

T H E C A B I N E T
S T A T E O F F L O R I D A

Representing:

FINANCIAL SERVICES COMMISSION, FINANCIAL REGULATION
DEPARTMENT OF REVENUE
DEPARTMENT OF VETERANS' AFFAIRS
ADMINISTRATION COMMISSION
DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES
BOARD OF TRUSTEES OF THE INTERNAL IMPROVEMENT TRUST FUND

The above agencies came to be heard before
THE FLORIDA CABINET, Honorable Governor Crist presiding,
in the Cabinet Meeting Room, LL-03, The Capitol,
Tallahassee, Florida, on Tuesday, May 25, 2010,
commencing at approximately 9:09 a.m.

Reported by:

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Representing the Florida Cabinet:

CHARLIE CRIST
Governor

CHARLES H. BRONSON
Commissioner of Agriculture

BILL McCOLLUM
Attorney General

ALEX SINK
Chief Financial Officer

* * *

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P R O C E E D I N G S

(The agenda items commenced at 9:12 a.m.)

GOVERNOR CRIST: Senator Gaetz.

SENATOR GAETZ: Yes, sir.

GOVERNOR CRIST: Good morning.

SENATOR GAETZ: Good morning, Governor.

GOVERNOR CRIST: Good to have you. Would you like to address us?

SENATOR GAETZ: Thank you, sir.

GOVERNOR CRIST: Of course. How is your son doing?

SENATOR GAETZ: He's doing well, sir. Thank you for asking.

GOVERNOR CRIST: He sure is. He is indeed.

SENATOR GAETZ: Thank you very much, Governor and members of the Cabinet, for a few moments of your time. I'm speaking this morning on behalf of Senate President Jeff Atwater and for the people of Northwest Florida, whom I represent.

And I would like to thank you, Governor, for the great work that Secretary Mike Sole is doing. He is doing what many would consider to be an impossible job, but he's representing the State of Florida extremely well and bringing great credit to you and your office and to the people of our state.

1 As we can see from what is happening now in
2 Louisiana, Deepwater Horizon is an environmental
3 catastrophe. Already for Florida, this is an
4 economic catastrophe. The costs to local
5 governments are excessive, as the four of you know
6 so well. The loss of income to families and
7 businesses is extraordinary, particularly in our
8 area. The magnitude of the economic loss even
9 before the first drop of oil hits the beaches or
10 estuaries of Florida exceeds that of 9/11 according
11 to the economic indicators that we're looking at.

12 Northwest Florida's tourist season, Governor,
13 is now, as you well know, and in the next 90 days.
14 And next to the economic impact of the military,
15 tourism is the largest provider of jobs and income
16 for our people in Northwest Florida.

17 Because of the widespread perception in the
18 national media that our beaches are covered in oil
19 and our fisheries are closed, the bottom has
20 dropped out of our tourism, of our fisheries, of
21 our hotels and our restaurants. And as you
22 probably know, the Restaurant and Lodging
23 Association has presented signs, economic
24 indicators, results of analyses showing the scope
25 of this economic disaster.

1 It is now Day 35. And I regret to say that
2 thus far, the State of Florida has not done enough,
3 at least in the judgment of President Atwater, and
4 in my judgment, to support Northwest Florida's
5 tourism industry.

6 If this were a political campaign -- and we've
7 all been involved in them. If we were hit by the
8 bad guys, by morning we would be writing copy. In
9 the afternoon, we would be on the beach with a
10 highly professional team of videographers and film
11 makers. We would be in the studio doing the
12 editing and the post-production tonight. We would
13 be buying the points on TV, and within 36 hours, we
14 would be in every major market.

15 But unfortunately, we haven't responded with
16 that kind of speed or urgency to the attack on
17 Florida's tourism, particularly Northwest Florida's
18 tourism. This is our economic life. It's not just
19 a political campaign.

20 On May 5th, members of the Cabinet, members of
21 the Northwest Florida legislative delegation wrote
22 to Governor Crist with an urgent appeal to
23 undertake an immediate campaign of earned and paid
24 media on behalf of Northwest Florida. Two weeks
25 ago, the Governor's Office announced a \$25 million

1 second grant from British Petroleum to support our
2 tourism industry. And as recently as yesterday, a
3 communique from the State indicated that British
4 Petroleum has transmitted the money.

5 But to our knowledge at least, and we hope to
6 be disabused of this, not a dollar has been
7 deployed. There's a Memorandum of Understanding,
8 we are told, that needs to be signed. We're not
9 sure if it exists. We're not sure if it has been
10 executed. The Attorney General is the people's
11 lawyer. We're not sure whether he has been engaged
12 to help work out any rough spots, if there are any,
13 in this memorandum. If it is signed, the resources
14 have not been deployed.

15 These are not state secrets. This ought to be
16 open and transparent. The people of Florida ought
17 to know what has happened to this money, if
18 anything.

19 Then on May 20th, President Atwater wrote to
20 the Governor expressing the Senate's support for
21 immediate use of all of these dollars, all
22 \$25 million to support Northwest Florida's tourism.
23 That's because we're hit first and worst by the
24 economic consequences of this disaster. Other
25 parts of the state may well be affected during

1 their seasons, which come later in the year, and
2 more dollars may well need to be deployed.

3 And secondly, the president expressed his
4 concern in that letter as to the accountability for
5 those dollars, where are they, who's spending them,
6 how are they being accounted for.

7 And I must tell you now that to date, there
8 has been no response to the Northwest Florida
9 delegation letter or President Atwater's urgent
10 appeal.

11 Last Friday I was told that Visit Florida was
12 finally taking action, that there was \$2 million in
13 emergency funds that would be deployed, and we
14 would be in major markets with persuasive
15 advertising. There were two spots created, and
16 those spots were e-mailed to me and to others. I
17 looked at them, and I must say that they were of
18 exceedingly poor quality, and there was no
19 Northwest Florida emphasis.

20 I'm happy to report that, as you, I'm sure,
21 know, the Restaurant and Lodging Association, when
22 the State didn't act or couldn't act, did act with
23 a \$125,000 buy to get radio and newspaper
24 advertising in some of our major markets. Visit
25 Florida then hurried to get its logo on this work

1 and to cooperate with it.

2 I don't doubt the hard work that everyone has
3 put in to try and help, and I don't doubt the good
4 intentions. But it seems that the State of Florida
5 has not stepped up to help Northwest Florida face
6 this economic disaster. Perhaps today will be the
7 day for action. If so, it's late, but we certainly
8 would support any action to support our tourism
9 industry.

10 On behalf of President Atwater and those I
11 represent in Northwest Florida, I urge you to act
12 immediately. I urge you to act immediately, to
13 demand more support, economic support from British
14 Petroleum to help other parts of the state as their
15 tourism industry will be affected over these next
16 weeks and months, and secondly, to immediately and
17 effectively deploy every dollar that's available
18 from our own emergency funds and from the
19 \$25 million second BP grant to support Northwest
20 Florida's tourism industry. It is the source of
21 revenue that helps provide for the critical needs
22 of the people of Florida, and it is, more
23 importantly, the source of income for Florida
24 families and Florida businesses that are struggling
25 right now today in my area.

1 Thank you very much, Governor and members.

2 GOVERNOR CRIST: Thank you, Senator. Let me
3 assure you that we're doing everything humanly
4 possible to make sure that people throughout the
5 country understand that our beaches are clean, that
6 the water is clean, that the charter boats are open
7 for business, that -- as I understand it, that
8 \$2.5 million started to be spent on Saturday in
9 markets closer to Northwest Florida to encourage
10 tourists to continue to come from Alabama, Georgia,
11 and other close markets.

12 I have already signed the Memorandum of
13 Understanding with BP. We are awaiting their
14 return of it. We were told this morning right
15 before the Cabinet meeting they will transmit it
16 today. And we have requested that they -- we don't
17 have the money -- that they wire the money to us
18 today so that we can spend it as quickly as
19 possible to help the people of Northwest Florida.

20 SENATOR GAETZ: We welcome that action,
21 Governor. Thank you.

22 GOVERNOR CRIST: Thank you, Senator.

23 CFO SINK: Governor, could I just say
24 something to Senator Gaetz?

25 GOVERNOR CRIST: Sure.

1 CFO SINK: Senator, I agree 100 percent with
2 everything you say. As you know, I've been in
3 contact with the people of Northwest Florida. And
4 the sense of urgency on these matters has been very
5 disappointing.

6 I know I also asked that BP fund a media
7 campaign. They told us that they were going to do
8 it. And I believe, given the fact that we've got
9 Memorial Day coming up this weekend, and then, of
10 course, July the 4th and Labor Day, that we should
11 have -- the State should have made every effort to
12 go ahead and scrape around the bottom of the barrel
13 if we had to, to go ahead and effect a very strong
14 earned media and paid media campaign all around the
15 country and have it focused on the Northwest
16 Florida area.

17 I know that some of the -- from what I'm
18 hearing -- and, of course, it's hard to get
19 information -- there have been some overall plans
20 to do some Visit Florida type advertising, but
21 that's not where we need it. Where we need it, it
22 needs to be very, very, as you so well expressed,
23 focused on those communities in Northwest Florida.

24 They can't -- their season is now. It's the
25 next 90 days. Unlike the people in South Florida

1 who can make it up because they have visitors
2 coming in the wintertime, our people in Northwest
3 Florida are hurting tremendously.

4 And I'm going to have a few comments to make
5 later when Secretary Sole does his presentation,
6 Governor, but I am very disappointed in the lack of
7 a sense of urgency about getting this problem
8 solved and getting it solved now for the economic
9 interests in the Panhandle.

10 And we have also heard that businesses there
11 are getting some claims payments made from BP, but
12 it's 1,000 and \$2,000 at a time. These fishermen
13 have expenses in the tens of thousands of dollars.

14 And I think it's imperative that -- Governor,
15 I think that you should release and call for the
16 activation of the emergency loan program as a part
17 of our ESF 18. We requested this two or three
18 weeks ago, and the response came back, that, well,
19 we don't need to do this because BP is going to be
20 paying the claims.

21 Well, these claims are too little to really
22 keep some of our -- particularly our fishermen from
23 bankruptcy and from having them lay off all their
24 employees. And we have a program in place through
25 this bridge loan program that can get money, and

1 significant money in the hands of these businesses
2 now.

3 And, Governor, I would just ask you to
4 consider activating that bridge loan program that
5 meant so much to this community after Hurricane
6 Ivan and enabled them to stay on their feet, and
7 let somebody else figure out whether or not -- the
8 federal government ought to be putting the pressure
9 on BP to ensure that we get reimbursed for these
10 moneys that we've got to put in the hands of our
11 business owners now.

12 So thank you for coming here, because I agree
13 with everything you said.

14 GOVERNOR CRIST: Thank you, Senator.

15 ATTORNEY GENERAL McCOLLUM: May I make a
16 comment before --

17 GOVERNOR CRIST: General, of course.

18 ATTORNEY GENERAL McCOLLUM: I just wanted to
19 refer to your comment about whether our office had
20 ever seen the memorandum. We saw it late
21 yesterday, sometime yesterday for the first time.

22 What's shocking to me about this is that BP
23 committed to do the money for this kind of
24 advertising, as you pointed out, some time ago, and
25 that it would take this long and that it's still

1 not accomplished. And that's very, very disturbing
2 to me. And I think that when we look at where we
3 need to go from here, there's no question, I agree
4 with CFO Sink that it's going to take a while for
5 claims to be paid, even if BP were doing the right
6 thing.

7 And, you know, I'm not in a position to tell
8 you whether their particular claims processing in
9 each case is good or fair or not. We're going to
10 find that out over time. That's the nature of the
11 way the law works. It's slow. It's slower than
12 you or I want, and we're in an emergency.

13 And so, Governor, whatever we can do to speed
14 up the process, provide some bridge loans if that's
15 the case, or provide relief, particularly to those
16 who, like the fishermen, don't have any other
17 livelihood, I think it's essential we do that,
18 absolutely essential.

19 In the meantime, my office is committed to,
20 and I think you know, Senator Gaetz, has been
21 working overtime --

22 SENATOR GAETZ: Yes, sir.

23 ATTORNEY GENERAL McCOLLUM: -- to try to
24 provide information to people about making those
25 claims, to provide them background to prepare for

1 what may be claims to come for these economic
2 losses.

3 But it's right now that you're concerned with,
4 and you should be. Preventing further damage is
5 absolutely essential, whether that would be the oil
6 coming ashore, which we pray it never does, or in
7 this case, preventing further damage. And that's
8 why you're here, and I respect that. And I urge
9 all of the team to do whatever it takes to get this
10 job done now at this present moment.

11 Thank you.

12 SENATOR GAETZ: Thank you, General.

13 COMMISSIONER BRONSON: Governor.

14 GOVERNOR CRIST: Commissioner.

15 COMMISSIONER BRONSON: This is one of the
16 reasons why I didn't want to go too far overboard
17 with the whole national disaster issue that has
18 been on national TV, because all you see is how
19 much oil is coming out of that pipe. And it's
20 tremendous, there's no doubt about it.

21 Every time we turn around, they use the word
22 "Gulf region" as if the whole Gulf has got oil
23 floating around in it. We have put out three or
24 four releases saying there is absolutely nothing
25 wrong with the seafood industry in Florida, the

1 food is safe, we've had no contamination of our
2 seafood from Florida. We've put it out I don't
3 know how many times.

4 As a matter of fact, at this last very meeting
5 that we had of the Cabinet, I said to my staff and
6 others, why doesn't the national media, instead of
7 just showing all the worst parts of this, which we
8 can't do anything about right now while they're
9 working on trying to cap this well, quit talking
10 about how disastrous the whole process is as if the
11 whole Gulf is contaminated? It's not. It's a
12 certain region.

13 We were trying to get NOAA and others, the
14 Food and Drug Administration, which we've been
15 working with, to be very careful not to shut down
16 or to indicate that more waters of the Gulf are
17 shut down than necessary, because people in New
18 York and Chicago and other places buying seafood
19 from Florida have cut their buys back because they
20 think all of the Gulf seafood is in trouble.

21 It is not in trouble. And until we -- not all
22 of it. In those areas it's in trouble, but not
23 here as of yet. If we could get the national media
24 to pick up the fact that we do have seafood that's
25 safe here in Florida, we have -- our beaches are

1 just as white today as they were 30 days ago, that
2 they're not all contaminated -- and I feel bad for
3 Governor Jindal in Louisiana, because they're
4 taking the brunt of this right now. But the fact
5 of the matter is, it's because the full story -- as
6 Paul Harvey said, "The rest of the story hasn't
7 been told." And that's what we need from the
8 national media.

9 I'm very disappointed that they're only
10 willing to talk about the worst of the worst. And
11 I guess we need to know that, but fill in the rest
12 of the story and tell the people that all of the
13 seafood in the Gulf has not been destroyed. It is
14 perfectly safe. Food and Drug, our office, Fish
15 and Wildlife, and others that are working -- DEP
16 and others that are working on this issue are not
17 going to allow contaminated seafood to go on our
18 markets. I can assure them of that.

19 So I think one of the problems, Governor, is
20 the national media needs to step in here too.
21 They've helped create this problem by talking about
22 all the bad side. They need to come back and help
23 us explain our seafood is good, all of our beaches
24 are fine, they can come and enjoy themselves at the
25 beach. And if we could get them to do that, that

1 will help us tremendously.

2 GOVERNOR CRIST: You couldn't be more right.

3 Senator, thank you very much for coming today.

4 SENATOR GAETZ: Thank you, Governor, and thank
5 all of you for your concern, for your help, and we
6 hope soon for more effective action.

7 GOVERNOR CRIST: Yes, sir.

8 (Resolutions and recognitions taken up out of
9 order.)

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1 GOVERNOR CRIST: Financial Services
2 Commission, Office of Financial Regulation, Thomas
3 Cardwell. Good morning, Tom.

4 MR. CARDWELL: Good morning, Governor Crist,
5 members of the Cabinet and of the Financial
6 Services Commission.

7 Before making the formal motions I have today,
8 I would just like to follow up very briefly on the
9 Davis Award presentation. Having very recently
10 come from the private sector in here, I just wanted
11 to say how much I think the hard work and the
12 dedication of state employees is underappreciated
13 out there, and seeing these awards is great.

14 I know in my agencies and the agencies that
15 you work in, it's not only the money that's saved
16 in the budget, but it's the morale builder that the
17 people who work so hard in there get that is the
18 tremendous thing. And I just wanted to say that
19 again that I think the work of all our state
20 employees is truly underappreciated by people.

21 I have three motions here today. One of them
22 is to -- the first is to request approval of the
23 minutes of the January 26, 2010 meeting and the
24 February 9, 2010 meeting.

25 ATTORNEY GENERAL McCOLLUM: So move.

1 COMMISSIONER BRONSON: Second.

2 GOVERNOR CRIST: Moved and seconded. Show the
3 minutes approved without objection.

4 MR. CARDWELL: Thank you. The second item
5 that we have is the approval of notice of proposed
6 rule changes for Rules 69W-100, 200, 300, 301, 500,
7 and 600. These relate to securities regulations.
8 They are largely technical changes, with the
9 exception of imposing disqualifying periods on
10 persons with criminal records and events, and they
11 also update the references to federal statutes.

12 GOVERNOR CRIST: Is there a motion on Item 2?

13 COMMISSIONER BRONSON: Motion for approval of
14 Item 2.

15 ATTORNEY GENERAL McCOLLUM: Second.

16 GOVERNOR CRIST: Moved and seconded. Show it
17 approved without objection.

18 MR. CARDWELL: Thank you. And the third item
19 is, we request approval of a notice to file a rule
20 for 69U-100.045, which relates to examination
21 manuals and reference standards. Again, this is
22 technical, bringing up to date references in our
23 manual to current publications.

24 COMMISSIONER BRONSON: Motion for approval of
25 Item 3.

1 CFO SINK: Second.

2 GOVERNOR CRIST: Moved and seconded. Show it
3 approved without objection. Thank you, sir.

4 MR. CARDWELL: Thank you.

5 GOVERNOR CRIST: You're welcome.

6 CFO SINK: Governor, could I ask Mr. Cardwell
7 a question?

8 GOVERNOR CRIST: CFO.

9 CFO SINK: Commissioner, since you haven't
10 been here in a while, could you give the Cabinet a
11 brief update on your assessment of the state of the
12 financial industry here in Florida, the banks and
13 credit unions that not only you regulate, but just
14 in general, since you only have direct supervision
15 of about 200-plus companies, but I know you keep an
16 eye on all the other financial institutions too.

17 MR. CARDWELL: Right. I would be pleased to
18 do that, CFO Sink.

19 The economy overall seems to be improving, and
20 the amount of business activity that we see seems
21 to be going up. The financial institutions, the
22 state-chartered banks that we regulate and the
23 credit unions still are having to deal with a lot
24 of the real estate issues.

25 The figures are that -- in Florida we do real

1 estate. That's what we've always done. It has
2 been the growth, and the banks that we regulate are
3 in that.

4 If you look at the actual numbers, about
5 85.4 percent of all loans that are on the banks --
6 or on the books of the banks that we regulate are
7 related in one way or another to real estate.
8 They're either commercial real estate, they're one-
9 to four-families, they're warehouses, they're
10 professional businesses, but that's what the
11 business activity is.

12 And those areas of our economy are recovering
13 more slowly than the employment and the others, and
14 the result is, we still have to work through
15 essentially this backlog of overbuilding, for lack
16 of a better word, that is going to continue, my
17 best guess is, for the remainder of this year and
18 into next year.

19 I this past week was in Boston for a meeting
20 of federal regulators, which included presentations
21 by several noted economists, including on the real
22 estate area of the world. And it pretty much is
23 clear that there is a backlog of real estate values
24 that are going to continue to weigh on us.

25 Having said that, the general view is that

1 Florida's history -- future economically is bright,
2 that it will come back, that the fundamentals that
3 we have in the state of demography and of the baby
4 boomers coming on and geography will continue to
5 weigh in our favor.

6 But frankly, we're going to close some more
7 banks this year. I do not think that withstanding
8 that, that that will cause any serious problems to
9 the availability of banking or to the availability
10 of credit. I think those will continue on, but
11 individual banks are going to -- there are going to
12 be some individual banks who are stressed and will
13 continue to be, if that is responsive to your
14 question.

15 CFO SINK: Thank you.

16 GOVERNOR CRIST: Thank you.

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1 GOVERNOR CRIST: Department of Revenue, Lisa
2 Echeverri.

3 MS. ECHEVERRI: Good morning.

4 GOVERNOR CRIST: Good morning.

5 MS. ECHEVERRI: Item 1, we request approval of
6 the minutes from the May 11th meeting.

7 CFO SINK: Move it.

8 COMMISSIONER BRONSON: Second.

9 ATTORNEY GENERAL McCOLLUM: Second.

10 GOVERNOR CRIST: Moved and seconded. Show the
11 minutes approved without objection.

12 MS. ECHEVERRI: Item 2, the Department
13 requests approval for final adoption and approval
14 to file and certify rules that are general updates
15 to our administrative rules, including those
16 related to consent agreements, large currency
17 transactions, UT reporting requirements, updates to
18 the rules related to the database used to determine
19 tax rates in local jurisdictions, amendments
20 providing instructions and examples on using
21 federal depreciation and expensing adjustments, and
22 updates to requirements regarding the posting of
23 security to register to collect tax.

24 ATTORNEY GENERAL McCOLLUM: I move Item 2.

25 COMMISSIONER BRONSON: Second.

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CFO SINK: Second.

GOVERNOR CRIST: Moved and seconded. Show it approved without objection. Thank you.

MS. ECHEVERRI: Thank you.

1 GOVERNOR CRIST: Department of Veterans'
2 Affairs, Admiral Collins.

3 ADMIRAL COLLINS: Good morning, Governor and
4 Cabinet. The Florida Department of Veterans'
5 Affairs has two items for your consideration on
6 today's agenda. Item 1, the minutes of the March
7 9th Cabinet meeting. We request approval.

8 CFO SINK: Move it.

9 COMMISSIONER BRONSON: Second.

10 ATTORNEY GENERAL McCOLLUM: Show it approved
11 without objection.

12 ADMIRAL COLLINS: Item 2 is the quarterly
13 report for the period of January the 1st through
14 March the 31st of this year. The performance
15 measures covering the activities of the Department
16 meet established standards. I would like to draw
17 your attention to two items of interest which
18 appear in the report.

19 On page 7, there's a reference to the Florida
20 Physician Workforce Initiative. Due to concerns
21 about the approaching shortage of physicians in the
22 State of Florida, particularly primary care
23 doctors, a task force was assembled last summer to
24 address the issue. I reported to the Cabinet about
25 the creation of this task force and a series of

1 meetings between leaders of several state and
2 private sector entities, including the Florida
3 Medical Association, the Florida Osteopathic
4 Medical Association, the Florida Department of
5 Health, the state medical licensing boards, the
6 federal VA, the state VA, and the Florida medical
7 school deans.

8 Under the leadership of State Senator Durell
9 Peaden, language was successfully passed this
10 session permitting certain retired military
11 physicians living in our state to receive temporary
12 state licensure to practice in county health
13 departments in underserved areas under the
14 authority of the State Surgeon General, as well as
15 in VA clinics throughout Florida.

16 We are quite pleased with this joint venture.
17 It may prove to be a pilot program other states
18 will choose to follow.

19 Also in the quarterly report on page 3, there
20 is a reference to the new Clyde E. Lassen State
21 Veterans Nursing Home located near St. Augustine.
22 There are some photographs in your meeting packets.
23 There's a state-of-the-art, 96,000 square foot,
24 120-bed, LEED-certified green facility which will
25 serve the long-term care needs of our veterans for

1 the next 50 years. It is a joint venture, with the
2 federal VA paying two-thirds of the capital costs.

3 The construction of the home has been
4 completed. The FDVA should be finished with the
5 final inspection and receive the keys and the
6 certificate of occupancy in mid June.

7 Your support of this massive undertaking over
8 the past three years has been critical to its
9 success. The project has come in on time and on
10 budget.

11 It is my pleasure to announce here publicly
12 for the first time the grand opening of the Clyde
13 E. Lassen State Veterans Nursing Home will be on
14 Saturday, September the 25th. We expect to receive
15 our first residents in September. And I hereby
16 invite each of you to be our honored guests at the
17 opening ceremonies.

18 Thank you, Governor and Cabinet and members of
19 the Cabinet. Unless there are further questions,
20 that concludes my presentation.

21 ATTORNEY GENERAL McCOLLUM: I move Item 2.

22 COMMISSIONER BRONSON: Second.

23 GOVERNOR CRIST: Moved and seconded. Show it
24 approved without objection. Thank you, Admiral.
25 That's an impressive facility. Well done.

1 GOVERNOR CRIST: Administration Commission,
2 Lisa Saliba.

3 MS. SALIBA: Good morning, Governor and
4 Commission members. We have one item for you
5 today. Executive Director and Chief Judge Robert
6 Cohen will be presenting for your consideration the
7 Division of Administrative Hearings annual report
8 and performance contract.

9 Judge Cohen.

10 GOVERNOR CRIST: Good morning, Judge.

11 MR. COHEN: Good morning, Governor and
12 members. It's a great day to be here with the
13 veterans here and Memorial Day. We're an Army
14 family, so it hits home.

15 This was an excellent year for the Division of
16 Administrative Hearings, a lot of changes, a lot of
17 upgrades, a lot of efficiencies put into place.
18 Our office automation continued, as it has before,
19 with electronic filing.

20 On the workers' comp side, about 75 percent of
21 the people filing workers' comp papers are doing so
22 electronically. That is with a voluntary system,
23 not even mandatory. And that's because it works.
24 People understand how much it saves, especially in
25 terms of delivery costs. Overnight mail, people

1 were sending overnight mail from Miami because it
2 was easier than paying a courier to go downtown,
3 find a parking place, and serve papers.

4 So on the administrative law side, it's being
5 used more, but it's still up in the 40s in terms of
6 percentage of people using it because it's just a
7 voluntary system. But over 430,000 documents filed
8 electronically last year, that's a big number.
9 That's a lot of paper saved and a lot of time saved
10 not having to take paper and then scan it and
11 upload it into the system.

12 We continued this year our contract work, and
13 a lot of contract work with the school boards, with
14 the water management districts, with a lot of
15 state, county, and municipal governments. There
16 are some bills that I don't believe are law yet,
17 but they may be in your office, Governor, now. But
18 related to One Call Florida and people who dig up
19 and expose underground utilities, those cases would
20 come to us. The Hillsborough County Transportation
21 Commission cases would also be new cases coming our
22 way.

23 The agency referrals this year, cases coming
24 to us, the administrative law cases, was up 12
25 percent, the biggest increase since about 1994,

1 '95. That was at the same time, over the last six
2 years, that we have had a decrease in our work
3 force, about a 15 percent decrease in the work
4 force. So that is -- we've been able to handle the
5 cases as they've come in without asking for any
6 increases, and we don't expect to ask for any
7 increases going forward. We have capacity, and we
8 continue to handle the work.

9 On the workers' comp side, based on the 2003
10 amendments to workers' comp when attorney's fees
11 were restricted by the Legislature, the -- every
12 year since that time, the referrals of workers'
13 comp cases have gone down, the petitions filed.
14 This past year, for some reason, for the first time
15 in six years, there was about a 1.6 percent
16 increase in the number of petitions filed, which we
17 found unusual. We think it might be an aberration.
18 But with the economy where it is, with the
19 construction industry on a downturn, to have more
20 workers' comp claims filed was a little unusual for
21 us, but we certainly were happy to have the
22 additional work.

23 We have worked closely with the Statewide
24 Nominating Commission for the judges of
25 compensation claims. We've worked with the Florida

1 Bar's workers' comp section, the Florida Workers'
2 Advocates, who represent claimants in workers' comp
3 cases, as well as the Florida Workers' Comp
4 Institute. And we have, I think, the best
5 relationship we've ever had with those
6 organizations. They feel comfortable in calling us
7 if they see a problem in one of our district
8 offices, whether it's with a particular judge or a
9 particular issue, and we're able to talk about
10 those issues and have some dialogue and work things
11 out.

12 At the Nominating Commission level, we provide
13 the Nominating Commission with statistics on every
14 judge who appears there for either reappointment or
15 for a -- if there are just questions generally
16 about a judge's performance, we submit that
17 information to the Nominating Commission so they
18 have all the data at their disposal when they're
19 making recommendations for reappointments of
20 workers' comp judges.

21 The last time we revised our rules was in
22 November of 2006. There have been some changes
23 based on case law in the workers' comp area. We
24 are currently in a rule revision period. We just
25 recently filed a notice. We're going to have some

1 video public workshops this summer. We're also
2 going to have a formal rulemaking hearing at the
3 August meeting of the Workers' Comp Institute and
4 hope to have those new rules and improved rules in
5 place by early this fall.

6 Physical plant improvements, we already --
7 last year we moved the Tallahassee workers' comp
8 office into our main building here in Tallahassee
9 instead of being in a separate location. That has
10 been great. Personnel-wise, we keep an eye on
11 them, and they keep an eye on us.

12 Our human resources and everything else have
13 been consolidated, so we've been able to actually
14 reduce the staff in that office. We're trying to
15 move the central clerk's filing office, which we've
16 already reduced the size of that, but we're trying
17 to move that into our Tallahassee office as well,
18 which would probably eliminate another five or six
19 positions there.

20 In terms of our space around the state, we
21 have moved into new space in Port St. Lucie and in
22 Fort Myers. Both are more efficient and more
23 accessible to the public, in great locations for
24 people who travel from other cities to practice
25 there. They hop off the interstate, into the

1 office, and back home if they don't live in those
2 particular areas.

3 We also, because the Legislature recommended
4 this, strongly recommended that we go out and
5 renegotiate or attempt to renegotiate every
6 contract we have with vendors and with landlords,
7 we went out last year and did that. We --
8 surprisingly, even some of the recently signed
9 leases, the landlords, looking at the realities of
10 things, were willing to work with us and actually
11 lower our rental rates in a lot of the private
12 space that we rent around the state, because we're
13 not in all government, state-owned space around the
14 state.

15 Performance standards, on the ALJ side, we met
16 two of them. We were very close to meeting the
17 other three. The most important one, I believe the
18 most important one is the percentage of cases that
19 are closed from start to finish within 120 days.
20 In that we were at 79 percent, which exceeded our
21 76 percent performance measure.

22 The other performance measures that we were
23 very close on are more tied to the parties in
24 litigation asking for more time for hearing, for
25 discovery. We believe in due process. That's what

1 we're all about. If they need more time, we give
2 them more time. And we don't tie everything to a
3 performance standard. We look more at it's better
4 that we hit 68 percent instead of 70 percent on a
5 standard and people have the time they need to
6 prepare their cases for hearing and have their
7 disputes adjudicated.

8 On the workers' comp side, we had tremendous
9 improvement in every category. We had 75 percent
10 of our petitions closed within the statutory time
11 frame. The standard, the performance standard is
12 67 percent. We had 84 percent of our final orders
13 issued within 30 days of the final hearing, of the
14 record being closed. That's up from 71 percent the
15 previous year.

16 Ninety-two percent of our mediations were held
17 within 130 days, which is required by statute. The
18 standard we have is 86 percent. And the resolution
19 of all issues at mediation remained level at about
20 50 percent, which means half the cases resolve at
21 mediation and don't go on to final hearing, which
22 frees our judges up to hear more cases.

23 We've had a great year in terms of my
24 wonderful staff, and I'm blessed with an amazing
25 staff. We've had recognitions from many sectors

1 this year. Susan Brown, who is our chief
2 information officer, was given the William McMann
3 Award by the American Bar Association for special
4 innovations in the area of specialty courts, and
5 that was for the electronic filing initiative we
6 have.

7 We were recently awarded four Davis
8 Productivity Awards, and it was fitting that that
9 was recognized here today. Two were individual
10 awards, one for our video teleconferencing, which
11 has allowed us to save tens of thousands of dollars
12 just in the first two years that we've had it
13 available in almost every -- well, now in every
14 location that we have in the state.

15 But it allows us to conduct hearings from
16 Tallahassee or from other cities, to have the
17 lawyers who may be in Tallahassee, the Attorney
18 General's Office being one, the Department of
19 Financial Services being another, where so many of
20 the lawyers are in Tallahassee, able to be here.
21 If there are witnesses in other cities, they can
22 appear by video instead of everybody traveling to a
23 remote location.

24 We also received two team awards in the Davis
25 Productivity, so it was a good year for a small

1 group like us to receive four of the awards.

2 On a personal level, I'm in the middle of my
3 year as president of the National Association of
4 Administrative Law Judiciary. I'm also on the
5 board of the National Association of Workers' Comp
6 Judiciary, and we put on an educational program
7 which last year eight states participated in. We
8 hope to have about 12 states participate this year
9 at the Institute in August in Orlando.

10 I'm involved with Justice Teaching, the Legal
11 Aid Foundation, lots of things. And I encourage
12 our judges to be involved in many community
13 activities and legal activities as well as sitting
14 there and hearing cases all the time.

15 We have -- once again, we had a great year
16 with the state employees campaign. We won top
17 awards in all five of the categories this year, and
18 I think the only other agency that was able to win
19 those awards, that many in those categories, was
20 DEP with Mike Sole, another great committed agency
21 in terms of the generosity of their employees.

22 We also had two of our judges this year
23 receive exceptional honors, one, Kent Wetherell,
24 one of our administrative law judges, was
25 appointed, Governor, to the First District Court of

1 Appeal this year. He has been serving there now
2 for several months. And just yesterday you
3 appointed our workers' comp judge from Lakeland,
4 Mark Hofstad, to the Tenth Circuit bench. And
5 we're very proud of them in the honor bestowed upon
6 them in receiving those appointments.

7 To conclude, I've enjoyed this past year,
8 enjoyed every minute that I've served in this
9 position, and I'm honored to serve in this
10 position, and I hope that you will accept the
11 annual report and my annual performance contract
12 and keep me in the position moving forward.

13 GOVERNOR CRIST: Thank you, Chief. Any
14 questions?

15 CFO SINK: No, but, Governor, I do have a
16 comment.

17 GOVERNOR CRIST: Sure.

18 CFO SINK: Just in the three years that I've
19 been here, I've seen just enormous strides and
20 improvements and just a commitment, Judge Cohen, to
21 continuously making your section operate more
22 efficiently.

23 And my lawyers in particular are very
24 appreciative of the video teleconferencing, which
25 obviously saves the taxpayers money, but even more

1 importantly, it saves our lawyers and everyone
2 involved enormous amounts of time so that they can
3 handle more cases and be more efficient. So thank
4 your for your leadership.

5 MR. COHEN: Thank you, CFO.

6 ATTORNEY GENERAL McCOLLUM: I would like to
7 comment, too, if I could, Governor.

8 GOVERNOR CRIST: Sure.

9 ATTORNEY GENERAL McCOLLUM: Because you work
10 so much with our office, the Attorney General's
11 Office, and I can't let the Chief Financial Officer
12 praise you for her lawyers when I've got 400 of
13 them out there that work with you all the time.

14 You do a great job. I realize there are bumps
15 along the way, and you've given a few of those, but
16 for the most part, it's been a good run and you've
17 done really well. We appreciate the support.

18 MR. COHEN: Thank you, General.

19 GOVERNOR CRIST: We're all very grateful for
20 your service, Judge. Thank you so much for what
21 you've done, and I'll be happy to entertain a
22 motion to approved.

23 CFO SINK: Oh, I move it.

24 ATTORNEY GENERAL McCOLLUM: Second.

25 COMMISSIONER BRONSON: Second.

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GOVERNOR CRIST: Moved and seconded. Show it
approved without objection. Thank you.

MR. COHEN: Thank you, Governor.

GOVERNOR CRIST: Appreciate it, sir.

1 GOVERNOR CRIST: Department of Agriculture and
2 Consumer Services, Jim Karels, or Karels. Forgive
3 me. Good morning.

4 MR. KARELS: Good morning, Governor and
5 Cabinet. We have two items for your approval today
6 with the Department of Agriculture. The first one,
7 Item 1, is submittal of the minutes of the
8 September 15, 2'09 Cabinet meeting.

9 COMMISSIONER BRONSON: Motion for approval of
10 the minutes.

11 CFO SINK: Second.

12 GOVERNOR CRIST: Moved and seconded. Show the
13 minutes approved without objection.

14 MR. KARELS: The second item is the
15 acquisition of the Adams Ranch Rural and Family
16 Lands Protection Easement. The request is for
17 consideration of an option agreement to acquire
18 782.8 acres of perpetual conservation easement over
19 lands, agricultural lands lying within the Adams
20 Ranch project of the Department of Agriculture's
21 Rural and Family Lands Program from Adams Ranch,
22 Inc. And the second part of that is the
23 designation of the Department of Agriculture and
24 Consumer Services, Division of Forestry, as the
25 monitoring agency.

1 The Adams Ranch project is a Tier One project
2 within the Rural and Family Lands Program. The
3 total project is 7,908 acres. This portion of the
4 project, 782 acres of perpetual working
5 agricultural lands easement, is in the Barber
6 Hammock area of south Osceola County. The
7 Trustee's purchase price is \$1,603,510.

8 The acquisition was negotiated by the
9 Department of Agriculture, Division of Forestry,
10 under the Rural and Family Lands program. This is
11 the second perpetual easement, conservation
12 easement proposed for acquisition under this
13 program, for a total of 1,459 acres preserved,
14 working agricultural farms under the Rural and
15 Family Lands Program.

16 Right now I would like to introduce two people
17 to briefly speak on the project, Lee Ann Adams
18 representing the Adams family, and Richard
19 Hilsenbeck with TNC. Ma'am.

20 GOVERNOR CRIST: Good morning.

21 MS. ADAMS: Good morning.

22 GOVERNOR CRIST: How are you?

23 MS. ADAMS: My name is Lee Ann Adams. I am
24 here today representing Adams Ranch and my family.
25 I am a fourth generation on the ranch. My father,

1 who is third generation, Alto Lee Adams III, my
2 mother, Cynthia Adams, and my brother, Alto John
3 Adams, are all here with me today in the back.

4 GOVERNOR CRIST: Good to see you.

5 (Applause.)

6 MS. ADAMS: I would just like to give you a
7 brief history of our family's cattle ranch and
8 where we are today. My great-grandfather, Judge
9 Alto Lee Adams, purchased his first ranch in
10 St. Lucie County in the 1930s. Later my
11 grandfather, Alto "Bud" Adams, Jr., joined him, and
12 the ranch was expanded to 50,000 acres with the
13 purchase of land in Osceola and Okeechobee
14 Counties.

15 Hereford bulls were crossed with Brahman cows
16 to produce the Braford breed, which is still
17 produced today. In 1969, the Adams Ranch Braford
18 herd became the number one foundation herd both for
19 the International Braford Association and its
20 successor, the United States Braford Breeders. We
21 are in the top 15 cow-calf operations in the United
22 States.

23 So where is Adams Ranch today? Adams Ranch
24 has been in the same family in continuous operation
25 for 70 years due to the hard work and dedication of

1 family members, and we hope to continue for
2 generations to come with the help of programs like
3 the Rural and Family Lands Protection Program. We
4 believe that programs like these will help family
5 ranches such as ours stay together and continue
6 producing food for people.

7 As family generations continue to grow, they
8 get larger in number. The larger they get, the
9 harder it will be for the family and the land to
10 stay together. Once the land is broken up, it will
11 most likely never be put back together, changing it
12 forever.

13 Thank you for considering Adams Ranch for this
14 important easement and allowing me to speak today.
15 Thank you.

16 GOVERNOR CRIST: Thank you very much. Thanks
17 for being here.

18 MR. HILSENBECK: Good morning. I'm Richard
19 Hilsenbeck, director of conservation projects for
20 The Nature Conservancy here in Florida. And The
21 Nature Conservancy and I are proud to have been
22 associated with the Adams Ranch folks for a number
23 of years now.

24 What you may not know, or what you may know
25 about the Adamses is that they're one of the

1 preeminent ranching families in Florida, and
2 they're very careful stewards of their lands. What
3 you may not know about them is that they have been
4 tremendous conservation partners not only of The
5 Nature Conservancy, but of numerous state and
6 federal agencies. They have graciously hosted
7 several events at their ranch for folks, including
8 one with Commissioner Bronson a few years ago to
9 talk about easements and the Rural and Family Lands
10 Protection Program.

11 Their property has vast acreages of imperiled
12 natural communities, high quality natural
13 communities, many of those endemic, such as the
14 native rangelands or dry prairie natural community.
15 There are numerous rare and endangered species on
16 their property that coexist very well with their
17 cattle ranching operations. They have been
18 excellent stewards of that property and the rare
19 and endangered species that occur there.

20 Also, their property is situated in the
21 northern Everglades north of Lake Okeechobee that
22 is part of the watershed of the overall greater
23 Everglades ecosystem, and their property
24 contributes directly to that watershed.
25 Particularly Blanket Bay Slough heads up on their

1 property and flows to the Kissimmee River. So it's
2 a very strategic and important location of that
3 property. And we're very proud to have been
4 associated with them, and this easement really
5 protects some great habitat on that property, as
6 well as working landscape.

7 I would also like to salute the Division of
8 Forestry for their very judicious prioritization of
9 projects that were submitted to them under the
10 Rural and Family Lands Protection Program and their
11 quick expenditure of fairly scarce funds available
12 to them under this program and really targeting the
13 best lands and the best stewards of those
14 properties for conservation easements. And we were
15 very proud of that, and that they are targeting
16 these properties that really contribute to working
17 landscapes and the continued agricultural
18 productivity in Florida and continued economic
19 well-being of the state, as agriculture is one of
20 the leading economic drivers in Florida.

21 So we urge you to please approve this item.
22 Thank you very much.

23 GOVERNOR CRIST: Thank you. General?

24 ATTORNEY GENERAL McCOLLUM: I just wanted to
25 comment that I have known your granddad a long

1 time. This book about his photographs, I have
2 quite a few of them that he has allowed me to share
3 over the years.

4 And this easement process that we're going
5 through here today, as Commissioner Bronson knows
6 very well, is one of the most important things to
7 preserving the cattle industry heritage of our
8 state and the natural wildlife and fauna that we
9 have in our state. So this is a great step forward
10 that we can have a good example of this with one of
11 the great families that steward the great natural
12 wilderness of our state.

13 So I don't know if you're ready for it, but
14 I'm ready to move Item 2.

15 MR. KARELS: I'm ready.

16 ATTORNEY GENERAL McCOLLUM: Item 2, I move it.

17 COMMISSIONER BRONSON: I'll second that.

18 GOVERNOR CRIST: I think you want to comment,
19 it looks like. Please do.

20 COMMISSIONER BRONSON: Well, thank you for
21 moving that, General.

22 You know, this is the exact types of programs
23 that I've been talking about that we really needed
24 to push earlier. We had a number of difficulties
25 between getting the legislative process and the

1 finances together over the few years.

2 Bud Adams and his family, Lee of which -- Lee
3 Adams and I went to ABAC together many years ago
4 than we like to count. But I've known the family
5 for all my life. I mean, people in the cattle
6 business tend to be in the cattle business
7 together. No matter how poor the years are, we
8 always seem to run into one another.

9 But Bud's idea, and following up with the
10 photography that Bud has done over the years and
11 won some awards for that, shows how well they take
12 care of their property. For the organizations in
13 the environmental community that know what they do
14 and why they do it and how they produce shows that
15 people who are natural agriculturists in this state
16 have been environmentalists as well. Even though
17 there are some people that won't recognize that,
18 they really have been the first environmentalists,
19 because they took care of their land.

20 The point that I think makes this a piece of
21 property which will continue over time, hopefully
22 into the full amount that's going to be offered
23 here, is that you've got a working ranch that's
24 employing people, creating a gross domestic
25 product, paying their local taxes, and you're still

1 going to benefit from the fact that they're not
2 going overdevelop that property because of these
3 programs, Rural and Family Lands, and these
4 resources that are going to be made available to
5 keep that from happening, without having to buy a
6 total fee simple land structure and taking it off
7 the tax rolls and so forth.

8 So to me, this is the epitome of the best way
9 to do many of these acquisitions so that you keep
10 it viable, pay the local taxes, and keep the jobs
11 there. So I would like to commend the Adams family
12 for offering up these pieces of property for this
13 program. I think it's one of the best in the
14 country, bar none.

15 GOVERNOR CRIST: Thank you. Well, we have a
16 motion and a second. It looks like it's approval
17 without objection. So congratulations, and thank
18 very much for being here.

19 MR. KARELS: Thank you, Governor and Cabinet.
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1 GOVERNOR CRIST: Board of Trustees, Secretary
2 Sole. Good morning.

3 MR. SOLE: Good morning. Item number 1,
4 submittal of the minutes of the March 23rd Cabinet
5 meeting.

6 GOVERNOR CRIST: Is there a motion on the
7 minutes?

8 COMMISSIONER BRONSON: Motion on the minutes,
9 Item 1.

10 ATTORNEY GENERAL McCOLLUM: Second.

11 GOVERNOR CRIST: Moved and seconded. Show the
12 minutes approved without objection.

13 MR. SOLE: Thank you. Item number 2 is a
14 request for approval of a boundary line agreement
15 between the Board of Trustees and members of the
16 McGee family regarding land owned by the McGees
17 within Mound Key State Archaeological State Park in
18 Lee County, Florida.

19 This is a simple boundary line agreement
20 proposal in which the Board of Trustees would grant
21 a quitclaim deed to the McGees and the McGees would
22 grant a subsequent quitclaim deed to the Board to
23 clear up a boundary ambiguity.

24 That ambiguity was caused by the fact that
25 this was -- the property description was originally

1 done in the 1800s, and believe it or not, it was a
2 cedar post that established control. Cedar is
3 great in the environment, but it doesn't last a
4 couple of hundred years.

5 So this merely clears that up in the mutual
6 benefit of both parties. The Department recommends
7 approval.

8 ATTORNEY GENERAL McCOLLUM: Move Item --

9 COMMISSIONER BRONSON: Move it.

10 ATTORNEY GENERAL McCOLLUM: Second.

11 GOVERNOR CRIST: Moved and seconded. Show it
12 approved without objection.

13 MR. SOLE: Thank you. Item number 3, request
14 from the City of Titusville for a 25-year
15 sovereignty submerged lands lease containing
16 approximately 127 acres. This is for a 119-boat
17 mooring field in the Indian River adjacent to the
18 city marina.

19 The consideration on this is a fee waived
20 based consideration, in light of the fact that this
21 is open to the public, and also, all revenues
22 generated will be used for the operation and
23 maintenance of the facility.

24 The vessels are anchored to the bottom using a
25 helical screw and a suspended tethering chain. And

1 in this case, candidly, Governor and Cabinet
2 members, we think this is an environmental benefit.
3 Right now we already have some anchoring and
4 mooring offshore of the City of Titusville marina,
5 and in this case, you do see damage to those
6 seagrasses. This mooring field will encourage and
7 ensure that the seagrasses are protected and the
8 mooring is conducted offshore of that resource.

9 The mooring field will accommodate liveaboards
10 as it relates to the current Board definition,
11 which would allow folks to live in their boats for
12 no more than six months within a 12-month period.
13 And there is a mooring field management plan that
14 has been developed, and we encourage adoption.

15 COMMISSIONER BRONSON: Motion for approval of
16 Item 3.

17 ATTORNEY GENERAL McCOLLUM: Second.

18 GOVERNOR CRIST: Moved and seconded. CFO, did
19 you wish to comment before we vote?

20 CFO SINK: Yes, I do. I do.

21 GOVERNOR CRIST: Please do.

22 CFO SINK: I just -- I know, Secretary Sole,
23 that these mooring fields were started for another
24 historical purpose, as I understand it, mainly to
25 permit marinas to set up these marine fields in

1 anticipation of building out docks or whatever, but
2 now it's becoming, you know, a good way to provide
3 income for marinas, which is fine, but perhaps
4 without a real strategy on our part in terms of
5 looking forward at how we want to monitor and
6 regulate mooring fields.

7 This particular one, when I saw the map, it's
8 an enormous amount of potential mooring buoys that
9 this marina can have. It looks crowded. It looks
10 a lot, you know, on paper to me.

11 And I wish you would just -- could you just
12 address whether or not we're taking an adequate, or
13 we need to -- what's in your head about going
14 forward with just the seemingly proliferation of
15 more and more marinas wanting to do these extensive
16 mooring fields that's more of a permanent part of
17 their business operation as opposed to something
18 that was originally long ago meant to be just
19 temporary until they could get their docks
20 completed?

21 MR. SOLE: I would love to. Right now, I
22 think there have been 12 mooring fields approved in
23 the State of Florida, and that is growing. I think
24 we have an application in for an additional six,
25 plus or minus, including this facility.

1 And I will tell you, growing up in -- all over
2 the world, you know, mooring fields are actually
3 something normal. We used mooring fields in North
4 Carolina as a standard practice, in Beaufort, North
5 Carolina, and it wasn't as a temporary practice.
6 It really is -- there is a standard practice to
7 moor your boat and then have dinghy service to an
8 upland marina facility.

9 It is growing in Florida, and I think it's
10 going to grow whether or not -- and this is the
11 philosophy that I guess I candidly have. It's
12 going to grow whether or not we pursue what is I
13 consider a more controlled mooring field
14 application, which is why I encouraged this
15 application by the City of Titusville.

16 You're going to have vessels come to Florida,
17 and they're going to weigh anchor, and they're
18 going to use the upland resources over time. It's,
19 I think, smart on behalf of Florida to encourage
20 them and direct them to these facilities where it's
21 managed, where there's pump-out facilities that
22 ensure that any of that waste onboard is
23 appropriately managed, where resources are
24 protected, seagrasses are identified and we ensure
25 that they're not adversely impacted.

1 And the potential for this to grow I think
2 does exist, and it's something that's beginning to
3 be looked at actually by the Legislature as well as
4 it relates to how we manage this growth of mooring
5 fields in the State of Florida. And I do encourage
6 us to continue to be watchful on it, CFO, because
7 how much growth is there expected in the State of
8 Florida? We've got 12 approved. I've got six in
9 the queue.

10 CFO SINK: Fifty percent increase.

11 MR. SOLE: Yes, ma'am. So it is expected to
12 grow quite a bit.

13 CFO SINK: Are you anticipating going through
14 some sort of rulemaking process so that in the
15 future, the marina owners will kind of know what
16 the guidelines are and what the expectations are in
17 terms of pump-outs and other facilities?

18 MR. SOLE: We have not initiated rulemaking on
19 that as it stands. I think we've used the existing
20 rules to ensure that pump-out facilities are
21 identified as it relates to the very simple but
22 appropriate provisions in the rule that it's the
23 Board's responsibility and us as staff to make sure
24 we protect adequately the resources.

25 But I think as we see more and more of these,

1 it may be necessary that we refine that, and we'll
2 keep a look at that.

3 CFO SINK: Okay. Thank you.

4 MR. SOLE: Yes, ma'am.

5 GOVERNOR CRIST: Do we have a motion?

6 ATTORNEY GENERAL McCOLLUM: I moved it.

7 GOVERNOR CRIST: It was moved and seconded.

8 All in favor say "aye."

9 (Affirmative responses.)

10 GOVERNOR CRIST: Disapprove, like sign. The
11 motion carries.

12 MR. SOLE: Thank you. Item number 4 is a
13 request for an update on the Deepwater Horizon
14 incident.

15 GOVERNOR CRIST: I think the Attorney General
16 wants to address the claims process first,
17 Secretary.

18 MR. SOLE: Yes, sir.

19 ATTORNEY GENERAL McCOLLUM: If I could -- and
20 I certainly want to hear the report. And I like to
21 say to you, Governor, and to all of us that the
22 most important thing for everybody is protection
23 from this oil spill. I'm going to make another
24 flight out over that today.

25 We've been very fortunate up to this point

1 that we've not seen the oil actually come to
2 Florida shores, and we discussed that earlier when
3 Senator Gaetz was in here. And everyone's first
4 concern if and when that were to occur is to
5 prevent as much damage to our state as possible.

6 We're already receiving damage. I see
7 reported damage, economic damage from people who
8 are losing business, fishermen, especially those
9 who are out in the Panhandle where, as Senator
10 Gaetz described, we've seen people unrealistically
11 and unreasonably cancel their reservations to come
12 here.

13 And so, as you know, you appointed and asked
14 former Attorney Generals Jim Smith and Bob
15 Butterworth to help form an outside pro bono legal
16 team to work with our office, where they are
17 working and have been since that occurred a couple
18 of weeks ago. And the principal effort they've
19 been making and we've been making at our office has
20 been to make sure that people understand how to
21 file claims.

22 It isn't good enough, of course, to file
23 claims and wait a long time. We want them to know
24 how to do it. We want them to do it as quickly as
25 possible. BP has said that they will pay for the

1 loss of business and profits and loss of tax
2 revenues, and they have said that they will not
3 make claimants release or waive their legal rights.

4 But what we've done in addition to that,
5 Governor, our office has worked with BP to provide
6 a checklist for individuals and businesses filing
7 claims to make it simpler to do so. BP and ESIS,
8 which is a company they engaged to monitor and to
9 handle the claims adjustment for them, have revised
10 a script for incoming calls on claims that make it
11 clear that authorized claims adjusters will not ask
12 for a fee, and nobody, nobody should be paying
13 anybody an up-front fee to handle the preparation
14 of a claim.

15 There are some scam artists out there, we've
16 been told, who have attempted to do that, and I
17 would hope that nobody would fall for up-front fees
18 for anything concerning this disaster, let alone
19 filling out a claim form. And in addition, they
20 have, in all of the references they now make when
21 they're contacted on this claims line, they are
22 supposed to be and said they are referring any
23 reports of scams to our scam line that we have,
24 1-866-9-NOSCAM number.

25 Now, in addition to that, I sent a letter last

1 week to the general counsel of BP, in light of the
2 fact that hurricane season starts in just about a
3 week, and that we are going to expect BP to make
4 good if anything occurs that is excessive damage in
5 addition to what otherwise might occur in a storm
6 to the State of Florida because of and solely
7 because of this Deepwater Horizon oil spill. And
8 they've not yet responded, though I was assured
9 yesterday by their general counsel that response
10 would be coming today.

11 In addition, we have been in touch with
12 admiralty and environmental litigation experts from
13 the Department of Justice so that we can be better
14 able to serve our people in the State of Florida
15 with advice on claims, and if it were to come to
16 litigation -- we always hope it won't, but if it
17 were, we would be prepared.

18 And last but not least, we've been in touch
19 with lawyers and those in the Exxon Valdez oil
20 spill who have been giving us their expertise on
21 all of this. And as you indicated earlier, there
22 is a memorandum of understanding that I gather is
23 sitting on the desk now from yesterday about this
24 advertising we would like to do, the promotion of
25 Florida tourism.

1 Governor, you let me know, and I will -- we
2 have daily contact with BP's lawyers, and I would
3 be very happy to do whatever it takes to spur them
4 on if they don't get that memorandum back to you in
5 a timely fashion. Hopefully they've done that this
6 morning.

7 But in any event, I wanted to report on that
8 to you. And the most important thing we're going
9 to hear is from you today, Mike. We want to hear
10 what's really going on out there, but I thought I
11 at least should report on the claims process,
12 because so many people, especially in the
13 Panhandle, actually have claims right now.

14 MR. SOLE: Yes, sir.

15 ATTORNEY GENERAL McCOLLUM: And they need to
16 know they can go online to BP, or they can go to
17 myfloridalegal.com, and they can find out how to do
18 this, and they surely shouldn't be having somebody
19 else trying to charge them a fee to do something
20 they should be getting for free.

21 Thank you, Governor.

22 GOVERNOR CRIST: Thank you.

23 CFO SINK: Governor, could --

24 GOVERNOR CRIST: CFO.

25 CFO SINK: Since we're on legal issues,

1 General McCollum, what is the status of the
2 Butterworth and Smith efforts to ensure that we
3 Floridians are truly protected and are building up
4 an effective, aggressive legal strategy.

5 ATTORNEY GENERAL McCOLLUM: As you know,
6 Generals Butterworth and Smith were charged with
7 the responsibility, or they volunteered -- yes,
8 they're not being paid anything for this -- to
9 bring together pro bono outside experts as might be
10 needed to help us in preparing for any claims that
11 might need to be filed or any litigation that might
12 be needed.

13 So far we've been very fortunate. The State
14 of Florida has not had the oil come ashore, so
15 we're all sitting here wondering whether it might
16 one of these days. I guess we all fear that it
17 will.

18 But the focus has been on what I just
19 described to you. They have over there with their
20 oversight and with our office's assistance and a
21 couple of people they've engaged -- and there have
22 been a couple of people who have been on a pro bono
23 basis. We've been gathering the data and providing
24 information to make sure the claims process is
25 handled and people know how to prepare to make

1 their damage claims when their damage claims are
2 due.

3 Obviously, this is the same preparation you do
4 if and when litigation were to occur. And we've
5 also been taking names. There are outside law
6 firms, and we've certainly been contacted by plenty
7 of them, that would love to represent the State in
8 litigation. But we're not at that stage yet, and
9 we're not so sure yet whether that's necessary. We
10 all hope it isn't.

11 CFO SINK: I mean, are they meeting, or -- you
12 said that they've gotten some other lawyers to work
13 with them. I'm just interested in --

14 ATTORNEY GENERAL McCOLLUM: Well, to be
15 very --

16 CFO SINK: In the interest of sunshine --

17 ATTORNEY GENERAL McCOLLUM: No, no. To be
18 very --

19 CFO SINK: I haven't heard anything from them.

20 ATTORNEY GENERAL McCOLLUM: To be very
21 specific, there haven't been like 20 law firms or
22 20 lawyers that have come in here and sat down and
23 met. There has been simply contact.

24 There are two people that have been engaged,
25 one each that -- as I understand it, that General

1 Butterworth and General Smith wanted to have work
2 with us, and they've been working with us on a
3 regular basis, not as a meeting group. And then
4 there have been --

5 CFO SINK: Can you tell us who they are?

6 ATTORNEY GENERAL McCOLLUM: -- admiralty
7 lawyers. I'll have to ask my staff all the names
8 if they've got them over here. I'll be glad to
9 give them to you, the two people that are there. I
10 know there are two. I don't have them off the top
11 of my head to give you. But they have been working
12 with Trish Conners of my staff over the past week
13 on the claims issues. But there has been no big
14 powwow or big meeting that has occurred.

15 My staff doesn't appear to have them back
16 there, but we'll get them to you.

17 CFO SINK: Well, again, I would just like to
18 remind you that in this area of claims, while BP is
19 obviously not an insurance company, that we have a
20 number of lawyers, long-time lawyers in our
21 department who have 20 and 30 years worth of
22 experience in dealing with claims handling
23 processes. My department handled the payment of
24 the holocaust claims for the holocaust victims.

25 And I would think that your office and your

1 attorney, Trish Conners, would want to take
2 advantage of this experience within the -- legal
3 experience within the Department of Financial
4 Services, because my lawyers have had a lot of
5 experience. And I would appreciate it if she would
6 reach out to my lawyers.

7 ATTORNEY GENERAL McCOLLUM: I would be very --

8 CFO SINK: Because I think it would be good
9 for the --

10 ATTORNEY GENERAL McCOLLUM: Sure.

11 CFO SINK: -- people of Florida to take
12 advantage of the experience that we have right
13 here --

14 ATTORNEY GENERAL McCOLLUM: Sure.

15 CFO SINK: -- within state government.

16 ATTORNEY GENERAL McCOLLUM: Well, we would be
17 very glad to have your assistance, I'm sure. And I
18 will point that out --

19 CFO SINK: Well, good.

20 ATTORNEY GENERAL McCOLLUM: -- to my Associate
21 Attorney General that you were making that offer to
22 us, and we would be glad to do that. But I can
23 assure you of two or three things: One, we had
24 have very, very capable lawyers inside the Attorney
25 General's Office; and two, we have had the two

1 outside attorneys that have given us a lot of their
2 time and a lot of their energy in the claims --
3 regarding the claims arena.

4 And I guess I'm being told here in some
5 handwritten format a couple of the things that you
6 just asked, if you would like to publicly have
7 this.

8 UNIDENTIFIED SPEAKER: In just a few of
9 minutes, Rob is going to get it.

10 ATTORNEY GENERAL McCOLLUM: Okay. Rob is
11 going to bring that up here. All right. He's
12 going to give it to us in a couple of minutes.

13 CFO SINK: Thank you.

14 ATTORNEY GENERAL McCOLLUM: We'll be glad to
15 give it to you. Thank you.

16 GOVERNOR CRIST: Secretary.

17 MR. SOLE: Governor, good morning.

18 GOVERNOR CRIST: How are you?

19 MR. SOLE: I'm well, sir.

20 Just to respond to the General's point about
21 whether or not BP has signed the MOU, while we were
22 in the Cabinet, I did get word from BP that they
23 have executed the MOU for the \$25 million
24 associated with our economic development, so that's
25 moving forward.

1 Let me briefly just point out the fact that
2 we've been very proactive as we've monitored the
3 conditions of this plume. The General is correct.
4 We don't have any verified impact, physical impact
5 associated with the Deepwater Horizon plume yet on
6 Florida's shoreline. However, Governor, as you're
7 aware, you've executed three executive orders
8 declaring shoreline emergencies so that we can be
9 proactive and preventive to make sure that Florida
10 is ready in the event that there are impacts.

11 Just recently, May 21st, we extended that into
12 South Florida to include all the way through Palm
13 Beach County as a result of a reporting that we had
14 oil actually getting -- or sheen getting into the
15 Loop Current. And I'm going to talk about that a
16 little bit later.

17 Just a reminder, BP is the responsible party.
18 The Coast Guard is the incident command authority
19 over this, and they're the ones that are actually
20 overseeing BP's response to this shoreline
21 emergency. However, obviously, the State of
22 Florida is not sitting idly by. In fact, we are
23 heavily engaged with the Coast Guard in not only
24 proactively identifying things that Florida needs
25 to do to ensure that we're protected, but also

1 giving recommendations and guidance to both BP and
2 the Coast Guard as they get Florida ready.

3 I do want to start at the incident site.
4 That's the area where there's a lot of focus these
5 days. And when I call it the incident site, I do
6 refer to the area where the Deepwater Horizon did
7 catch fire on the 20th of April and then
8 subsequently sank.

9 The good news is, as we continue to monitor
10 their activity at the incident site, you've heard
11 about the riser insertion tube. This is the tube
12 that has been inserted into the pipe that's broken
13 at the sea floor some 5,000 feet down. And they're
14 collecting roughly 1,300 to almost 4' to 5,000
15 barrels of oil per day. That does vary based upon
16 the pressure. They're trying to identify ways to
17 maximize the recovery. So there has been some
18 variation. There were reports of oil actually
19 recovered at the surface.

20 And also a reminder that they're flaring the
21 natural gas at this vessel, as well as they go
22 ahead and recover quite a bit of natural gas that's
23 coming from this -- basically the tube.

24 Finally, the most important thing, at least
25 for the next 48 hours I want everyone to keep their

1 eyes on is BP's efforts under what they call Top
2 Kill, the Top Kill procedure. This the procedure
3 in which they will be pumping down into the blowout
4 prevention device itself heavy drilling muds, with
5 the intent of reducing that pressure so that they
6 can put a temporary plug in or temporary concrete
7 in to actually stop the discharge.

8 The latest word I got last night is that this
9 is going to be initiated tomorrow morning, so we're
10 very optimistic and hopeful that it's successful,
11 because if it is, it will be a temporary cease to
12 the continuing and ongoing discharge.

13 This is important, because the other option,
14 if this doesn't fail, their next option is Junk
15 Shot. You may have heard that term. And this is
16 where they're actually anticipating to not use
17 heavy muds, but in this case, rubber crumb to shove
18 down into the blowout prevention device to go ahead
19 and try to cease that. We're more hopeful that Top
20 Kill is successful.

21 Regardless, they will continue to move forward
22 with drilling of the relief well. As it stands,
23 they've, I think, gotten roughly 8,600 feet as of
24 yesterday. They need to get to about a 15,000-foot
25 depth, so they're close to halfway there for the

1 first relief well. Also, they've just recently
2 started drilling the second relief well, so they're
3 coming at it from two different directions. This
4 is the effort that we've talked about that will
5 take basically two or three months before they can
6 actually get that relief well connected to the
7 existing Deepwater Horizon well.

8 Also, just as a reminder, there are quite a
9 bit of removal strategies occurring at the surface
10 at the incident site. Much of this is dependent
11 upon weather. In high seas conditions, you can't
12 use the fire booming, you can't use the
13 dispersants, and you really can't use skimming. So
14 when the seas get up, there's not as much surface
15 activity.

16 Fortunately, in the last couple of days,
17 there's been good conditions. There has been more
18 than 1,100 vessels out on the scene, and they've
19 roughly recovered some 9.7 million gallons of oily
20 water. That's both water and oil, so it's not just
21 100 percent of the crude oil.

22 715,000 gallons of dispersant have been used.
23 I know this is a controversial issue. There's a
24 lot of questions about the toxicity of dispersants
25 compared to the toxicity impacts of oil. A

1 reminder, the good news is that much of this is
2 occurring at the incident site. There is no use of
3 dispersant off of Florida's shores.

4 And in fact, it is not authorized currently to
5 use dispersants off of Florida's shores. If BP
6 wanted to use that effort, it would require the
7 approval of both the Department of Environmental
8 Protection, the Fish and Wildlife Conservation
9 Commission, and EPA. And I'm sure we will consult
10 with you if that request ever comes to fruition.

11 Finally, they are continuing to use the fire
12 booming. Actually, yesterday I think they had a
13 good day of having eight additional fire boom
14 incidents, which is actually a very effective way
15 of getting a lot of that oil off the surface.

16 The most important thing that we've been doing
17 is trying to monitor the trajectories of the plume.
18 This map gives you basically a trajectory proposal
19 that will occur tomorrow. As you can see, it's
20 over 50 miles off south of Pensacola, some 55 miles
21 south of Pensacola. And believe it or not, as
22 we've monitored this, after the last 30 days, this
23 has been the trend. It hasn't really gotten close
24 to Pensacola. It seems to stay roughly 50 to
25 90 miles offshore of Pensacola, based upon winds

1 and currents, and that's great news for the State
2 of Florida.

3 It could be a combination of issues. One, a
4 lot of that is the leading edge, and it's primarily
5 sheen, so as sheen moves away from the incident
6 site, it's beginning to evaporate to a point where
7 it's probably no longer observable because it's
8 slowly evaporating to a point where it's basically
9 gone. That's the benefit of having some distance
10 and time between us and the incident site.

11 However, things can change, and we always want
12 to keep our eyes on it. Fortunately, we have not
13 seen any incidents of tar balls associated with the
14 Deepwater Horizon response. We're getting tar ball
15 reports, and that's a good thing, and I think it's
16 combined with the fact that people are just more
17 observant. They're actually looking at them. We
18 have SCAT teams, basically, Shoreline Contamination
19 Assessment Teams going up and down the beaches
20 actually physically trying to find if there's tar
21 balls. Most of those that have been found, or
22 those that have been found to date have been sent
23 off for testing and are older tar balls that are
24 associated with other events.

25 Governor, we talked previously about the Loop

1 Current, and we now watch the trajectory of this
2 plume in two ways. This slide shows what we call
3 the nearshore trajectory, and that's the incident
4 site as it relates to potential impacts to
5 Louisiana, Mississippi, and Alabama, and, of
6 course, Florida.

7 This next slide shows what is happening as it
8 relates to the Loop Current, and this is something
9 that we had a little bit of discussion the last
10 time I gave a presentation. I want to get a little
11 more into detail on it now, because, candidly,
12 there's some really good news on the Loop Current.

13 As you can see, the Loop Current or the plume
14 is beginning to have a southerly string, basically
15 being pulled out of the discharge as a result of
16 currents in the Loop Current. But the good news
17 is, it's not so much the currents in the Loop
18 Current. There is an eddy that's forming just
19 north of the Loop Current, and this eddy is what's
20 actually beginning to pull the plume, some of the
21 sheen from the plume.

22 Fortunately, as we've continued to track that,
23 what you can see -- and I'm showing it in this
24 previous slide -- is the actual sheen is expected
25 to be entrained in the eddy, not in the Loop

1 Current, so that will keep product from getting
2 into the Loop Current and heading south.

3 Not only do we have that benefit, we have one
4 additional benefit. Another eddy has formed on the
5 southern end of Florida and is actually beginning
6 to what we call pinch the Loop Current.

7 CFO SINK: Mike, can you have somebody just
8 point it out to us so that we're looking at the
9 right thing?

10 MR. SOLE: Yes, ma'am. I don't know if I can
11 get this mouse to work. Oh, yes, thank you, I can.
12 All right. Here's the northern -- thank you, CFO.
13 I apologize. I didn't know about I had that
14 technology.

15 Here's the northern eddy right here.

16 CFO SINK: Okay.

17 MR. SOLE: Here's the Loop Current as it comes
18 up and comes down and goes into the Straits of
19 Florida. Here's where the oil and the sheen is
20 being taken from the Deepwater Horizon incident
21 site. So you can see it being pulled into this
22 eddy, and it's expected to be entrained into this
23 eddy. And I --

24 GOVERNOR CRIST: Expected to be what in the
25 eddy?

1 MR. SOLE: Entrained.

2 GOVERNOR CRIST: Entrained?

3 MR. SOLE: Trapped.

4 GOVERNOR CRIST: Trapped. Thank you.

5 MR. SOLE: Sorry. Yes, sir. So it will be
6 anticipated to be trapped into this eddy. So
7 that's the northern benefit.

8 GOVERNOR CRIST: May I interrupt?

9 MR. SOLE: Absolutely.

10 GOVERNOR CRIST: When you describe an eddy,
11 the one that you have your cursor on right now, it
12 just goes in a circular motion?

13 MR. SOLE: Yes, sir.

14 GOVERNOR CRIST: So it's just kind of a vortex
15 that contains the oil for the present.

16 MR. SOLE: It will draw it in and contain the
17 oil in that eddy, yes, sir.

18 GOVERNOR CRIST: What would cause that?

19 MR. SOLE: It's actually a natural phenomenon
20 with the Loop Current. When you look at the Loop
21 Current, these eddies form. And really what causes
22 it, Governor is, as the Loop Current -- and I'm
23 going to try it with the mouse again. As the Loop
24 Current brings this fairly fast current through
25 this direction, what it's doing is creating,

1 actually, candidly, friction on the rest of the
2 water. And then the eddy begins to form because
3 you have that pushing of the Loop Current, and you
4 have a counterclockwise eddy --

5 GOVERNOR CRIST: It's a spinoff.

6 MR. SOLE: -- that spins off. And in this
7 case, we have an eddy that has formed in a perfect
8 location to the north, which is keeping a lot of
9 the sheen from actually entering the Loop Current
10 proper.

11 And then more amazing is, we've had an eddy
12 form to the south that has moved to the west, which
13 is actually pinching the Loop Current. And I'm
14 going to show another slide that maybe shows it a
15 little bit better, and I'm going to go down to this
16 bottom right slide, if you don't mind.

17 What has happened is, the Loop Current
18 originally went all the way down up into basically
19 the northern Gulf of Mexico and then did its U-turn
20 back down to the Straits. This eddy has formed and
21 is pinching and is separating that northern part of
22 the Loop Current, which is basically cutting off
23 the flow from this northern area to the Straits of
24 Florida. And this is also a natural phenomenon
25 that occurs frequently with the Loop Current. It

1 just happened to occur at an amazing time right
2 now, Governor.

3 GOVERNOR CRIST: Well done, Secretary.

4 MR. SOLE: I would like to take credit for it.

5 CFO SINK: Well, it's amazing that they get
6 the spill of oil contained.

7 MR. SOLE: Yes, ma'am. And again, that really
8 is an important statement, because while we've
9 gotten what I think is some very good news from
10 Mother Nature and what's going on in the Gulf and
11 keeping this product from getting down into the
12 Straits of Florida and South Florida, the reality
13 is that the Loop Current will reform. The Loop
14 Current will slowly head to the north.

15 And they still have not stopped the flow. If
16 they don't stop the flow, then the threats will
17 reemerge. So it is very important as we watch over
18 the next 24 to 48 hours that we hopefully see a
19 very positive result with the Top Kill. I will be
20 able to sleep at night, at least a little bit more,
21 if Top Kill is successful, because some of the more
22 significant threats to Florida I think will be
23 largely abated.

24 Florida has not had physical impact from
25 Deepwater Horizon as of yet, and a lot of that is

1 very fortunate winds and currents. However, you've
2 heard me say this at previous Cabinet meetings:
3 All that can change. So we still need to be
4 prepared, but we also need to be cognizant of the
5 fact that we are not being physically impacted by
6 Deepwater Horizon events. And hopefully that will
7 continue to occur as a result of some favorable
8 currents and winds.

9 Even though we haven't been impacted,
10 Governor, you know we've been very aggressive at
11 trying to make sure Florida is prepared. There's
12 some 260,000 linear feet of boom that has already
13 been deployed in the Panhandle. We've got -- our
14 EOC has been active at Level 2 for the last 26
15 days, continuing to work with local governments as
16 well as other state agencies.

17 Your three executive orders making sure that
18 the Floridians are ready; you also issued your
19 executive order establishing an economic task force
20 to move that agenda forward. We've issued our
21 emergency final orders at the DEP to help
22 regulatory burdens go away so people can act
23 accordingly.

24 And this booming strategy has been primarily
25 in the Panhandle in light of the previous

1 trajectories from the NOAA. And what -- and this
2 slide is actually not as good as I thought. What
3 it does show is that there is actual boom deployed
4 throughout these areas to protect the more
5 sensitive areas along our coastline and state.

6 You've heard me say this in the past: You
7 can't just boom off Florida. One, it won't work.
8 Boom is inefficient and ineffective at any current
9 above basically a knot, and once chop begins and
10 you get high seas, oil is going to go right over
11 the boom.

12 But also, what we're seeing is boom is also
13 not effective against tar balls. You know, boom is
14 good for fresh oil. And you can boom all you want,
15 and you are not going to stop tar balls from
16 getting both under boom or over boom. Tar balls,
17 as they grow and age, they actually become almost
18 neutrally bouyant, if not actually beginning to
19 sink, so the boom is not going to be that
20 effective.

21 Currently, and this is a high technology
22 solution, the way you address tar balls is, you
23 bend over and pick them up. That is currently the
24 strategy. And I will tell you that you will see --
25 where there have been tar ball impacts along other

1 coasts like Alabama, Mississippi, and in some
2 cases, Louisiana, folks will just get online along
3 the beach and walk the beach and remove the tar
4 balls. And I'm hopeful that that's the extent of
5 the impact Florida will ever see as a result of the
6 Deepwater Horizon event.

7 Fish and Wildlife Conservation, I want to just
8 add that they have been a great partner as we move
9 forward, not only as it relates to our natural
10 resource damage assessment -- they've been out
11 sampling fish tissue, but they've also been
12 involved in trying to get some confirmation data.
13 Fish and Wildlife recently worked with USF to send
14 a research vessel out to do some sampling in the
15 Loop Current itself to verify or validate that
16 there is no oil, and the good news is the results
17 that we got back was correct. There is no oil in
18 the Loop Current, and that's fantastic news.
19 They're also been doing aerial overflights --

20 GOVERNOR CRIST: Would you say that again?

21 MR. SOLE: There is -- the research vessel
22 that was sent actually out of the University of
23 South Florida did some sampling in the Loop Current
24 to see if they could find any oil, and the answer
25 came back that they did not see any oil in the Loop

1 Current. And that's great news for Florida.

2 GOVERNOR CRIST: How are they able to test
3 that, Secretary.

4 MR. SOLE: They're actually looking for
5 hydrocarbons themselves, trying to test and sample
6 hydrocarbons in the actual water quality itself.
7 So it's more taking samples at depth in addition to
8 looking at surface samples.

9 We'll get better sample results as -- they
10 came into port I think yesterday, Governor, and
11 we'll get the final sample results. But the good
12 news is they didn't see anything until they got
13 actually out to the incident site, so that's
14 fantastic news for us.

15 Also, the Fish and Wildlife Conservation
16 Commission, along with the Civil Air Patrol, have
17 been working with us and actually doing our own
18 monitoring flights to validate some of the
19 trajectories and information that NOAA is sending,
20 because we're a big believer in -- I trust NOAA's
21 efforts. They've got great scientists, but we want
22 to verify some of this information. It has been
23 very helpful to Florida to make sure we understand
24 where this oil is.

25 NOAA fishery closures, I do want to point out

1 that they have made some closures in the offshore
2 waters in the Gulf of Mexico, not so much in the
3 inshore waters or waters in the State of Florida.
4 And it is worth noting, I believe either this
5 morning or late last night, Secretary of Commerce
6 Gary Locke did issue a declaration of fishery
7 failures in Louisiana, Mississippi, and Alabama.
8 And I'm glad that there was not a declaration in
9 Florida.

10 As you can see in this map, much of Florida
11 waters are open, both federally -- and all of our
12 state water are open. And candidly, the
13 Commissioner's point this morning, our seafood is
14 in good shape.

15 The bottom line, it's time to go out and go
16 fishing. The state is open for business. And I
17 think that's the right message, because we haven't
18 seen these impacts, and we need to get people out
19 there. If there's a change in circumstance, we can
20 react, and that's the good news, so that's
21 something that we'll continue to monitor as well.

22 We talked about the natural resource damage
23 assessment. Originally, most of that was in the
24 Panhandle. We've obviously moved that throughout
25 the South Florida area and will be coming around

1 the Keys and the southeast coast of Florida.

2 And finally, just a couple of notes. We
3 talked about claims earlier. So far, BP has
4 received as of yesterday afternoon 2,845 claims in
5 Florida. They've paid out some \$1.72 million in
6 those claims, and have obviously only closed, I
7 believe, two claims. So even though they've paid
8 out numerous claims, they've only closed a couple
9 of claims, meaning they remain open for subsequent
10 requests for claims.

11 There was also a question earlier this morning
12 about federal assistance and loans. A reminder,
13 Governor, you had previously requested the State
14 Board of Administration -- or Small Business
15 Administration, I apologize, be activated here in
16 Florida. They've opened up eight offices here in
17 Florida already. They approved that on May 13.
18 They've already received 75 applications for small
19 business loans and are moving that forward
20 aggressively.

21 And with that, I want to thank you. I would
22 be willing to answer any questions. And I know
23 that Chris Thompson, the CEO of Visit Florida, also
24 has some information to present as well.

25 GOVERNOR CRIST: Did you want to present, and

1 then we'll ask all the questions?

2 MR. THOMPSON: Sure. Governor, Attorney
3 General, CFO Sink, Commissioner Bronson, first of
4 all, I want thank you all for allowing me to be
5 here today. Great thanks to Secretary Sole for all
6 his leadership.

7 You need to know since this crisis became a
8 crisis 26 days ago, our staff has been working 24/7
9 managing a lot of whole uncertainty within a
10 72-hour window and within a 24-hour news cycle.

11 We've been working and reaching out every day
12 with the Department of Environmental Protection,
13 the Department of Management Services, through your
14 office, Governor, and also, more importantly, with
15 all of our industry partners, not the least of
16 which is the Florida Restaurant and Lodging
17 Association. I'm incredibly proud of the
18 commitment that everybody has been making over
19 these 26 days, and I'm here to tell you a little
20 bit about what we've been doing.

21 Our positioning throughout this crisis is to
22 be the trusted source for travel planning, both
23 during -- before, during, and after the entire
24 crisis. We want to provide credible information so
25 that visitors can make decisions on how to -- on

1 their vacation planing, both those that they've
2 already planned and the ones that are coming up.
3 And we also want to be real aggressive in putting
4 the right message out there to make sure that
5 people know we're open for business, we're clear
6 and clean, the fish are biting, and all the other
7 things we've been talking about.

8 Early on, we've been trying -- we were trying
9 to work on earned media. That's not paid
10 advertising. That's earned media through media
11 sources, to gain the trust of the media and to gain
12 the trust of the consumers.

13 The best example of that just recently
14 happened yesterday, Governor. I was over there
15 with you in Northwest Florida to celebrate the
16 opening of the Northwest Florida Beaches
17 International Airport. And yesterday afternoon
18 after all that celebration, I was involved in a
19 satellite media tour that went -- it was on the
20 beach in Northwest Florida, in Panama City Beach.
21 It went out to 30 network affiliates around the
22 country, CNBC, five syndicated radio stations.

23 The message there was first and foremost to
24 talk about the opening of the new airport, but more
25 importantly, the fact that we're clean, clear, open

1 for business, the fish are biting, so whether
2 you're catching them or eating them, they're as
3 amazing as they've ever been. And we emphasize
4 that over and over and over, and the reach we had
5 just yesterday was huge as it relates to that.

6 The response elements that have been part of
7 what we've been doing have been an information
8 platform which I think you heard about called
9 Florida Live. It empowers consumers to feel safe
10 in choosing Florida as a vacation destination, an
11 advertising campaign that I'll share with you in
12 just a moment.

13 Earned media, like we talked, which also
14 included 656 journalist contacts, 100 interviews,
15 so we've been managing a good bit of the media
16 inquiries into what's been going on.

17 Industry outreach, as I talked about, and then
18 trying to anticipate, monitor, and respond quickly
19 to all the changing consumer opinions and
20 speculation and concerns about what has been going
21 on.

22 This is a video snapshot or a screen snapshot
23 of our Florida Live platform, and what this is,
24 this is real people, real time, real Florida, on
25 our visitflorida.com website, the number one

1 visited website in the country. And what it
2 provides is photo uplinks, access to all the video
3 cams around the state, provides Twitter feeds.

4 And more importantly, what it does, this is a
5 hyperlocalized situation. It is all about what the
6 destinations are feeling at the local level and how
7 they're dealing with it. This provides -- this
8 platform provides an opportunity for those
9 destinations, Pensacola, for example, to tell the
10 Pensacola story in a way that Pensacola knows how
11 to tell the story. So that is the main emphasis
12 behind this Florida Live platform.

13 GOVERNOR CRIST: Did you say -- pardon me --
14 this is the number one visited website?

15 MR. THOMPSON: Yes, sir, the number one
16 visited website in -- destination website in the
17 country.

18 GOVERNOR CRIST: Destination website in the
19 country.

20 MR. THOMPSON: Yes, sir.

21 GOVERNOR CRIST: Thank you.

22 MR. THOMPSON: When our board released our
23 \$2 million fund, \$2 million worth of emergency
24 crisis funding on May 12th -- Governor, you were
25 there at our meeting, and they actually took action

1 doing that -- the first thing that we wanted to do
2 was put an aggressive advertising campaign out
3 there that would tell the story about what's
4 actually happening in Florida through our Florida
5 Live platform and the fact that our beaches are
6 clear and clean and open for business.

7 That started with an online advertising
8 campaign that, as you see here, generates -- we're
9 in the middle of that right now. It's generating
10 68 million in presence over a six-week flight that
11 started May 15th through June 30th in those markets
12 that are listed on the sheet there.

13 And you know what? Our commitment from our
14 board, recognizing exactly what Senator Gaetz said
15 early on, was the fact that the most impacted area
16 in the State of Florida right now is Northwest
17 Florida, and mostly due to indirect impacts without
18 any direct hit, much of what you've been talking
19 about here.

20 Our commitment by our board at that meeting
21 was to have all the media in place, whether it's
22 online or broadcast media, in markets near and dear
23 and important to Northwest Florida. So everything
24 that we've done has been so, including what we did
25 with the online advertising.

1 Television advertising. We went out around
2 the state of Florida, and we shot a thousand shots
3 of real people on the beaches enjoying Florida, not
4 actors, not staged, not polished. What it is, it's
5 people out there actually enjoying the state of
6 Florida. We got releases from them. And that was
7 really the core behind what we're trying to do.
8 The most credible thing that we can show right now,
9 and it's done through that Florida Live website, is
10 photo uplinks, video cams, and these pictures that
11 are in this advertisement.

12 This campaign that has been ongoing started on
13 May 22nd and will run through June 23rd. Again, if
14 you look at those markets, those markets are
15 markets that are near and dear to Northwest
16 Florida, including two of the markets that are
17 being served by Southwest and the new Northwest
18 Florida Beaches International Airport, which are
19 Houston and Nashville. So they should be
20 considerable help to our friends up in Northwest
21 Florida.

22 GOVERNOR CRIST: Excuse me.

23 MR. THOMPSON: I would like to show you this
24 ad if --

25 GOVERNOR CRIST: Excuse me one second. You

1 said May 22nd through June what?

2 MR. THOMPSON: 23rd.

3 GOVERNOR CRIST: Thank you.

4 MR. THOMPSON: Yes, sir. And I would like to
5 show you this first ad here real quick.

6 (Advertisement played.)

7 MR. THOMPSON: The good news about that spot,
8 Governor and Cabinet members, is that every one of
9 those photos were taken and shot in Northwest
10 Florida, so it's actually showing Northwest Florida
11 real time, real people, real Florida, and that's
12 what gives it credibility. And that adds to the
13 whole positioning that we have on our Florida Live
14 website as it relates to that.

15 We've also been reaching out to our industry
16 partners, and it's really the DMOs around the State
17 of Florida. And certainly they've been very vocal
18 in the process about how they want to be able to
19 tell their story. Well, in this platform that
20 we've created, we're putting a 20-second Visit
21 Florida spot on the back -- on the front end of a
22 10-second spot by each of the 25 destinations that
23 have been included in your declaration for
24 emergency status. And I would like to show you an
25 example of one of these ads with our friends in

1 Pensacola.

2 (Advertisement played.)

3 CFO SINK: Would you just go back and clarify
4 what the difference between the -- I mean, I see
5 the difference. The second one focused on
6 Pensacola.

7 MR. THOMPSON: The first ad is the generic ad
8 for the State of Florida, the entire State of
9 Florida that drives traffic to Florida Live, which
10 then allows the hyperlocalized stories to be told
11 from the local level by everybody around the state,
12 and including, more importantly, the 25 counties in
13 the state of declaration, and especially our
14 friends over in Northwest Florida. So that was the
15 general --

16 CFO SINK: I'm sorry, but --

17 MR. THOMPSON: That was the general --

18 CFO SINK: The first thing you showed us was
19 the television thing?

20 MR. THOMPSON: The television ad, yes.

21 CFO SINK: The television ad.

22 MR. THOMPSON: Correct. And so was the second
23 one. The second one was a similar execution with a
24 20-second spot for us on the front end and then a
25 10-second spot for the local destination to bring

1 in their website and their story. And so --

2 CFO SINK: That's not on television, though.

3 MR. THOMPSON: Both are television, yes,
4 ma'am. Those are 30-second spots.

5 CFO SINK: How do you decide the generic one
6 versus the one that specifies Northwest Florida?

7 MR. THOMPSON: Well, as soon as we get -- and
8 we've reached out to all 25 counties. We've heard
9 from all of them. Fifteen --

10 CFO SINK: Do they have to put up their own
11 money?

12 MR. THOMPSON: Fifteen of them -- they have to
13 give us a 10-second spot that they -- a lot of them
14 already have produced and already have in the can.
15 If they don't, then we've offered to produce the
16 10-second spot for them.

17 And then once we've received those 10-second
18 spots, the 10-second spots from them, every bit of
19 the advertising that's out there during that time
20 frame that I talked about earlier will include the
21 20 and 10 spots for all the counties, with a
22 particular emphasis to those in Northwest Florida.

23 CFO SINK: Let me just -- Governor and
24 Cabinet, I'm really a little bit frustrated. I'll
25 keep this short.

1 MR. THOMPSON: Yes, ma'am.

2 CFO SINK: The problem we have today, the
3 sense of urgency is that the main area being
4 impacted is Northwest Florida.

5 MR. THOMPSON: Yes, ma'am.

6 CFO SINK: And this does nothing to help
7 Northwest Florida, because if you're thinking -- if
8 you're in Atlanta and you see -- it's a nice ad,
9 visit Florida, the beaches are open. The Atlanta
10 person is up there saying, "Oh, well, I'm going to
11 go to the beach in Florida. I better play it safe
12 and go to Fort Lauderdale. I'm going to stay away
13 from Northwest Florida."

14 I think what we have right now is an emergency
15 on our hands. You heard what Senator Gaetz said.

16 MR. THOMPSON: Yes, ma'am.

17 CFO SINK: We need to do everything we
18 possibly can to pour our resources right now into
19 getting those people, getting people back to
20 Northwest Florida.

21 MR. THOMPSON: Yes, ma'am. What I wanted --

22 CFO SINK: And it seems that's not what we're
23 focused on.

24 MR. THOMPSON: What I want to point out is
25 that this campaign and everything involved with

1 this campaign was being funded by Visit Florida's
2 resources that were freed up on May 12th from our
3 economic risk fund. We have an entire campaign
4 proposal that was given to BP and was forwarded by
5 the Governor and through the Governor on how to
6 help put the \$25 million to good use.

7 ATTORNEY GENERAL McCOLLUM: Can I --

8 CFO SINK: It's going to be too late.

9 ATTORNEY GENERAL McCOLLUM: Can I ask about
10 that 25 million? It seems like an eternity -- I
11 know it hasn't been, but it seems like that, since
12 all that was generally agreed to and BP said,
13 "We're going to free this money up."

14 MR. THOMPSON: Yes, sir.

15 ATTORNEY GENERAL McCOLLUM: Why all the time?
16 What's the problem? Why all the delay for that
17 25 million from your perspective? I mean, you're
18 sitting there telling us you have a plan to spend
19 it and it has been transmitted to BP. When was it
20 transmitted?

21 MR. THOMPSON: Well, the original plan that we
22 were involved with was submitted to BP -- well, it
23 was submitted actually directly to BP in
24 conjunction with the Governor's Office on May 7th,
25 which actually spawned the original request for

1 35 million, because our original request was
2 25 million plus 10 to be on --

3 ATTORNEY GENERAL McCOLLUM: That's 18 days
4 ago. Any reason why BP has taken 18 days to decide
5 they're going to, you know, help us out with regard
6 to mitigating the losses? I mean, that's really
7 what this is about. I mean, just as important as
8 it is to play claims, it's more important to
9 mitigate losses. I think that's the frustration
10 that you see some of us up here with right now.

11 And I assume you've got to share that,
12 although, you know, you're showing us the ads
13 you're doing and you're telling up how much you're
14 doing, and we're grateful that you're doing that,
15 and I'm sure they are out there too, but it's it
16 not anywhere near what 25 million would do. And
17 that has been proposed or more or less on the table
18 for over two weeks, and we're just seeing the
19 Memorandum of Understanding that passed through my
20 office from the Governor's office yesterday. Why
21 that delay?

22 MR. THOMPSON: Sir, we were not involved in
23 those discussions, those direct discussions in that
24 process, so I could not speculate.

25 ATTORNEY GENERAL McCOLLUM: Well, I just want

1 you to know I'm disturbed about it. I'm not trying
2 to beat up on you.

3 MR. THOMPSON: No, I understand.

4 ATTORNEY GENERAL McCOLLUM: But I'm trying to
5 get to the bottom what you --

6 MR. THOMPSON: And what --

7 ATTORNEY GENERAL McCOLLUM: You already had a
8 plan. You've had a plan since May the 7th to spend
9 that 25 million, and as far as you know, that was
10 submitted to BP back 18 days ago, May the 7th;
11 right?

12 MR. THOMPSON: Yes, sir.

13 ATTORNEY GENERAL McCOLLUM: Thank you.

14 COMMISSIONER BRONSON: Governor.

15 GOVERNOR CRIST: Yes.

16 COMMISSIONER BRONSON: If I could, the one
17 thing I would like to ask you is, those are really
18 nice ads, but how do we get to the people seeing
19 those ads that that beach scene was taken during
20 all of this and therefore there's no damage to the
21 beach, instead of just a generic "Come to Florida.
22 The beaches are great"?

23 I mean, to me, looking at what you had was
24 great, but it's like looking at a citrus juice, an
25 orange juice commercial that was cut two years ago

1 that's still running today. How are they going to
2 know the difference that beach is clean today, it's
3 not last year's ad, or a two years ago ad? How do
4 you get out that this is right now happening today
5 and the beaches are clean?

6 MR. THOMPSON: That's a very good question,
7 Commissioner Bronson, and that's really the whole
8 premise behind the entire campaign that's out
9 there, including the Florida Live website and all
10 the support to that on the website, is that this is
11 real people, real time, pictures taken in the last
12 48 hours, particularly the ones in Northwest
13 Florida, showing them enjoying what you can do on
14 Florida -- in Florida real time across all those
15 different venues.

16 And so that's the whole premise behind the
17 campaign. That's what's pushed out to the
18 consumers to let them know that's what they're
19 looking at so that they have the confidence to know
20 that what they're seeing is what's actually
21 happening.

22 And the Florida Live website allows them to
23 also see it real time with additional photos that
24 are being uploaded, video cams on all the beaches,
25 Twitter feeds that are coming in from all

1 destinations, so that everything they want to know
2 about what's happening real time right now in
3 Florida is being provided through that medium.

4 So the generic, CFO Sink, to answer the
5 question that you threw out, the reason why we're
6 confident that this is helping Northwest Florida is
7 that these ads are being placed in markets
8 predominant -- where visitors predominantly go to
9 Northwest Florida. So those that have already made
10 plans or are planning --

11 CFO SINK: You're not saying that. That's
12 just my point. You're not saying that. Somebody
13 in Atlanta --

14 GOVERNOR CRIST: Why don't you run the ad
15 again?

16 CFO SINK: Somebody in Atlanta goes to Fort
17 Lauderdale. Atlanta goes to Jacksonville a lot.

18 GOVERNOR CRIST: Go ahead.

19 MR. SOLE: Here it comes again.

20 CFO SINK: I'm saying it's not focused and
21 targeted enough --

22 (Advertisement playing).

23 MR. THOMPSON: So, CFO Sink, that ad
24 specifically is running for Northwest Florida. It
25 says the beaches in Northwest Florida are open for

1 business. And then the tags on the back end are
2 going to predominantly be from -- initially, most
3 of the show and the feed is going to be from
4 Northwest Florida beaches, the tag on the end of
5 there. That was our commitment to Northwest
6 Florida with the resources that we had available
7 and at our disposal. And as soon as we are getting
8 those ads from them, they're being introduced into
9 the cycle.

10 So that advertising campaign that started on
11 May 22nd and will go through June 30, June
12 23rd will be predominantly Northwest Florida
13 messages that are being fed to the markets where
14 Northwest Florida gets most of its business.

15 GOVERNOR CRIST: Chris, let me ask you, do you
16 have the availability of additional spots that you
17 could review to be even more targeted to Northwest
18 Florida?

19 MR. THOMPSON: Sir, I'm glad that you asked
20 that question. We certainly would be more than
21 happy to take everybody's input about what they
22 would like to see and and what they would like to
23 hear in the advertising and appreciate Senator
24 Gaetz's constructive critique about what we're
25 doing.

1 We're here as part of the team. It shouldn't
2 necessarily be all about Visit Florida, because
3 this industry is so much bigger than Visit Florida,
4 and we have partners out there that we're talking
5 with on a regular basis and are ready to put any
6 resources that are brought forward to their highest
7 and most productive uses.

8 We have partnerships with, as I said earlier,
9 the Florida Restaurant and Lodging Association, who
10 has reach and relevance in the lodging and
11 restaurant community. We have 3,000 partners
12 around the state that are ready, willing, and able
13 to help us figure out how to put these to their
14 highest and best use.

15 And we have spent a ton of time in Northwest
16 Florida, and we appreciate and understand the
17 significance of the fact that their season starts
18 this weekend and goes through Labor Day, and that's
19 where they make their money, and that's where they
20 make -- that's where they live and die, and we
21 understand that totally and appreciate that
22 totally. That's the reason why our initial focus
23 went to resources that we had or have been targeted
24 to Northwest Florida in the hopes that additional
25 resources would be brought to the table, that we

1 could continue that message and then take it
2 elsewhere, because there have been indirect impacts
3 to other parts of the state, as was mentioned by
4 Secretary Sole, as --

5 GOVERNOR CRIST: Like Key West.

6 MR. THOMPSON: -- a result of everything. But
7 we do appreciate the sense of urgency in Northwest
8 Florida.

9 GOVERNOR CRIST: Well, I think that's
10 important. You know, I think you hear the
11 consensus from the Cabinet as well as Senator
12 Gaetz.

13 And you're right. I mean, the season in
14 Northwest Florida opens up now. Florida is huge.
15 The real visiting season in the southern part of
16 the state obviously is during the winter months.
17 It's different here in the Panhandle, and that
18 really does kick off this coming weekend.
19 Actually, it's one of the topics we discussed with
20 President Obama yesterday during the Gulf States
21 conference call.

22 In addition to that, I wanted to thank the
23 Attorney General. There are so many moving parts
24 to this issue. It's huge.

25 MR. THOMPSON: It's huge.

1 GOVERNOR CRIST: And it certainly incorporates
2 the advertising that we are sensitive to for the
3 people who live in Northwest Florida and the
4 businesses that are dependent upon that tourist
5 season being successful. In addition to it, it's
6 the small businesses like the ones I visited in
7 Apalachicola, the oystermen and the fishermen that
8 I had the opportunity go out on a boat with not
9 long ago.

10 General, I'm glad you're going to be flying
11 over the area again today.

12 In addition to that, I want to thank the
13 Secretary. You know, thank goodness we are getting
14 an advantage from weather. And we all should
15 continue to be focused on stopping the problem, and
16 that's what we're all about. And hopefully this
17 procedure, Secretary, as you pointed out, the Top
18 Kill, as they call it, will be successful tomorrow.
19 I would encourage every Floridian to pray for that.

20 But I want to thank you for what you're doing.
21 I want to thank you for listening to us and being
22 responsive to us. It's frustrating for everybody.
23 You know, nobody is happy that this is happening in
24 the Gulf of Mexico. I'll state the obvious. And
25 it's easy to try to point fingers and cast blame.

1 What's important is to work as a team and for
2 us to be focused on doing everything humanly
3 possible to protect our beautiful state, to tell
4 friends in neighboring states who come to the
5 Panhandle that they ought to keep coming, it's
6 beautiful, the fish are biting, the water is clean,
7 the beaches are clear. All of this is occurring,
8 and we'll stay focused on that task.

9 We can't spend money we don't have, but we do
10 have the MOU, but we hope to get the 25 million
11 today or tomorrow. And as soon as we get, it will
12 be out the door, I can assure you.

13 So, you know, we're all focused on the same
14 thing. We're all frustrated. We're all agitated.
15 We're all Floridians, though, and we need to stick
16 together and make sure that we protect our state,
17 do what's right, continue to move forward, and do
18 it in a positive way if we can.

19 CFO SINK: Governor, could I suggest that if
20 the money doesn't show up today or tomorrow that
21 the State should front the money immediately and
22 get it out the door, and then we can -- you and the
23 lawyers can deal with BP later?

24 GOVERNOR CRIST: Well, I think absolutely we
25 can do that.

1 ATTORNEY GENERAL McCOLLUM: Let me add
2 something to that, Governor. Unless you object --
3 we communicate every day with the lawyers out there
4 at BP for one reason or another. And unless you
5 object, I'm going to press the heck out of them
6 today to get the MOU back here, because it sounds
7 like you don't know when it's coming back. I know
8 it's your MOU, but I think we ought to, you know,
9 boom. Why not? There's no reason for them to be
10 sitting on that.

11 GOVERNOR CRIST: Of course.

12 ATTORNEY GENERAL McCOLLUM: They shouldn't
13 have been sitting on it for 18 days, whatever the
14 heck is going on then.

15 GOVERNOR CRIST: No, they shouldn't have.
16 That's exactly right. Well, they didn't commit to
17 25 million 18 days ago. Actually, that was about a
18 week ago. But what needs to happen is, we need to
19 get these resources now.

20 And, General, I'm pretty confident that in the
21 near future, Generals Butterworth and Smith are
22 going to be organizing a group of very aggressive
23 attorneys to get even more money for Florida to
24 reimburse us for some of the expense that we're
25 going to incur.

1 So, CFO, I like your suggestion. I think it's
2 a good one. I'm going to be doing some vetoes, so
3 it may free up a whole lot of money to be able use.

4 ATTORNEY GENERAL McCOLLUM: May I take the
5 opportunity, Governor, to answer the CFO's earlier
6 question, CFO Sink, you asked the names of the
7 specific attorneys. Kim Tucker, who was a former
8 Assistant Attorney General under General
9 Butterworth -- she worked on the tobacco settlement
10 -- is one of them. And Ken Detzner, who has
11 extensively worked in the area of claims
12 processing, most recently with the Collins
13 Mediation Center, that General Smith recommended is
14 the other. They've been working very hard.
15 Detzner particularly, Ken, is well known for his
16 claims work.

17 But as you offered, we certainly will take you
18 up on it, and if they need assistance from your
19 office, we'll be glad to have them. Those are the
20 two people.

21 GOVERNOR CRIST: Commissioner.

22 COMMISSIONER BRONSON: Governor, if I might,
23 just so the Cabinet is aware, we opened up the
24 summer oyster grounds a little bit early just in
25 case we had a movement that would cause us problems

1 with the oyster beds, so we've gone ahead and
2 worked with Fish and Wildlife and others on those
3 fisheries.

4 Should things deteriorate and we have a
5 problem, we are also considering whether we open up
6 the fall grounds as well. I would rather see our
7 fishermen and our oystermen be able to use that
8 product rather than lose it totally. So if it
9 comes to that, we will be looking at opening up
10 those fall grounds early as well.

11 So just so you'll know, we're trying to look
12 out for the oystermen that are going to be in real
13 trouble -- they have been in real trouble as it
14 is -- and trying to get as much of our fisheries
15 and product out there to the public while we can.

16 Luckily, it does look like these currents and
17 all are working in our favor. We don't want to
18 open them up any faster than we have to, because
19 should we get lucky enough that we're totally
20 unaffected by it, we don't want to ruin our fall
21 fisheries either. So we're going to be working
22 with the industry, which is working with us day to
23 day on this as well.

24 GOVERNOR CRIST: Commissioner, you've been
25 great. That kind of flexibility I think is awfully

1 important as we continue to move forward with the
2 situation we're dealing with.

3 I also want to thank FWC. They've had the
4 same attitude and are looking at expanding some of
5 the fishery opportunities off the coast of Florida.
6 So I think that attitude is exactly what we have to
7 maintain.

8 COMMISSIONER BRONSON: And DEP for working
9 with all of us on how we're coming at this whole
10 issue has helped us tremendously to get prepared as
11 well.

12 GOVERNOR CRIST: Absolutely. Anything else.

13 CFO SINK: Governor, could I just say --

14 GOVERNOR CRIST: CFO, sure.

15 CFO SINK: -- a couple more things. I think
16 some people are aware that I sent a letter to
17 President Obama yesterday expressing concern about
18 the federal government becoming more aggressive and
19 employing more oversight over the situation out in
20 the Gulf.

21 And someone reminded me -- I was talking to
22 some people last night about the time we all
23 remember when Apollo 13 was up there and we had our
24 astronauts circling around and running out of
25 oxygen, and the people at NASA stepped up and said,

1 "All hands on deck. Failure is not an option."

2 And I think this country has to have the same

3 attitude. Failure is not an option.

4 And BP has been given 35 days now to work to

5 stop the flow of oil out of this well, and they

6 haven't gotten it done. And as Secretary Sole

7 said, there's something else they're going to try

8 tomorrow, but they themselves have said there's

9 only a 60 percent chance of success.

10 And here's a company that has a CEO who shows

11 up on our shores and said that the environmental

12 impact of this disaster will probably be at best

13 modest. And that's just not true, particularly if

14 they don't get this spill stopped for another 60

15 days.

16 I think they've promised us that these other

17 wells they're drilling are 100 percent sure that

18 they will work. But that's 60 more days of oil

19 spewing out. And we heard Secretary Sole say that

20 they've been collecting about 5,000 barrels a day.

21 Well, that's 100 percent of the amount they told us

22 they thought was coming out.

23 So regardless, we're going to have -- we've

24 seen what's happened in Louisiana, and we'll have

25 some impact eventually here in Florida. I hope

1 it's down the road, we hope -- I hate using that
2 four-letter word "hope" all the time.

3 But we just -- I know that -- evidently you're
4 on these conference calls with the president or
5 with his administration, and I just hope that
6 you're conveying -- I would like to hear more about
7 those, by the way. You can tell us at another
8 time. But it's just unacceptable at this point.
9 We have to have action, and we have to have a sense
10 of urgency.

11 And I'm going to be making some more
12 suggestions. Having talked to the people out in
13 Pensacola about what the Small Business
14 Administration can do, I'm going to send you a
15 letter and ask you to open up the emergency loan
16 bridge program, because if the people there on the
17 ground are telling us this is what they need or
18 they're telling us on the ground, "We need specific
19 tourism advertisement for Perdido Key and Pensacola
20 Beach, not just general generic 'Come to Florida'
21 type of stuff," we've got to be listening to the
22 people who are being impacted every day about this
23 situation.

24 And it's just -- people all over this state,
25 whether they're in Orlando or Pensacola, are

1 clearly frustrated and dissatisfied with the
2 reaction. And I hope that, hope that -- I think
3 the federal government ought to put somebody
4 clearly in charge of the process, because right now
5 they've got the -- I couldn't tell you. Is it the
6 Homeland Security? Is it the Department of
7 Commerce? Is it the Department of Interior? They
8 just need to get their act together and help the
9 people of Louisiana.

10 And, Mike, I hope that you'll send a group of
11 people over to Louisiana where they're already
12 being impacted to see firsthand, you know, how are
13 they dealing with their very real impacts in their
14 mangroves and in their estuaries. So maybe -- I
15 mean, we've been lucky that we haven't been
16 impacted. Maybe we can get ahead and learn from
17 what they're experiencing real time out there so
18 that if --

19 GOVERNOR CRIST: I've already done that.

20 CFO SINK: -- that oil comes here, then --

21 GOVERNOR CRIST: CFO --

22 CFO SINK: -- we'll have more information.

23 GOVERNOR CRIST: I've already done that with
24 our National Guard, because we want to be ahead of
25 this as much as we possibly can. And I had a

1 conversation with General Burnett on Sunday about
2 making sure we had helicopters at the ready,
3 whatever assets we could expend to go ahead and get
4 out there to Louisiana, because the shoe could be
5 on the other foot sooner than later, and I know
6 that our sister states will want to be helping us
7 too --

8 I think we're adjourned. Thank you all very
9 much.

10 (Proceedings concluded at 11:48 p.m.)

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CERTIFICATE OF REPORTER

STATE OF FLORIDA:

COUNTY OF LEON:

I, MARY ALLEN NEEL, Registered Professional Reporter, do hereby certify that the foregoing proceedings were taken before me at the time and place therein designated; that my shorthand notes were thereafter translated under my supervision; and the foregoing pages numbered 1 through 110 are a true and correct record of the aforesaid proceedings.

I FURTHER CERTIFY that I am not a relative, employee, attorney or counsel of any of the parties, nor relative or employee of such attorney or counsel, or financially interested in the foregoing action.

DATED THIS 18th day of June, 2010.

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