

WEEKLY WASHINGTON FEBRUARY 14TH – FEBRUARY 18TH, 2011

Below is an informal overview of the Weekly Washington activities of the Office of Intergovernmental Affairs.

HIGH-SPEED RAIL

Governor Rick Scott informed U.S. Transportation Secretary Ray LaHood of his decision to reject President Obama's Tampa to Orlando high-speed rail project. Scott denied funds for the high-speed rail because he had concerns that capital cost overruns from the project would cost Florida taxpayers an additional \$3 billion, that ridership and revenue projections were overly-optimistic, and that the state would have to return the \$2.4 billion in federal funds to D.C in the event the project failed. Scott said he would accept more federal money, however, to be used towards Florida's "ports, rail and highway infrastructure to be in a position to attract the increased shipping that will result when the Panama Canal is expanded when the free trade agreements with Colombia and Panama are ratified." Senator Bill Nelson said he is exploring ways to move forward with the rail project despite the state's lack of cooperation. Nelson talked with Transportation Secretary Ray LaHood on Thursday to discuss financing the Tampa-Orlando bullet-train rail. Nelson said a metropolitan planning organization in Tampa and a rail authority in South Florida have volunteered to step forward in the state's place to accept oversight of the train project. Secretary LaHood has given Florida one week to come up with a way to salvage the high-speed train project or he will give the \$2.4 billion in federal stimulus money to another state that requests the money.

PRESIDENT'S FY 2012 BUDGET REQUEST

President Obama sent his budget for 2012 fiscal year to Congress on Monday. According to the Office of Management and Budget, "The budget includes more than \$1 trillion in deficit reduction – two-thirds from spending cuts -- and puts the nation on a path toward fiscal sustainability so that by the middle of the decade, the government will no longer be adding to our national debt as a share of the economy and will be paying for what it spends – and will be able to sustain that for many years afterwards." Included in the Budget are: a five-year non-security discretionary spending freeze, \$78 billion in cuts from the Pentagon's spending plan over the next five years and identifies \$62 billion of specific health savings. Additionally, the Budget calls for an increase in maximum Pell Grant level helping 9 million students afford college as well as \$148 billion in R&D investments including \$32 billion for the National Institute of Health (NIH). The Budget increases annual investment in infrastructure by \$35 billion a year.

For more information on the Budget please see the attached document for a comprehensive summary.

FAA REAUTHORIZATION

The Senate passed the FAA Reauthorization and Reform Act of 2011 by a vote of 87-8. The legislation authorizes appropriation for fiscal years 2011 through 2014, modernizes the air traffic

control system, and creates a “passenger bill of rights” provisions, such as language that would give passengers the option to leave a plane if they have been stuck on a tarmac for more than three hours. Among amendments filed to the bill was one by Cuban-American Sen.'s Marco Rubio, R-Fla., and Bob Menendez, D-N.J., pushing to reverse President Obama’s decision to ease restrictions on U.S. citizens' trips to Cuba. The White House announced last month that it would make it easier for U.S. educational, religious, cultural and humanitarian groups to visit the island. Cuban-Americans can visit relatives on the island almost without restrictions, but travel is difficult for others. The Rubio-Menendez amendment would block any new U.S. flights to countries on the U.S. list of supporters of international terrorism. Currently, those countries are Cuba, Iran, Syria and Sudan. However, the amendment was not included in the passed version of the bill.

HOUSE SPENDING BILL (CONTINUING RESOLUTION)

House Republicans continue to work towards a final action on a spending bill that aims to cut \$58 billion out of the government’s budget. The underlying bill ([HR 1](#)) would fund government operations through the end of the fiscal year, on Sept. 30, while making deep spending cuts to many agencies. It would provide \$60.9 billion less than appropriated in fiscal 2010 and \$99.6 billion less than President Obama wanted for fiscal 2011, according to the Appropriations Committee. Compared with current funding for fiscal 2011, now governed by a continuing resolution that expires March 4, the cuts come out to about \$58 billion, appropriators say. Senate Democrats, including Majority Leader [Harry Reid](#) (NV) and Appropriations Chairman [Daniel K. Inouye](#) (HI) have said the measure cuts too deeply and in the wrong programs. Without an approved 2011 budget, another Continuing Resolution (CR) will have to be passed to avoid a government shutdown. House Speaker John Boehner said Thursday that even a new CR would have to contain spending cuts to get his support. Majority Leader Reid and the Speaker continue to battle over fiscal 2011 spending and a possible government shutdown after lawmakers take a weeklong Presidents Day recess. The Speaker said that he would not support even a temporary extension of government funding unless it included serious spending cuts.

REPEAL OF 3% WITHHOLDING TAX

The Government Withholding Relief Coalition met this week to work towards repeal of the 3% tax withholding mandate. Chris Braddock of the U.S. Chamber of Commerce said that eliminating the mandate in 2011 continues to be an “uphill battle.” Twelve members in the House signed onto a repeal bill last Friday. Braddock said there’s plenty of support for repeal, but it’s mostly a partisan bill tied to, among other things, repeal of healthcare reform; and as a result, it’s not likely to pass. In the Senate he believe conditions were more favorable. Two bills in the Senate, S. 89 and S. 34, use the exact language as the House bill. Coalition members agreed that Congress recognizes some of the problems associated with the tax, but that further persuasion is needed. Senators Max Baucus (MT) and Chuck Grassley (IA) are mainly concerned with contractors not paying their taxes. Braddock said that both men are not on board with repeal, but have in mind some “modifications” that can be done. There has also been talk in Congress of doing a study to better estimate the cost implementation of the tax, as the result of a

Department of Defense study that contains some inaccuracies. In the event of such a study, the coalition would ask for a two year delay of the tax, as they did in the stimulus bill. To strengthen their case, coalition members are looking to gather data from state and local governments and private firms about the costs of implementation. All members were asked to include the 3% tax on their priority list when receiving visits from members of Congress.

MIAMI-DADE COUNTY MEMBERS VISIT MIAMI VA REGARDING TAINTED EQUIPMENT

Miami-Dade County Members of Congress, Ileana Ros-Lehtinen, Mario Diaz-Balart, David Rivera and Frederica Wilson visited the Bruce W. Carter Department of Veterans Affairs Medical Center to receive a briefing from Miami VA personnel on the recent reports that South Florida veterans were notified they may have received colonoscopies with improperly sterilized equipment at the Miami VA. This is in response to a situation in March 2009 when the VA notified more than 2400 local veterans telling them that colonoscopies they had received may have been done with equipment that was not cleaned with chemical solutions, as is the norm. In July 2010, an additional 79 South Florida veterans were also told they had not been included in the original 2009 notification. A third notification to 12 additional South Florida veterans has been recently issued informing them of the same problem regarding the colonoscopies. Rep. Ros-Lehtinen issued the following statement on the issue, "As I have said on past occasions and as I will say to the personnel at the Miami VA: this is inexcusable and our veterans deserve and need better care and treatment than what they have been given since this terrible ordeal began two years ago. When I have questioned the Miami VA before on this issue, I am assured that their notification process has been improved and streamlined, yet this latest episode puts into great doubt everything they have told me, and the other members of our South Florida Congressional Delegation....The Miami VA should understand that we will stop at nothing to assure that our veterans have the best possible care this great nation can offer them."

FORMER REP. ALLEN BOYD JOINS LOBBYING FIRM

Former Rep. Allen Boyd joined DC lobby firm Twenty-First Century Group this week. He will now serve as a Senior Advisor offering strategic advice and planning to the firm's various clients. Boyd served seven terms in Florida's 2nd congressional district, from 1997 until 2011, until losing to Republican Steve Southerland last November.

CONGRESSIONAL RETIREMENTS

Senate Democrat Jeff Bingaman of New Mexico is expected to retire at the end of his current term in 2012. Bingaman's announcement comes on the heels of retirements by Senators Kent Conrad (D) of North Dakota, Senator Joe Lieberman (I) of Connecticut, Senators Jim Webb (D) of Virginia, John Kyl (R) of Arizona and Kay Bailey Hutchinson (R). In the House, Rep. Jane Harman (D) of California has decided to leave Congress to accept an appointment to lead the Woodrow Wilson International Center for Scholars and Republican House member Christopher Lee resigned last week for personal reasons.

CALENDAR

Due to the President's Day holiday, Congress will be on a recess next week for constituent work in their districts. They are set to return on Monday, February 28th. On Friday, March 4th, Chairman of the Committee on Transportation and Infrastructure John Mica will hold a "listening session" at Miami International Airport. This listening session and other meetings to be held around the country will inform the Committee's work on a long-term reauthorization of the nation's surface transportation programs. Additionally, OIA and Miami-Dade County Commissioner Sally Heyman and Vice Chairwoman Audrey Edmonson will participate in the annual NACo Legislative Conference set to begin on Saturday, March 5th in Washington, D.C.