight months after the Navy's top official said the aircraft carrier would be in Jacksonville until 2018, and a year after the government pumped \$350 million into upgrading the ship.

The proposal is part of a Department of Defense plan to slice \$60 billion in six years and would leave the Navy with 11 aircraft carriers, cutting the fleet for the first time since the mid-1990s.

Local, state and federal officials say they'll fight to keep the Kennedy here. They're firing off letters to President Bush and huddling to lobby Washington lawmakers to save the carrier, which first deployed in 1968.

Various studies show the Kennedy has about a \$200 million to \$300 million annual impact on Northeast Florida, officials said.

But a recent memo from the Heritage Foundation says that no further amount of study will change the fact that the Pentagon maintains—and funds—approximately twenty-five percent in excess base infrastructure.

“Delaying the BRAC process further is a bad decision, and requiring additional studies to be completed before the process can commence is just not justified,” writes Senior Policy Analyst for Defense and National Security Jack Spencer.

Spencer continues, “BRAC is a difficult process for many, but it is, nonetheless, a necessary one.”

To read full text of Heritage WebMemo #507, “BRAC Must Not Be Delayed,” visit

<http://www.heritage.org/Research/NationalSecurity/wm507.cfm>.

STATE EYES POLLUTION CREDIT PROGRAM

<http://www.news-press.com/apps/pbcs.dll/article?AID=/20050103/NEWS0105/501030378/1002/NEWS01>

Florida is looking into how the state might set up a program in which credit for water pollution cleanup could be bought and sold like shares on the stock market, the Fort Myers News-Press reported today.

The basic premise of so-called pollutant trading is: If one company—or public entity—is able to reduce its pollution by more than the state minimum, it could sell the credit for that extra reduction to another entity that's having a hard time meeting its minimum.

Reducing pollution costs different companies and public agencies different amounts.

For example, a large city may be able to treat sewage more cheaply and efficiently than a small town. If the small town were having a hard time affording the technology to reduce its pollution, under this new program, it might be able to buy pollution reduction credits from the larger town.

To work out the details, the state put together a committee of 16 people, from environmentalists to developers.

The group has met twice since Nov. 4 and plans to have a written proposal for the state to review in six months. The Department of Environmental Protection hopes to have that turned into a rule before the Legislature in 2006. The program must have legislative approval before taking effect.

Pollutant trading's poster child is the air pollutant trading program set up in 1990. It aimed to reduce acid rain and did. The program lowered sulfur dioxide emissions from 15.7 million tons in 1990 to 11.2 million tons in 2000, according to figures from the U.S. Environmental Protection Agency.

Daniel K. Benjamin at the Property & Environment Research Center (PERC)—a JMI coalition partner—examined the market principles behind the air pollutant trading program in “The Market for SO₂ Emissions,” found in the February 1999 issue of PERC Reports.

Benjamin writes:

“Economists have long argued that tradable emissions permits are, in principle, superior to the command-and-control approach in reducing pollution. Traditional regulators have disagreed. The results of a pioneer trading program are now in, and they suggest that the economists are correct . . .

. . . Perhaps now some serious consideration will be given to environmental protection systems in which there is even less administrative control by the government.”

To read full text of “The Market for SO₂ Emissions,” visit <http://www.perc.org/publications/percreports/feb1999/tangents.php>.

OYSTER BAR OWNER BATTLES STATE LAW ON SMOKING

<http://www.miami.com/mld/miamiherald/news/local/10551528.htm>

Walk into the Old Cutler Oyster Company in Cutler Ridge and there's something unusual going on: smoking.

In Florida's new world of smoke-free restaurants, this landmark tavern has become a speakeasy, the Miami Herald reported today.

Owner Michael Pace Sr. is selling the business because he got a good deal on a lease buy-out, he says. He plans to open a new upscale restaurant in the coming months.

Yet Pace will continue fighting the state's smoking ban, even though he has no intention of allowing indoor smoking at his next restaurant.

So far, he appears to be winning, to the extent that legislators may have to amend the smoking law next session to close loopholes that Pace has uncovered.

"We're the first one to get a favorable recommendation from a judge," said Pace to the Herald. "We're following the law as it's written."

In Florida, the law generally prohibits smoking inside restaurants, even if they include a bar. Only stand-alone bars, which make less than 10 percent of their money on food, are supposed to allow smoking inside since a constitutional amendment—approved by 71 percent of state voters—went into effect in 2003.

Pace, who won't say how long he's been a smoker, has many complaints about the law. He says it discriminates because it allows exceptions for some businesses, even as its stated goal is to protect all employees from second-hand smoke. And he's annoyed that people who don't pay a mortgage or a payroll are making a key decision that will affect business.

On July 9, Florida Alcohol Beverage and Tobacco agent Jorge Fernandez walked into Pace's bar and saw people smoking. He told manager Lisa Tyrell, who got Pace on the phone with the agent. Pace received a warning that day and asked Fernandez to tell him when he would be back so he could "make sure he had patrons smoking inside his business," according to case documents filed by the state.

Fernandez came back to the bar two more times before citing Pace on Sept. 18, 2003.

Rather than pay a \$250 fine, Pace spent his own money to hire a lawyer. (He won't say how much.)

"The law was horribly, horribly, horribly written," Pace said to the Herald.

Administrative Judge Michael Parrish agreed. His Sept. 24 opinion notes that there is no legal requirement for a bar owner to take "specific action" when someone is smoking in the bar. The judge also ruled that the Florida Department of Business and Professional Regulation is authorized to fine a "person" under the law, but not a business.

Since the law went into effect, the department has opened 56 cases, assessing fines 29 times, either through orders or agreements. Two cases have been dismissed outright. Most of the other cases have yet to be resolved.

QUOTE OF THE WEEK

“Everything that is really great and inspiring is created by the individual who can labor in freedom.” (Albert Einstein)

OPINION OF THE WEEK

“Stingy?” by Bruce Bartlett

<http://www.townhall.com/columnists/brucebartlett/bb20041231.shtml>

“The other day, a United Nations official accused the United States of being ‘stingy’ in terms of aid to tsunami victims in South Asia. After criticism from the State Department, the official clarified his position. Americans are not being stingy in helping tsunami victims, only stingy in terms of overall foreign aid as compared to other countries.

This is a familiar attack, which comes up annually when the foreign aid appropriations bill is before Congress. But let’s look at the facts.”

ADVANCE THE CAUSE OF LIBERTY WITH A TAX-DEDUCTIBLE GIFT TO JMI!

Do you like what you’re reading here in Madison Policy Digest?

Then help us spread the message of free markets and liberty with your tax-deductible gift to The James Madison Institute! JMI accepts no government funding, and we rely on contributions from people just like you.

Giving to the Institute is now easier than ever with our secure, online system powered by PayPal. Your contribution is tax deductible to the fullest extent allowed by law; your greatest benefit will be a freer and more prosperous Florida.

Become a JMI member today! For more information, visit

<http://www.jamesmadison.org/category.php/5.html> or contact Susan Christian at 850-383-4623.

Log onto our web site for additional resources and more public policy information:

<http://www.jamesmadison.org>

The Madison Policy Digest is a free, weekly e-newsletter that summarizes Florida’s top policy headlines from around the state, complete with topical research and comment by The James Madison Institute. Suggestions and feedback are welcome at newsletter@jamesmadison.org

If you would like to unsubscribe to Madison Policy Digest, and you can not access the “Unsubscribe” link below, send an e-mail to newsletter@jamesmadison.org with “UNSUBSCRIBE” in the subject line.