



MAF Weekly Report – July 30, 2012

Comments Needed on DOR Repair Parts Proposed Rule

On August 8 the Florida Department of Revenue will conduct a public workshop on proposed changes to their rules on the sales tax exemption for manufacturing repair parts. MAF will be in attendance but we need your input so we know what comments you would like to make. We also encourage you to attend if this is important to you.

In talking to Jeff Soff, DOR, the reason for the rule change is to curb the abuse of the exemption. In DOR's opinion, manufacturers have been claiming the exemption for repair parts when they were really using consumables. DOR would like to now make the distinction between parts and consumables. Further, they are establishing an exemption certificate by rule for the first time for this exemption. By using the certificate you can show it to the seller and not have to pay the tax up front. This was practice but not backed up by law. Also, they have surveyed the other states and can share what other states are doing regarding this exemption. Finally, DOR wants your input because if they have classified certain parts as consumables and they are really repair parts they want you to let them know that.

The public workshop is at DOR on August 8, 2012 at 10:00 a.m. in Room 1220, Building One, 2450 Shumard Oak Boulevard, Tallahassee, FL. MAF would like your comments by Friday, August 3. DOR will take comments after the hearing as well. The hearing will be a great opportunity to discuss the matter and make sure that parts are parts and consumables are consumables!!! If anyone would like to volunteer to attend or help us draft comments, we would appreciate it!! All the materials were sent to MAF members on July 27.

Accepting Sponsors and Exhibitors for MAF Summit

We are now accepting sponsors and exhibitors for the MAF Summit and Marketplace, December 6-7, 2012 at the Hyatt Regency Orlando Airport Hotel. Forms for both are attached or you may sign up online at www.mafmfg.com. We encourage you to invite your suppliers to exhibit. We want to make this the premier networking opportunity for Florida manufacturers. Feel free to forward the forms to your suppliers.

Grant Awarded UF for Starting Technology Companies

The University of Florida has received a federal five-year grant to promote the formation of technology startup companies based on university research discoveries. The U.S. Department of Commerce's Economic Development Administration awarded \$645,000, matched by the university over the next five years, to UF Tech Connect which assists in commercializing university research discoveries by helping create startup companies. During the last fiscal year, UF Tech Connect client companies created 230 new jobs and generated \$180 million in private investment. The grant will allow the program to continue this work. In the past UF Tech Connect has helped launch more than 140 startup companies, garnering more than \$800 million in private investment and creating more than 1,200 jobs.

Manufacturing the Bright Spot in the Economy

On July 24 Candy Munz, MAF, participated in an economic manufacturing webinar hosted by the National Association of Manufacturers (NAM) featuring NAM's Chief Economist, Dr. Chad Moutray. This webinar was an update on the current state of the economy within the industry. According to Dr. Moutray, the primary driver for a 1.9% increase of GDP in the first quarter of this year is consumption. This is good news for manufacturers.

From a small business standpoint, Moutray's research has shown that sales are still a top concern. This is in addition to concerns on taxes and regulation. Looking on the national scale for the future, it is projected that employment growth will continue to slow. Despite this, manufacturing has been a bright spot in the economy for the past six months Moutray said; especially the manufacturing of durable goods. Additionally, there have been tremendous gains in manufacturing labor productivity. On the broader national scale, labor productivity was actually down by 1%, but in the manufacturing of durable goods there has been almost a 10% increase, with a 5.2% increase for the manufacturing sector overall. Moutray expressed that top concerns in the industry remain to be the tax and regulatory environment as well as rising energy and raw material costs. NAM anticipates conducting economic webinars each quarter.

August Recess for Congress

Members of Congress will be back in their home districts/states from August 6 through September 7 for the August recess period. This is a perfect opportunity to contact your legislators and give input about how to grow the economy and create jobs. Specifically, this August, the National Association of Manufacturers (NAM) asks that you urge Congress to reject tax increases and extend tax policies for manufacturers and job creators. Below are some talking points:

- U.S. manufacturers currently face higher tax costs than their competitors in other countries. Our statutory corporate tax rate is the highest among developed nations and our worldwide tax system increases the cost of doing business for U.S. corporations and costs American jobs.
- Unless Congress acts now, small business owners will face billions of dollars in new taxes in 2013. The individual tax rates enacted in 2001 and 2003 and extended in 2010, which dramatically lowered the tax burden on small business owners, expire at the end of 2012.
- Congress has yet to address the R&D credit, which expired at the end of last year. The R&D credit is a proven incentive for spurring private sector investment in R&D and domestic, high-wage jobs.
- In addition, effective January 1, 2013, absent legislative action, the top tax rate on dividends will almost triple from 15 percent today to more than 43 percent, and the top tax rate on capital gains will increase from 15 percent to nearly 24 percent.
- It costs 20 percent more to manufacture in the United States and taxes are a major factor.

Parents Step Up to the Challenges of FLATE's Final Summer Robotics Camp

Nearly 200 students attended one of eight week-long FLATE Summer Robotics camps either at Hillsborough Community College Brandon or the Institute of Human and Machine Cognition (IHMC) in Ocala. On July 27 over 45 parents and family members assembled to support the 22 middle school students for the last day of the last 2012 FLATE Summer Robotics Camp. After watching the amazing STEM skills the students had learned during the week through the demonstrated challenges, the students were given 10 minutes to teach the parents to program their robots. Parent teams stepped up

to the plate for this "bottle touch" challenge: to get their robots the closest to a row of bottles in the least amount of time without knocking them down. Cliff Csulik, President of the Bay Area Manufacturers Association (BAMA), watched the competitions and also addressed the students and their parents about the importance of STEM and particularly robotics in high tech manufacturing industries. Mr. Csulik, an engineer at Jabil Circuits, commented that it was truly amazing to see how much the students had learned about programming and robotics as well as teamwork and responsibility during the one-week camp. For more information, please contact Dr. Marilyn Barger (barger@fl-ate.org) or visit the FLATE website, www.fl-ate.org.

EPA Announces Review of Air Toxics Rule for New Power Plants

The Environmental Protection Agency (EPA) has announced that it will reconsider some aspects of its Mercury and Air Toxics Standards (MATS) for new power plants, also known as Utility MACT. The Agency will also stay the new source rules for three months during the review process. The MATS rule is one of the most expensive regulations the agency ever issued for power plants. It is still unclear how the EPA's decision to reconsider portions of the new source standards will impact pending litigation over the final rule.

EPA to Set Deadlines for Air Regulation

Last week the EPA agreed to set deadlines in Florida for limiting haze-causing air pollution. The agreement settles a lawsuit between EPA, Earthjustice, the Sierra Club and the National Parks Conservation Association. It is still subject to approval by federal court. It requires EPA to finalize cleanup steps in two phases with the last due July 15, 2013. EPA settled similar complaints in 42 other states earlier this year.

Short Notes

- Air Products will construct a 300,000 square foot liquefied natural gas (LNG) heat exchange manufacturing facility in Manatee County, Florida. The new LNG facility will employ approximately 250 employees in a 4-year ramp up period. Operations will begin in 2013.
- Somahlution, a development life science company from Fargo, ND will be relocating to Jupiter, FL and create 25 jobs over 3 years. The company focuses on advancing the science of organ and surgical conduit transplantation and will construct a 13,000 square foot facility.
- The July 25 environmental report from Hopping Green and Sams is attached.

Florida Administrative Weekly – July 27, 2012

The Florida **Public Service Commission** announces a workshop to which all persons are invited.

DATE AND TIME: Monday, August 13, 2012, 9:30 a.m.

PLACE: Betty Easley Conference Center, Room 148, 4075 Esplanade Way, Tallahassee, Florida 32399-0850

GENERAL SUBJECT MATTER TO BE CONSIDERED: The Florida Public Service Commission has jurisdiction over the determination of overall suitability of ten-year site plans pursuant to Section 186.801, Florida Statutes. The purpose of this workshop is to afford an opportunity for discussion and public comment on the ten-year site plans submitted by Florida's electric utilities and on related issues. In addition, the Florida Reliability Coordinating Council will present the Peninsular Florida Regional Load and Resource Plan, and associated studies. A copy of the agenda may be obtained by contacting: Office of Commission Clerk, Gerald L. Gunter Building, 2540 Shumard Oak Blvd., Tallahassee, FL 32399-0850.

The Florida **Public Service Commission** announces a status conference in the following docket to which all persons are invited.

DATE AND TIME: Monday, August 13, 2012, thirty minutes after the conclusion of the Commission Public meeting scheduled at 1:00 pm to discuss the Duke-Progress merger.

PLACE: Commission Hearing Room 148, Betty Easley Conference Center, 4075 Esplanade Way, Tallahassee, Florida

GENERAL SUBJECT MATTER TO BE CONSIDERED: Docket No.100437-EI – Examination of the outage and replacement fuel/power costs associated with the CR3 steam generator replacement project, by Progress Energy Florida, Inc. The purpose of this status conference is to discuss Progress Energy Florida's repair or retire decision, the scheduling of any repairs to the CR3 unit and the scheduling of the next hearing track phases. Any other issues related to the scope and scheduling of the docket may also be discussed. For questions, contact Commission staff, Lisa Bennett, (850)413-6230.

The Florida **Public Service Commission** announces a public meeting in the following docket to which all persons are invited.

TITLE: Docket Number 120009-EI – Nuclear cost recovery clause

PREHEARING CONFERENCE

DATE AND TIME: Wednesday, August 15, 2012, 9:30 a.m.

PLACE: Room 148, Betty Easley Conference Center, 4075 Esplanade Way, Tallahassee, Florida

GENERAL SUBJECT MATTER TO BE CONSIDERED: The purpose of this prehearing conference is to: (1) simplify the issues; (2) identify the positions of the parties on the issues; (3) consider the possibility of obtaining admissions of fact and of documents which will avoid unnecessary proof; (4) identify exhibits; (5) establish an order of witnesses; and (6) consider such other matters as may aid in the disposition of the action.

HEARING DATES AND TIMES: September 5, 2012, 10:30 a.m.; September 10-13, 2012, 9:30 a.m. The starting times on September 11-13, 2012, will be announced at the conclusion of the hearing on the previous day. The hearing may be adjourned early if all testimony is concluded.

PLACE: Room 148, Betty Easley Conference Center, 4075 Esplanade Way, Tallahassee, Florida.

GENERAL SUBJECT MATTER TO BE CONSIDERED: The purpose of this hearing is for the Commission to take action on Florida Power & Light Company's and Progress Energy Florida, Inc.'s petitions in Docket No. 120009-EI – Nuclear Cost Recovery Clause. The Commission will receive testimony and exhibits relative to issues and subjects in the above-referenced docket, and consider any motions or other matters that may be pending at the time of the hearing. The Commission may rule on any such motions from the bench or may take the matters under advisement. This proceeding shall: (1) allow each utility to present evidence and testimony in support of their petition; (2) permit intervenors to present testimony and exhibits concerning each utility's petition; and (3) allow for such other purposes as the Commission may deem appropriate.

The **Department of Environmental Protection**, Bureau of Assessment and Restoration Support announces a telephone conference call to which all persons are invited.

DATE AND TIME: Wednesday, August 8, 2012, 1:00 p.m. – 3:00 p.m.

PLACE: Conference Call: 1(888)670-3525, Code: 7593387652#. The meeting can also be accessed via GoToWebinar at: <https://www2.gotomeeting.com/register/319244530>

This is a meeting of the Florida Water Resources Monitoring Council Salinity Network Workgroup to discuss the framework document and development of indices for groundwater levels and groundwater quality. A copy of the agenda may be obtained by contacting: Ms. Stephanie Sunderman, Watershed Monitoring Section, Florida Department of Environmental Protection, 2600 Blair Stone Road, MS #3525, Tallahassee, Florida 32399, e-mail: Stephanie.Sunderman@dep.state.fl.us.

The **Department of Environmental Protection**, Bureau of Assessment and Restoration Support announces a telephone conference call to which all persons are invited.

DATE AND TIME: Thursday, August 9, 2012, 1:00 p.m. – 3:00 p.m.

PLACE: Conference Call: 1(888)670-3525, Code: 7593387652#. The meeting can also be accessed via GoToWebinar at: <https://www2.gotomeeting.com/register/366654586>.

This is a meeting of the Florida Water Resources Monitoring Council Monitoring Catalog Workgroup to discuss the next steps for the monitoring catalog effort. A copy of the agenda may be obtained by contacting: Ms. Stephanie Sunderman, Watershed Monitoring Section, Florida Department of Environmental Protection, 2600 Blair Stone Road, MS #3525, Tallahassee, Florida 32399, e-mail: Stephanie.Sunderman@dep.state.fl.us.

The **Department of Environmental Protection**, Bureau of Mining and Minerals Regulation announces a public meeting to which all persons are invited.

DATE AND TIME: August 9, 2012, 4:00 p.m.

PLACE: Circle B-Bar Reserve, Polk's Nature Discovery Center, 4399 Winter Lake Road, Lakeland, FL 33803

GENERAL SUBJECT MATTER TO BE CONSIDERED: The Management Plan Advisory Group for Leases 3995 and 3963 will meet to discuss and provide input to draft land management plans for the referenced leases. These leases include lands that are part of the Integrated Habitat Network. A copy of the agenda may be obtained by contacting: Lisa Robertson, Department of Environmental Protection, 2051 East Dirac Dr., Tallahassee, FL 32310, (850)488-8217.

The **Department of Environmental Protection** announces a workshop to which all persons are invited.

DATE AND TIME: August 22, 2012, 9:00 a.m.

PLACE: Bob Martinez Center, Room 609, 2600 Blair Stone Road, Tallahassee, Florida 32399-2400

This is a rule development workshop to discuss technical corrections to the used oil management regulations in Chapter 62-710, F.A.C. The public may attend this meeting in person or via webinar. To join the webinar, register at: <https://www2.gotomeeting.com/register/268261346>. After registering you will receive a confirmation email containing information about joining the webinar. A copy of the draft rule modification language will be posted at <http://www.dep.state.fl.us/waste/>. A copy of the agenda may be obtained by contacting: Julie Rainey, Department of Environmental Protection, MS #4560, 2600 Blair Stone Road, Tallahassee, Florida 32399-2400, (850)245-8713 or email: Julie.C.Rainey@dep.state.fl.us or website: <http://www.dep.state.fl.us/waste/>.

The **Department of Environmental Protection** announces a workshop to which all persons are invited.

DATE AND TIME: August 22, 2012, 9:00 a.m.

PLACE: Bob Martinez Center, Room 609, 2600 Blair Stone Road, Tallahassee, Florida 32399-2400

This is a rule development workshop to discuss technical corrections to the hazardous waste regulations in Chapter 62-730, F.A.C. The public may attend this meeting in person or via webinar. To join the webinar, register at: <https://www2.gotomeeting.com/register/268261346>. After registering you will receive a confirmation email containing information about joining the webinar. A copy of the draft rule language will be posted at <http://www.dep.state.fl.us/waste/>. A copy of the agenda may be obtained by contacting: Julie Rainey, Department of Environmental Protection, MS #4560, 2600 Blair Stone Road, Tallahassee, Florida, 32399-2400, (850)245-8713.

Office of Energy

RULE Numbers: 50-2. Florida Renewable Energy

PURPOSE AND EFFECT: The purpose of this new rule is to provide guidance to interested taxpayers for the application process, review and administration of the Florida Renewable Energy Technology Sales Tax Refund, the Florida Renewable Energy Technology Investment Tax Credit and the Florida Renewable Energy Production Credit. SUBJECT AREA TO BE ADDRESSED: Florida Renewable Energy Technology Sales Tax Refund, Section 212.08, F.S.; Florida Renewable Energy Technology Investment Tax Credit, Section 220.192, F.S.; and Florida Renewable Energy Production Credit.

A RULE DEVELOPMENT WORKSHOP WILL BE HELD AT THE DATE, TIME AND PLACE SHOWN BELOW:

DATE AND TIME: Wednesday, August 15, 2012, 9:00 a.m. – 11:00 a.m.

PLACE: Gatlin Ballroom, Rosen Shingle Creek, 9939 Universal Blvd., Orlando, Florida 32819

THE PERSON TO BE CONTACTED REGARDING THE PROPOSED RULE DEVELOPMENT AND A COPY OF THE PRELIMINARY DRAFT, IF AVAILABLE, IS: April Groover, 600 South Calhoun Street, Suite 251, Tallahassee, Florida 32399-0001 or telephone (850)617-7470 THE PRELIMINARY TEXT OF THE PROPOSED RULE DEVELOPMENT IS AVAILABLE AT NO CHARGE FROM THE CONTACT PERSON LISTED ABOVE.

UPCOMING EVENTS

- August 7 MAF Manufacturers Summit Planning Teleconference, 11:00 a.m. E.T., Dial in number is (712) 775-7000; PIN 317371#.
- August 16 MAF Environmental Teleconference, 2:00 – 3:00 p.m. E.T., Dial in number is (712) 775.7000; PIN 317371#.
- October 18 MAF Environmental Teleconference, 2:00 – 3:00 p.m. E.T., Dial in number is (712) 775.7000; PIN 317371#.
- December 6-7 MAF Manufacturing Summit and Manufacturers of the Year Awards Dinner at the Hyatt Regency Orlando Airport Hotel, Orlando, FL. Now accepting sponsors and exhibitors. Go to www.mafmfg.com for more details or contact becky@nstephens.com.