



Statement of the Florida Chamber of Commerce

ON: Impacts of Hurricane Irma

TO: Senate Commerce Committee

BY: Mark Wilson, President and CEO, Florida Chamber of Commerce

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Chairman Montford, and members of the committee, thank you for the opportunity today and welcome back. I look forward to working with each of you this session to make Florida more competitive.

I'm Mark Wilson, President and CEO of the Florida Chamber of Commerce. The Florida Chamber represents job creators from Pensacola to the Keys. I would also like to thank my fellow panelists – many of whom the Florida Chamber worked side by side with on daily calls, in the EOC and around Florida. So thank you, too.

Storms are a fact of life for Florida and one thing that sets Florida apart is our bipartisan interest in continually learning and improving after each storm.

So, a storm as big as Irma and a Senate Committee looking at lessons learned deserves some context. Hurricane Irma was a massive storm – in power and size. And Florida's economy is massive as well...approaching \$1 trillion in the next few years. That's almost \$3 billion every single day. And I can tell you this there is simply no substitute for planning and preparation.

As Syd Kitson, the chair of the Florida Chamber recently wrote in the *Naples Daily News*, Floridians embraced their neighbors from all walks of life. He said he was proud to be a Floridian and I think he's right.

I'd like to parse my comments into three general themes:

- What we saw and heard,
- What we discovered once Irma had cleared, and
- Continuous improvement - some areas we can learn from.

I'll start with what we saw and heard:

- Irma yielded the largest evacuation in U.S. history.
- Law enforcement, first responders and direct service providers, jumped into action to protect and serve.
- The Weather Channel literally said, on air, that Florida was a model for the way we were handling Irma.

- In terms of electricity, you can't get better than what our utilities did here in Florida. Our largest utility alone pre-positioned 16,000 linemen before the storm. At its peak, 6.7 million accounts were without power. Within a week, that number was down to 391,000.

Let me now touch on what we learned once IRMA had cleared:

Just as state leaders were directing the largest evacuation in U.S. history, at the Florida Chamber, we were reaching out to job creators throughout Florida. We communicated directly to senior management at over 175 employers and here's a snapshot of what we learned:

Before and after the storm, thanks to the foresight of legislative leaders, innovation and technology played a huge role.

- Companies like Uber and Lyft provided much-needed transportation, and
- Airbnb provided families a place to rest,
- NCH Healthcare Systems in Naples safely sheltered and served over 15,000 hot meals to those sheltering in their hospitals,
- CSX helped bring feed in for cattle,
- U.S. Sugar delivered truckloads of water and ice to residents in Immokalee even before FEMA could arrive, and
- Florida Hospital, Orlando Health and Nemours were providing free telehealth services.
- These are only a few of the many examples, but the bottom line is people were helping people.

We also heard directly from 50 local chambers of commerce that were in the impact zones. I'm proud of them. They were literally boots on the ground to help their communities.

The Coral Gables Chamber, Ft. Lauderdale Chamber, Greater Miami Chamber (and others) – opened their doors to provide phone charging stations and Wi-Fi hotspots to reconnect families with their loved ones.

I have two employees who helped staff Florida's Emergency Operations Center. Our role in ESF 18 was to connect resources with needs, and we continue to share these resources daily with Florida's business community.

We also provided online assistance on the Florida Chamber website linking Floridians to resources for pre and post-storm needs, and this was the first major storm where social media was the standard in how we communicated.

When the immediate danger had passed, we joined forces with Volunteer Florida to help spread the word about the Florida Disaster Recovery Fund. And Florida's business community has responded. More than \$6 million has already been contributed. In addition, over 40,000 people have volunteered to help their fellow Floridians.

Finally, let me share some areas we think Florida will learn from...if we work together:

As I mentioned earlier, Irma yielded the largest evacuation in U.S. history. There's no question we'll learn some lessons here. Fuel and workforce shortages are just two examples.

From an Economic Outlook Perspective, We Anticipate:

Tax revenue won't keep up with storm expenses. Even though we may see a tax revenue bump, it likely won't cover the total costs of cleanup and infrastructure repair. Additionally, we expect there will be short-term tax receipt losses while homeowners hold off on making additional purchases, while they wait for home repairs.

Job Growth Will Continue to Slow:

Dr. Parrish, our chief economist, who had already predicted the slowing job growth we're currently seeing, believes that the impacts of Irma will further slow the growth of new jobs. We'll begin to see the impacts when we get the September job numbers.

Florida is open for business, but our state has no real dollars available to tell America we're open so we'll be monitoring this closely. On the tourism side, special thanks to Ken and Visit Florida for quickly putting a campaign together to make sure visitors knew they are welcome here.

Florida's gap in skilled labor is going to hurt us in the short term. In fact, at last count, we had 408,000 Floridians looking for jobs, and 232,000 jobs looking for people and that's before the Irma numbers are out.

Right now, there is a shortage of qualified workers to repair roofs, perform carpentry jobs, and to make plumbing and electrical repairs.

Florida's agriculture industry has suffered severely. Already, \$2.5 in losses, and that number will likely increase.

In terms of business, especially small businesses, we're having challenges with emergency capital. I believe our SBDC partner on the panel will likely address this. Also, the Jacksonville Chamber made us aware of a situation where small businesses who are approved for federal SBA loans are having challenges receiving full grants.

Much has been said about the tragedy at one nursing home – it shouldn't have happened. I've looked into this and I've concluded that this tragedy at one nursing home certainly isn't a trend. In fact, 1,500 nursing home leaders went through pre-storm training and those that went through the training performed flawlessly. One death is too many but I urge us to look at the trends and react accordingly.

In terms of electricity, I mentioned the incredible job they did – over 30,000 linemen were here from as far away as Canada. And remember, FPL pre-positioned 16,000 linemen before the storm – and that's a new national record.

One thing we need to look at is local policies on tree removal. I don't know whose responsibility that is but it's something we need to look into. In terms of buildings and resiliency, we now know that buildings built after Andrew went through this storm without much damage, if any. We should invest time thinking through mitigation from weather – it always pays dividends.

Looking forward, here's what we know:

The good news is: Citizens Property Insurance and Florida's CAT Fund are stronger than they've been in 12 years. That's because they have been well managed, they reduced exposure and spread risk. These smart public policy decisions from the last several years are paying dividends.

But, for property insurance rates, the reality is not so good: Homeowners insurance rates will continue to rise, because of the tsunami of assignment of benefit-related claims that have flooded the market. This is an important issue that impacts the wallets of all Floridians, and one we hope the legislature will finally address this year.

Speaking of lawsuits, the *Wall Street Journal* has been highlighting Florida's Lawsuit Abuse Problems and they - just last week - highlighted how trial lawyers have already filed a \$3 billion lawsuit against a utility.

As the *Wall Street Journal* said, "Once again, plaintiff attorneys are trying to milk the public's pain for their own gain." Whether it's AOB fraud or frivolous class action claims, I hope Florida sides with consumers and says no to these scams once and for all.

In terms of Puerto Rico and Hurricane Maria, the impacts to Florida are significant, and will become even more so in the months and years to come:

- We know that supporting our neighbors from Puerto Rico is very important.
- We expect that more than 200,000 Puerto Ricans will move to Florida in the near term, with many of them deciding to stay permanently.
- We are heartened by the outpouring of support Florida is providing, and look forward to welcoming students from Puerto Rico to our schools and their parents and relatives into jobs and into our communities.

So, as I wrap up my testimony, I leave you with a few thoughts. Within hours after Irma left Florida, our airports, seaports, spaceports, theme parks and more were reopened. Getting Florida back to business is important - it's what fuels our economy. But it's equally important for employees...for Floridians.

When an employee can get back to work, it helps them get their life back to normal...to get a regular paycheck...and that ultimately helps our communities and our state rebound.

Mr. Chairman, I'd like to end with one final observation that I hope can perhaps set a new tone in this process. In terms of political leadership, voters in Florida appreciated it. Eighty-nine percent of Democrats, 86% of independents and 95% of Republicans approved of the

job Governor Scott did. My point here is that voters don't care about parties; they are about leadership and getting this right.

So, Mr. Chairman, and members of the Committee, thank you for putting this important discussion together and, like I said, the Florida Chamber looks forward to working with you and your colleagues in the Senate to make Florida more competitive.

Thank You.