

WEEKLY WASHINGTON FEBRUARY 21ST – FEBRUARY 25TH, 2011

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

BUDGET DEBATE AND CONTINUING RESOLUTION

Senate Democrats are using President Obama's Fiscal Year 2012 budget proposal as a guide for possible spending cuts for the remainder of FY 2011. Reductions could include \$8.5 billion in earmarks that were included in the continuing resolution that is funding government programs through March 4. Democrats also are going after Pentagon weapons programs that Majority Leader Harry Reid (NV) said was unworkable. The possible spending cuts would be included in a measure to fund the government through the end of the FY 2011. Meanwhile, House Republicans announced they are working on a short-term continuing resolution that would keep the government operating for two weeks beyond March 4, when the current spending measure expires. The bill announced Friday includes \$4 billion in spending reductions. Many of the cuts were included in President Obama's fiscal 2012 budget request and could appease Democrats. Should Congress fail to reach an agreement on March 4, the government faces a shutdown.

POSSIBLE GOVERNMENT SHUTDOWN IMPLICATIONS

Last year Congress failed to reach an agreement on the budget, and instead passed a continuing resolution (CR) to fund the government until March 4. Based on the shutdown of 15 years ago, this is what would and wouldn't be affected if Congress doesn't strike an agreement before the deadline. The Postal Service wouldn't be affected. Air Traffic Controllers would remain on the job, and there would be no change to staff at Federal prisons. Veterans services are likely to be cut back, however, from health services to finance and travel. National Parks and museums would shut down and lose revenue from patrons. Passport services would go unprocessed (during the last shutdown, the tourism industry and airlines reportedly suffered millions of dollars in losses). New Social Security claims were not processed in the shutdowns of 1995 and 1996 as well. Federal funds to contractors and states would be cut off. Federal law enforcement would see a delay in hiring of officers, as well as a delay in applications for alcohol, tobacco, firearms, and explosives by the ATF, and Federal agencies would suspend work on bankruptcy cases as well. President Obama has the discretion to keep certain agencies open in the event of a shutdown, however, especially those crucial to homeland security.

HOUSE TRANSPORTATION BILL

Amid the debates of funding and a government shutdown, a vote is expected on a surface transportation bill sponsored by House Transportation and Infrastructure Chairman John L. Mica once Congress returns next week. The bill was approved by a voice vote in committee and isn't likely to cause controversy. Mica's press office said that "one of the Committee's highest priorities in the 112th Congress is enacting a fiscally responsible long-term surface transportation law that includes funding and sets policy for the federal highway, transit, and highway safety programs." Some Republican freshmen, however, may take issue because the bill does not contain any spending cuts.

HIGH-SPEED RAIL REJECTED AGAIN

An effort to save high-speed rail in Florida was rejected Thursday by Gov. Rick Scott, but in a surprise decision on Friday, he has agreed to one more week of consideration. Lawmakers accused him of overstepping authority and threatened legal action. The new proposal attempted to divert responsibility to a group of cities, including Tampa and Orlando. Scott saw nothing to change his mind. In Tallahassee, State Sen. Thad Altman, said he hoped U.S. Transportation Secretary Ray LaHood would grant Florida more time before reallocating the \$2.4 billion to other states. Altman noted that the Legislature voted to accept the federal money and build high-speed rail in a special session, and that the Florida constitution required the Governor to uphold the law. Asked on Bloomberg News about Scott's contention that the project could pose a \$3 billion risk to the state and that if it failed the state would have to pay back the \$2.4 billion, LaHood said, "It's baloney ... We just worked out a very good agreement between the cities of Orlando. No other person on this planet, including people in Florida that have been working on high-speed rail for 20 years, would agree with that statement. There's no factual information in there." LaHood announced on Friday morning that he would give Gov. Scott one more week to deliberate about the project, an indication that he may yet change his mind. This week's attempted plan included a partnership that would be considered a "non-recourse entity." Meaning, that if the project failed, the state or local governments wouldn't be held liable for construction or operating cost overruns. Instead, the success or failure of the rail would be the sole responsibility of a private company.

OIL RESERVES

Three New England Democrats called on President Obama on Thursday to tap the nation's Strategic Petroleum Reserve. The move is in response to a surge in crude oil prices caused by political unrest in the Middle East along with the Deep Water Horizon disaster last year in the Gulf of Mexico. Rep. Edward J. Markey (MA), the top Democrat on the House Natural Resources Committee, along with Reps. Peter Welch (VT) and Rosa DeLauro (CT), said that releasing oil from the reserve "has a proven record of driving down prices." Industry experts have said the market should be capable of replacing the oil and ensuring a steady supply, but the three lawmakers argued that the Organization of the Petroleum Exporting Countries have little incentive to act quickly since they profit from a price jump. White House press secretary Jay Carney told reporters, "We are examining our options and we have the capacity if necessary to act in case of a major disruption."

FEMA BRIEFING

OIA participated in a briefing on Friday with FEMA to discuss the FY2012 Budget. The focus of the briefing was on the Department of Homeland Security's FY2012 Budget as it pertains to FEMA and their partners in emergency management. The state and local portion of the update covered the FY 2012 Program/Project Activity Structure which included the Metropolitan Statistical Area (MSA) Preparedness Program. When compared to the FY 2011 Continuing Resolution that Congress is debating now with the President's proposed budget, these programs remain at their current levels and in the case of the Urban Area Security Initiative (UASI) the

funding increased by \$33 million. Many of the programs at FEMA however saw funding cuts and elimination.

CALENDAR

Congress returns Monday, Feb. 28, after a week of constituent work in their districts and the President's Day holiday. On Friday, March 4, 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. 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 5 in Washington, D.C. The Greater Miami Chamber of Commerce will travel to Washington D.C. March 9-10 for a fly-in and a series of meetings with Members of Congress as well as with Administration and Department officials. Joining the Chamber in Washington are Miami-Dade County Commissioners Rebeca Sosa, Lynda Bell and Vice Chairwoman Audrey Edmonson, along with Port of Miami Director Bill Johnson.