

ALCALDE & FAY

GOVERNMENT & PUBLIC AFFAIRS CONSULTANTS

OCTOBER 11, 2011

MEMORANDUM

TO: **Brandon Wagner**

FROM: **Hector Alcalde
Cindy Colenda
Charlotte Hrcir
Garrett McGuire**

SUBJECT: *September Legislative Report*

Congress returned to Washington September 6 to continue marking up appropriations bills and begin working on a short-term Continuing Resolution (CR) to fund federal fiscal 2012 activity on October 1, 2011. Late in the month Congress avoided a looming shutdown by passing a "clean" CR ([H.R. 2608](#)) that would fund the government through Oct. 4 at the \$1.043 trillion limit set by the debt limit law ([PL 112-25](#)) enacted in August. This provided time for the House, which only held pro forma sessions the last week of the month, to debate and pass the Senate-passed, six-week stopgap measure that would provide government funding through Nov. 18. In addition, during the month a six-month extension of the provisions of the [Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users](#) (SAFETEA-LU) was enacted.

APPROPRIATIONS/AUTHORIZATIONS

PROJECT	CURRENT STATUS	RECOMMENDED STRATEGY	INTERESTED PARTIES
<u>FY2011 APPROPRIATIONS</u>	As reported previously, \$527 million was provided in FY2011 appropriations for another round of round of the Transportation Investment Generating Economic Recovery (TIGER) competitive grant program. As DOT did last year, all applicants are to submit a "pre-application" prior to submitting a final application. The pre-application system opened on September 9, 2011. All pre-applications are to be submitted by October 3, 2011 at 5 PM EST. Final applications will be	Alert County to funding opportunities.	

PROJECT	CURRENT STATUS	RECOMMENDED STRATEGY	INTERESTED PARTIES
	due on or before October 31, 2011.		
<u>HILLSBOROUGH COUNTY 2011 APPROPRIATION PROJECTS AND PROGRAMS FOR FEDERAL FY2012</u>	<p>None of the individual FY2012 Appropriations bills were enacted prior to October 1, 2011, the beginning of the new fiscal year. The House passed six of the 12 Appropriations bills, while the Senate completed two. Both appropriations committees have fared a bit better. House appropriators have approved nine, bills while Senate appropriators have advanced all but one. As previously stated, Congress was able to pass a short-term continuing resolution to keep the government operating as the new fiscal year began. Appropriators are expected to use the next six weeks to assemble a year-end omnibus spending bill, but with partisan divisions forcing lawmakers to spend nearly two weeks on the short-term deal, it is uncertain that an agreement can be reached on a broader spending bill by Nov. 18.</p> <p>On September 21, the Senate Appropriations Committee marked up their FY2012 Transportation, Housing and Urban Development (T-HUD) funding bill, S.1596. The Community Development Block Grants (CDBG) formula program was funded at \$2.85 billion an almost \$500 decrease from the FY2011 level of \$3.3 billion. On September 8, the House THUD Appropriations Subcommittee approved their CDBG funding at \$3.5 billion, a \$200 million increase over FY 2011.</p> <p>The Senate Appropriations Subcommittee on Commerce, Justice, Science (CJS) approved their FY2012 funding bill on September 14. Included was \$232 million for Community Oriented Policing Services (COPS) grants, including \$200 million to hire or retain roughly 1,500 police on the beat. In July, the House CJS Appropriations Subcommittee funded the COPS program at \$0. Subcommittee Chairman Frank Wolf (R-VA) indicated that he would like to see money eventually allocated for the COPS program; this legislation has yet to come before the House regarding this matter.</p>	<p>Identify programs that are of importance to the County so that we can consider the appropriate strategy to implement to encourage continued funding for the programs.</p> <p>Discuss and develop FY 2012 appropriation requests and monitor submission date.</p> <p>Continue monitoring highway funding opportunities</p>	NACo, Delegation

PROJECT	CURRENT STATUS	RECOMMENDED STRATEGY	INTERESTED PARTIES
	<p>The Byrne Justice Assistance Grant Program is funded at \$395 million, \$35 million below FY2011 levels. The House set their Byrne JAG program funding at \$357 million.</p> <p>As reported previously, both the House and Senate Appropriations Committees have instituted an earmark funding moratorium.</p>		
<u>BUDGET CONTROL ACT</u>	<p>The Joint Select Committee on Deficit Reduction, created by the Budget Control Act (BCA), began meeting in September. The first deadline for the committee is October 14, when House and Senate committees must submit their recommendations for budget spending cuts and/or caps, as well as revenue generating options such as modifications to tax benefits or tax increases. The Committee is tasked with the goal of reducing the deficit by \$1.5 trillion over the period through FY2021. The Joint Committee must vote to approve its deficit reduction recommendations by November 23, 2011, and a vote on passage of the Joint Committee bill must occur in the House and Senate on or before December 23, 2011. Should Congress fail to pass the recommendations of the Joint Committee, pre-designated across the board spending cuts are automatically implemented through a sequestration process and adjustment of the security and non-security spending caps.</p>		
<u>WISE</u>	<p>Regional Water Infrastructure and Supply Enhancement Project (WISE) – A letter was drafted, modified and delivered to Senator Bill Nelson (D-FL) regarding FY12 funding for the WISE project.</p>	<p>Encourage continued grant seeking Send letter to Senator Nelson</p>	
<u>FY 2013 BUDGET</u>	<p>During August, the White House directed federal departments and agencies to find ways to set their fiscal 2013 budget requests as much as 10 percent below current spending levels, while at the same time beefing up valued programs. In an Aug. 17, memo the OMB said requests for discretionary appropriations for the fiscal year that begins Oct. 1, 2012, should be at least 5 percent below what departments</p>	<p>Identify programs of importance to the County that could be adversely impacted by 5-10% cuts to federal funding.</p>	

PROJECT	CURRENT STATUS	RECOMMENDED STRATEGY	INTERESTED PARTIES
	<p>and agencies received for fiscal 2011, unless they were given specific direction otherwise. In addition, they should identify additional cuts that would put their requests 10 percent below the current level, said the memo, signed by OMB Director Jacob J. Lew. Even a 5 percent cut in discretionary appropriations, if carried out across the government, would amount to significantly less than the amount presumed by the just-enacted debt limit deal (PL 112-25), which established spending caps for each of the next 10 years.</p>		
<p><u>Water Resources Development Act of 2011</u></p> <p><i>Egmont Key</i></p>	<p>During February, House Transportation and Infrastructure Committee Chairman John Mica (R-FL) announced that the committee would begin work on the next WRDA bill, which, depending on the situation with earmarks, can be used to authorize needed work on Egmont Key. Senator Barbara Boxer (D-CA) and Senator James Inhofe (R-OK) are now accepting requests for WRDA projects. The deadline for submission into the Senate Environment and Public Works Committee has been extended until September 20, 2011. However, Hillsborough County provided the WRDA submission to Senator Nelson by the first deadline of April 18, established by the Senator's office. In addition, we talked with Senator Nelson and staff numerous times in regard to the Egmont Key submission, the details of the project, the impediments with the Army Corps of Engineers language passed by the House Committee last year, and other methods, congressional support, and Agencies involved in achieving a final solution on the beach revitalization project. The office of Senator Marco Rubio (R-FL) is not accepting WRDA requests.</p> <p>A bill may not pass until 2013. The last bill passed in 2007, and the previous bill passed seven years earlier.</p>	<p>Continue to inform and follow up with Sen. Bill Nelson on WRDA application.</p> <p>We have sought private as well as federal funding opportunities for Egmont Key.</p>	<p>Delegation, State of Florida, Army Corps of Engineers, USFWS, Egmont Key Alliance</p>

PROJECT	CURRENT STATUS	RECOMMENDED STRATEGY	INTERESTED PARTIES
<p><u>SURFACE TRANSPORTATION AUTHORIZATION ACT 2011</u></p>	<p>On September 16, the President signed into law H.R. 2887, the Surface and Air Transportation Programs Extension Act of 2011, which extends the provisions of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) and current gas tax provisions through March 31, 2012. The provisions have been extended eight times since the original authorization expired on September 30, 2009.</p> <p>At a September 9 hearing, the Senate Environment and Public Works Committee marked up their four-month extension of SAFETEA-LU, with members discussing the need for passage of a long-term bill as soon as possible. The Administration's FY2012 budget included a six-year proposal to provide \$556 billion in funding for road and bridge improvements and construction as well as transit and rail improvements. Passage of a long-term bill is dependent on identifying a funding mechanism supported by Congress and the Administration that can provide sufficient funding to address the nation's surface transportation infrastructure needs. The House Transportation and Infrastructure Committee has released a 22-page summary of their authorization proposal, a six-year bill funded at about \$38 billion annually; and Senators Barbara Boxer (D-CA) and Senator James Inhofe (R-OK) have released their bipartisan outline of legislation to replace SAFETEA-LU. The two-year bill provides about \$54.5 billion annually. Late in September, it was reported that the House Republican Leadership is seeking about \$15 billion a year in additional revenues, providing a very significant boost to the spending outlined in the Transportation and Infrastructure Committee's reauthorization summary (see above) and a possible response to the President's American Jobs Act. Finding new revenues will be major challenge as a raise in the gas tax is reportedly off the table, and any new taxes would be difficult to pass.</p>	<p>Identify programs that are essential to the County and any changes that the County might wish to propose in existing surface transportation law and communicate that position to the delegation.</p>	<p>NACo, Delegation</p>

POLICY ISSUES

PROJECT	CURRENT STATUS	RECOMMENDED STRATEGY	INTERESTED PARTIES
<p><u>AMERICAN JOBS ACT</u></p>	<p>In address to the nation on September 8, the President outlined his jobs creation proposal to be implemented through the American Jobs Act, which authorizes funding for new and current programs and offsets those costs through mandatory savings in current programs and modifications to current tax benefits.</p> <p>The bill will include \$447 billion of which almost one-third (\$140 billion) is dedicated to state and local governments.</p>		
<p><u>THREE PERCENT (3%) WITHHOLDING REQUIREMENT</u></p>	<p>Included in the president's American Jobs Act was a provision to further delay the 3% withholding tax on government contractor invoices. The American Jobs Act would push the effective date back to December 31, 2013. House Majority Leader Eric Cantor (R-VA) has stated that the House will vote this month on a repeal of this 3% withholding tax as Republicans seek areas of commonality with the president.</p> <p>The Internal Revenue Service (IRS) issued final regulations (T.D. 9524) May 5 that would delay the implementation of a new 3 percent withholding requirement on payments from government entities to contractors until Jan. 1, 2013, and exempt any payments of less than \$10,000. IRS also issued proposed regulations (REG-151687-10) that would change the effective date provisions of the concurrently issued final rules. The withholding requirement, created by the Tax Increase Prevention and Reconciliation Act of 2005 (Pub. L. No. 109-222), mandates withholding by any federal, state, or local entity, and was previously set to go into effect in 2012. Rep. Wally Herger (R-CA) introduced H.R. 674 that calls for full repeal of the 3% withholding requirement. As of the end of September, H.R. 674 is still being considered in the House Ways & Means Committee.</p>	<p>Continue to inform and follow up with Hillsborough Delegation. Including: Rep. Gus Bilirakis Rep. Kathy Castor Rep. Dennis Ross Rep. Bill Young Sen. Marco Rubio Sen. Bill Nelson</p>	<p>U.S. Chamber of Commerce, NACo</p>

PROJECT	CURRENT STATUS	RECOMMENDED STRATEGY	INTERESTED PARTIES
<u>MORATORIUM ON DRILLING IN THE GULF OF MEXICO</u>	On Wednesday May 11, the House of Representatives passed H.R. 1229 , legislation that would give federal regulators a 60-day deadline to approve or reject offshore drilling proposals in the Gulf of Mexico. The legislation passed 263-163. On Wednesday May 18, the Senate rejected the Senate version S.953 by a vote of 57 to 42. Senate Democrats along with President Obama opposed the legislation.	Continue to monitor and report.	

ADDITIONAL PRIORITIES

PROJECT	CURRENT STATUS	RECOMMENDED STRATEGY	INTERESTED PARTIES
<u>DRAFT INTERNET TRAVEL FAIRNESS ACT</u>	We continue to monitor the internet hotel tax issue. Of recent interest are stories about the state of Connecticut considering implementing a tax on internet travel brokers and about the Florida Restaurant and Lodging Association's panel discussion supporting the implementation of a similar tax. Also, the towns of Frisco and Vail, CO, are considering joining 80 Colorado towns and cities in a class action suit against companies such as Expedia, Hotwire, Orbitz, Hotels.com, Priceline and Travelocity for the collection of unpaid back taxes; and a California state court rejected the city of San Diego's attempts to impose hotel occupancy taxes on online travel companies (OTCs). Ruling that OTCs are neither owners nor operators of hotels, the Los Angeles Superior Court held that San Diego's occupancy tax ordinance did not apply to the booking services offered by the OTCs. In doing so, the Court overturned a decision by a San Diego administrative hearing officer assessing more than \$21 million in taxes and penalties against the OTCs.	The American Hotel and Lodging Association has begun an effort to publicize the impact that the proposed provisions would have on local jurisdictions. Continue to inform and follow up with Hillsborough Delegation.	NACo, AHLA, U.S. Conference of Mayors

OTHER

PROJECT	CURRENT STATUS	RECOMMENDED STRATEGY	INTERESTED PARTIES
<p><u>NATIONAL FLOOD INSURANCE LEGISLATION</u></p>	<p>On July 12, the House passed H.R. 1309, which would reauthorize the National Flood Insurance Program (NFIP) through September 30, 2016. It would give authority to temporarily suspend mandatory purchase requirements for those in special flood hazards areas, and provide a five-year phase-in of flood insurance rates for newly mapped areas. The Senate has since received the bill and has been referred to the Senate Committee on Banking, Housing, and Urban Affairs. On September 8, 2011, the Senate Banking Committee unanimously approved the Flood Insurance Reform and Modernization Act (H.R. 3121), sending it to the full Senate for consideration. This is the Committee's response to the NFIP reform bill H.R. 1309 passed by the House earlier this year. Similar to the House bill, this one would also provide for a 5-year extension as well as premium-rate and flood-mapping reforms that ensure the continuation of the program long term.</p>	<p>Continue to monitor status in Senate.</p>	
<p><u>SEPTEMBER LEGISLATIVE VISIT</u></p>	<p>Alcalde & Fay visited Hillsborough County September 20-21. During this visit, Cindy Colenda met with County Commissioners and attended the Board meeting where the Commission approved the 2012 State and Federal Legislative Programs.</p>		