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Memorandum

From: Jane Sargent
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To: Chairman Joe A. Martinez
Board of County Commissioners

CC: Joe Rasco

Date: July 1, 2011

Subject: June 2011 Monthly Report

On June 13, Rick Spees, Jane Sargent and Nick Falvo of Akerman met with Joe, Rasco, Bill Couch and Phillip Drujak in Washington, DC to discuss the issues and departments assigned to us and provide any relevant updates. In particular, we discussed recent developments with the County's USDA land acquisition legislation and other Miami Dade Fire Rescue issues, including UASI funding developments and the status of the County's Urban Search & Rescue team. We also had a conversation with the Fire Rescue Department about the USDA lands bill as well as public safety interoperability issues. We also discussed other recent developments in the County and the possibility of future visits to DC by County officials to discuss issues within our assignment areas.

Fire Rescue/USDA Property Acquisition:

We are continuing to work with the OIA staff on the legislation that was introduced during the last session of Congress to permit the County to purchase property at the Subtropical Horticultural Research Station from the U.S. Department of Agriculture to build a new fire station to serve Pinecrest, Palmetto Bay, Cutler Bay, and surrounding communities. H.R. 3175 was introduced by Representative Lincoln Diaz-Balart in July 2009. The House passed the bill in September 2009. In March 2010, Senator Nelson introduced the companion bill (S.3050) in the Senate. S. 3050 was referred to the Senate Agriculture Committee. The Committee did not take any action on the bill before the 111th Congress adjourned in December 2010, and the legislation died when the session ended.

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BOCA RATON DALLAS DENVER FORT LAUDERDALE JACKSONVILLE LAS VEGAS LOS ANGELES MADISON MIAMI NAPLES
NEW YORK ORLANDO PALM BEACH TALLAHASSEE TAMPA TYSONS CORNER WASHINGTON, D.C. WEST PALM BEACH

The legislation needs to be re-introduced this session. We have been working with the County on getting the bill re-introduced. Representative Ros-Lehtinen has expressed interest in re-introducing the same legislation that the House previously passed.

On June 9, we participated in a conference call with the County's Parks & Recreation Department. The department is interested in changing the bill so that they can have additional land for baseball fields and other recreational activities. The current version of the bill would make available two acres, more or less, at market value to the County to construct a fire station. The Parks and Recreation Department is interesting in changing the bill to require the USDA to transfer at no cost to the County 15 acres in another section of the research station that would be developed for recreational activities.

It is our understanding from the conference call with the Parks and Recreation Department that they have had no discussions with the USDA about their interest in obtaining more land than was originally agreed upon by the County, local communities, USDA and Congressional delegation. In order for federal land transfer legislation to successfully move through the Congress, there typically must be an agreement with the federal agency on the planned transfer unless the land has already been deemed surplus by the agency, which is not the case with the research station. We have contacted USDA's intergovernmental affairs office in Washington, DC to arrange a meeting with them and OIA to discuss their interest in a transfer of an additional 15 acres at no cost to the County. We will coordinate with the OIA staff on scheduling the meeting USDA. Getting their approval as well as the Congressional delegation's for getting this additional land is essential.

Representative Ros-Lehtinen is interested in introducing the same bill as previously passed by the House, and because we do not want to delay moving forward with the Fire Rescue Department's plans which have been in the works since at least 2007, the current bill is expected to be re-introduced shortly. In the meantime, we will work with the USDA on the Parks and Recreation Department's plan. Should the USDA and the County Commission decide to pursue the department's plan for an additional 15 acres, then we will work with the delegation to have a new bill introduced including their portion or amend the current bill during the committee mark up of the legislation.

Community Development Block Grant (CDBG) Public Services Cap Legislation:

In June, the County assigned us to work with them on legislation that would increase the CDBG public services cap. Last year, the City of Miami began pursuing legislation with the Congressional delegation that would increase the CDBG public services cap from 15 percent to 25 percent. Under current law, most CDBG grantees are prohibited from spending more than 15 percent of their CDBG funding on public service activities, such as job training, crime prevention, child care, health, substance abuse, education, energy conservation, welfare or recreation needs. For a number reasons, including the ongoing economic downturn, the City wanted flexibility to spend more of their CDBG funds on public service activities, and elderly programs in particular.

The City tried to pursue a fix through the Department of Housing and Urban Affairs (HUD), which administers the CDBG program. However, under federal law, HUD can only waive the requirements of the CDBG program to address damage in a Presidentially declared disaster area. Because that was not the City's situation, HUD could not assist them. Furthermore, HUD expressed concerns about increasing the public service percentage cap in general.

A few communities, which spent more than 15 percent on public service activities prior to FY1983, were grandfathered into the program. Otherwise, Congress has granted only two other exemptions. In response to the 1992 Los Angeles riots, Congress gave a temporary 25 percent exemption to the City of Los Angeles and the County for public service activities. The City of Miami was also given a three year exemption in FY1999 to FY2001 when it faced a severe financial crisis. While other exceptions have been made following natural disasters, such as for the City of New Orleans following Hurricane Katrina, Congress has approved no other exemptions. Furthermore, HUD has been opposed to other requests for increases in the cap over concerns about setting a precedent on the issue since public service activities are not intended to be a primary focus of the CDBG program.

The City tried throughout the year to attach language to the Transportation-HUD Appropriations bill that would have temporarily increased the City's public service limitation to 25 percent. However, for a number of reasons, including concerns by the staffs of the House and Senate appropriations and authorization committees as well as HUD, the delegation was unable to get the City's language in the appropriations bill.

In December 2010, former Senator George LeMieux introduced a standalone bill (S. 4017) that would have allowed all CDBG grantees, not just the City of Miami, to use up to 25 percent of their funds on public services for FY2011 and FY2012. The legislation was not acted upon before the 111th session of Congress adjourned, and the bill died when the session ended.

In April, Representative Ros-Lehtinen introduced, H.R. 1359, the "Temporary CDBG Public Services Flexibility Act of 2011," which would have increased the public services cap to 25% for a limited number of cities for FY2011 and FY2012 only. Subsequently, Representative Ros-Lehtinen and the Congressional delegation introduced other legislation that would provide the flexibility to all CDBG grantees and would permanently increase the 15 percent limitation to 25 percent.

On May 6, Senator Bill Nelson introduced, S. 877, the "CDBG Public Services Flexibility Act of 2011". The bill increases from 15 percent to 25 percent the limitation on the amount of CDBG assistance that can be used to provide public services. The bill has been referred to the Senate Committee on Banking, Housing and Urban Affairs.

On June 15, Representative Ros-Lehtinen introduced the same bill in the House. H.R. 2183, the "CDBG Public Service Flexibility Act of 2011" would permanently increase the CDBG public services cap for all CDBG grantees to 25 percent. The bill was introduced with Representatives David Rivera, Mario Diaz-Balart, Frederica Wilson, Debbie Wasserman Schultz, and Corrine Brown. The bill has been referred to the House Committee on Financial Services for consideration.

We have been involved in this issue since last year. We understand that that County has an interest in the legislation and will we work with the OIA staff and the delegation as the legislation moves through the process.

Fire Rescue – UASI Funding:

As we have previously reported, the House has passed its version of the FY2012 Department of Homeland Security appropriations bill. The bill includes significant cuts to homeland security and first responder grants, including the Urban Area Security Initiative (UASI). While we were successful in removing language from the bill that would have limited UASI grants to the top 10 highest risk urban areas, we must keep pushing for increased funding for the grants.

The Senate Appropriations Committee will now be working on its version of the FY2012 Homeland Security Appropriations bill. In June, OIA staff, working with its lobbying team, was helping to circulate a letter to cities and counties urging the Senate Appropriations Committee to fund UASI above the current FY2011 level. We were able to get the City of Orlando, another UASI recipient, to sign on to the coalition letter to the Committee.

The Senate Appropriations Committee marked up its first FY2012 appropriations bill this week. The full committee approved the Military Construction-VA bill on June 30. The Homeland Security Appropriations bill is likely to be one of the next bills considered by the Committee. We will keep the County informed of any developments.

Free Trade Agreements:

The County is interested in the long-stalled Free Trade Agreements (FTAs), particularly the Panama FTA. The trade agreement with Panama was negotiated by the Bush Administration and agreed to in late 2006. However, Congressional approval of the trade deal stalled for a number of reasons, including Democrats' concerns over Panama's banking secrecy laws. In April, Panama ratified the U.S.-Panama Tax Information Exchange Agreement (TIEA) – a separate tax agreement which addressed the concerns of Democrats in Congress, and the Obama Administration announced that it would immediately start seeking Congressional approval of the Panama FTA.

In addition to the trade agreement with Panama, the Administration is also pursuing the Congressional approval process for the stalled Columbia and South Korea trade agreements. Both agreements were negotiated by the Bush Administration and have been held up by other issues. The President reached a new deal with South Korea last year on auto tariffs and worked out an arrangement with Columbia in March on labor standards allowing the pending trade agreements to move forward.

On June 30, the Senate Finance Committee was scheduled to hold a "mock" markup of the implementing legislation for the three pending FTAs with Panama, Columbia and South Korea. It is referred to as a "mock" markup because Congress cannot offer amendments to free trade agreements under the Trade Promotion Authority Act – also know as "fast track" – procedures. The mock Committee markups are the only opportunities for Congress to propose any amendments to the Administration's proposals. The Administration reviews the suggested

amendments proposed through the informal markups by the Finance and Ways and Means Committees and then submits the final versions of the implementing bills to Congress for an up-or-down vote as required under Trade Promotion Authority.

The Finance Committee had to cancel the scheduled "mock" markup when the committee Republicans refused to participate. The Committee planned to hold a "mock" markup of the draft implementing bills for the South Korea, Columbia and Panama FTAs. The implementing bills approve the South Korea, Colombia and Panama FTAs and establish the necessary conditions for their entry into force.

The proposal also included an extension of Trade Adjustment Assistance (TAA). Trade Adjustment Assistance provides assistance to workers, firms and farmers affected by increased trade. The program helps small businesses maintain more jobs in the U.S. and provides training opportunities and other benefits for workers. The current TAA program expired in February 2011. The proposal would have extended TAA through December 31, 2012, and would have retroactively extended coverage to TAA petitions filed after February 12, 2011.

The proposal also extended both the Generalized System of Preferences, which expired in December 2010, and the Andean Trade Preference Act, which expired in February 2011, retroactively and through July 31, 2013. These programs lower costs for U.S. manufacturers importing from developing countries and give developing countries duty-free access to the U.S. market for certain products.

Under Committee rules, at least one member of each party must be in attendance to conduct committee business. The Republicans blocked the markup citing concerns over the markup being held so late in the day at the end of the week when so many amendments had been filed. However, Republicans opposition to extending TAA is the more likely reason behind their boycott.

Republicans have been the primary supporters of the FTAs since they were negotiated by the Bush Administration. The trade deals stalled after the Democrats took control of the Congress in 2007. President Obama was able to make some changes to the FTAs to gain more support and is now actively pushing for their ratification. However, the White House is also insisting that expanded TAA benefits be extended along with approval of the FTAs. The TAA benefits extension is attached to the South Korea FTA. Republicans have objected to trying the TAA benefits to the trade deals, which conservative Republicans believe are not effective and too expensive.

On Thursday, all of the Republican members of the Finance Committee sent a letter to President Obama urging him not to include the TAA benefits as part of the Korea trade deal. They stated that they were united in the opposition to inclusion of expanded Trade Adjustment Assistance in the Korea FTA implementing bill and urged that they be debated and considered separately.

Approval of the FTAs is a high priority for the business community. This week the U.S. Chamber of Commerce increased its lobbying efforts on the issue. On Wednesday, the Chamber unveiled a new website (www.tradesupportsjobs.com) to urge Congress to approve the three

trade agreements. They have lobbied the Finance Committee to support the implementing bills, along with the TAA assistance, and urged them to oppose all amendments.

Opponents to the FTAs, which includes labor unions and consumer rights groups, have also increased their efforts. The AFL-CIO held a news conference with Democratic House Members opposing the free trade deals yesterday. Other interested groups, such as Public Citizen's Global Trade Watch, have also increased their lobbying efforts in opposition to the trade deals.

With the Republican refusal to participate in the informal markup yesterday, it is not clear when the Committee will try to take up draft implementing bills. Furthermore, it is not clear if they will be able to muster the necessary votes to pass the bills in the House. Many House Republican freshmen campaigned against free trade deals. We will let the County know when the "mock" markup of the FTAs is re-scheduled and keep you informed of any other relevant developments.

Fire Rescue Urban Search & Rescue Task Force:

During our meeting with Joe Rasco and the OIA staff, we discussed the status of the County's Urban Search & Rescue team. The Federal Emergency Management Agency (FEMA) is responsible for administering the National Urban Search and Rescue (US&R) System. There are currently 28 national task forces staffed and equipped to conduct round-the-clock search-and-rescue operations following major disasters. If a disaster event warrants national US&R support, FEMA will deploy the three closest task forces within six hours of notification and additional teams as necessary.

Miami Dade County (FL-TF1) is one of 28 FEMA US&R Task Forces. While there have been a number of tornadoes this spring, FEMA has not needed to utilize its US&R assets or call upon the Miami Dade Task Force. If the County has any questions about the National US&R Response System or its deployment procedures, we would be happy to arrange a meeting with FEMA to discuss these issues or any concerns the County may have.

Activities for July:

The Senate was scheduled to be out of session for the week of the July 4th. However, the Senate Majority Leader has canceled the recess because the White House and Congress have not been able to reach an agreement on the debt ceiling and budget negotiations. The House was out of session this week, but will return after the July 4th holiday. They will continue to work on the FY2012 appropriations bills, but efforts will be mainly be focused on reaching an agreement on the debt ceiling, which is the cap set by Congress on the amount of debt the federal government can legally borrow. According to the U.S. Treasury, the Congress has until August 2nd to approve a debt ceiling increase before the government exhausts its borrowing authority. We will continue to work with the County on our issues providing any relevant updates and will work with County on re-introducing the USDA land acquisition legislation.