

WEEKLY WASHINGTON MAY 23RD THROUGH MAY 27TH, 2011

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

THE HOUSE AND SENATE WERE IN SESSION THIS WEEK.

3% WITHHOLDING REPEAL - UPDATE

On Thursday, the House Committee on Small Business, Contracting and Workforce Subcommittee held a hearing to examine the effect of Section 511 of the Tax Prevention and Reconciliation Act of 2005, which will require federal, state and local governments to withhold 3 percent from all payments for goods and services purchased from small businesses. Committee Chairman Mick Mulvaney (R-SC) said, "Since the 3 percent withholding tax was enacted in 2006 it has continuously been deferred. It's time to stop deferring and repeal this onerous law once and for all. Repealing instead of deferring will also give small business owners the confidence they need to grow their business and create jobs without wondering if they will be burdened by another tax." The chairman went on to say, "The bottom line is this: this 3 percent tax must be repealed. It's bad for small businesses, bad for the government and just plain bad policy. I look forward to working with the House Ways and Means Committee and the Senate to get bipartisan repeal legislation on the president's desk as soon as possible." Miami-Dade County Commissioner Sally Heyman submitted a statement for the record that was filed with the committee along with official testimony from this hearing, which was coordinated by OIA. Currently, there are three bills before Congress that seek to repeal the withholding requirement: H.R. 674 (116 co-sponsors), introduced by Rep. Wally Herger (R-CA); S. 89 introduced by Senator David Vitter (R-LA); and S. 164, introduced by Senator Scott Brown (R-MA).

Following the hearing members of the House Small Business & Ways & Means Committees came together for a bipartisan press conference to discuss the need for a repeal of the 3% withholding tax provision. Those in attendance included: Rep. Mick Mulvaney (R-SC), Chairman, Small Business Subcommittee on Contracting and Workforce, Rep. Earl Blumenauer (D-OR), Lead sponsor of HR 674, Member, Ways & Means Committee, Rep. Wally Herger (R-CA), Lead sponsor of HR 674, Member, Ways & Means Committee, Rep. Kurt Schrader (D-OR), Ranking Member, Small Business Subcommittee on Economic Growth, Tax & Capital Access, Rep. Joe Walsh (R-IL), Chairman, Small Business Subcommittee on Economic Growth, Tax and Capital Access, Rep. Gerry Connolly (D-VA), Rep. Jeff Landry (R-LA), and Rep. Richard Hanna (R-NY).

NEW FEDERAL REGS TO EFFECT ASPARAGUS IMPORTS AT MIA

Aviation Associate Director Tony Quintero, OIA and a delegation representing Peruvian Asparagus interests, visited with senior officials at USDA and members of the Miami-Dade congressional delegation to express concerns over new federal regulations that could have an adverse impact on fresh asparagus imported through MIA.

The new regulation would apply to commodities that are intended for food or feed fumigated with methyl bromide, requiring additional monitoring and sampling of the fumigated product to determine when a commodity may be released into the stream of commerce. The added time for monitoring would reduce the shelf life of the fresh asparagus product.

Mr. Quintero provided an economic impact presentation to USDA officials, including Undersecretary for Regulatory and Marketing Programs Ed Avalos, Agriculture Marketing Service Administrator Rayne Pegg and Animal Plant Health Inspection Service Deputy Administrator Rebecca Besh. The group also met with Rep. Rivera and staff for Rep. Diaz-Balart and Sen. Rubio.

MIAMI-DADE PUBLIC HOUSING AGENCY

OIA continues to work with the Miami-Dade County Congressional delegation regarding funding discrepancies with the Department of Housing and Urban Development. At issue are provisions within the FY 2009 THUD Appropriations Act which required HUD to rescind \$750 million in unspent Section 8 Housing Choice Voucher (HCV) funds from 2400 public housing authorities. MDPHA has recently discovered that the \$43 million recaptured from MDPHA at that time, was the second largest recapture amount of the top ten programs experiencing recapture in the country and was, by far, disproportionate in relation to the size of the other PHA's respective HCV programs. Director Gregg Fortner, OIA and the federal lobbying team will continue to seek an acceptable response and resolution from HUD.

UASI FUNDING

OIA continues to convey the County's strong opposition to provisions included in the FY 2012 House Department of Homeland Security Appropriations bill, which would limit funding provided under section 2003 of the Homeland Security Act of 2002 (6 U.S.C. 604) to the top 10 highest risk urban areas. Currently, Miami-Dade County and City of Miami receive funding under this program; however, under the provisions of the House bill, they are one of the jurisdictions that would be removed from the funding list.

OIA & FEMA PREPARE FOR HURRICANE SEASON

On Thursday, OIA met with the Intergovernmental Affairs Division of FEMA's Office of External Affairs. In preparation of hurricane season, OIA reached out to FEMA to build a relationship and establish an ongoing line of communication. In the event there is a natural disaster or catastrophic event in the County, OIA would be adequately prepared to serve as a resource to assist Director Sommerhoff and the County's Department of Emergency Management (DEM).

For hurricanes and disaster events, FEMA has the authority and capability to pre-position response teams and disaster supplies close to the projected impact area, in addition to activating the National Response Coordination Center (NRCC). The NRCC is the multi-agency center based at FEMA Headquarters in Washington, D.C., which provides overall coordination of the Federal response and supports emergency management program implementation. The NRCC

brings together Emergency Support Function Federal departments and agencies to assist in the preparations for and response to disasters and issuance of mission assignments for disaster support.

TORNADOES RAVAGE THE HEARTLAND

President Obama is scheduled to visit Missouri on Sunday to meet with residents and families of the victims of the deadly tornadoes that killed at least 116 people in Joplin last weekend. The President spoke with Missouri Gov. Jay Nixon on Monday and dispatched FEMA personnel and resources to the region. The President pledged ‘every ounce’ of available resources in support of recovery efforts for the affected areas.

ARIZONA IMMIGRATION LAW UPHELD BY U.S. SUPREME COURT

On Thursday the United States Supreme Court upheld an Arizona law that would impose penalties on businesses that hire illegal immigrants. The 5-to-3 decision (Justice Elena Kagan recused herself because she had been involved in the case as U.S. solicitor general) in *Chamber of Commerce v. Whiting*, upholds Arizona’s Legal Arizona Workers Act, legislation that would punish employers who intentionally hire illegal workers. This legislation is similar to laws enacted in Colorado, Mississippi, Missouri, Pennsylvania, South Carolina, Tennessee, Virginia and West Virginia. The law was challenged by businesses and civil liberties groups that argued it violated federal immigration policy. The high court’s decision mandates the federally administered E-verify program, which allows employers to validate if potential employees are authorized to work. Chief Justice John Roberts was joined in the majority by Justices Antonin Scalia, Anthony M. Kennedy, Samuel A. Alito Jr. and Clarence Thomas.

PRESIDENT “SIGNS” PATRIOT ACT EXTENSION MINUTES BEFORE DEADLINE

Late Thursday President Obama, who is attending the G-8 Summit in Europe, directed a White House official to use the auto-pen machine to sign a bill into law to extend certain provisions of the Patriot Act. The Patriot Act, which was drafted in the wake of the 9/11 terrorist attacks, provides law enforcement with broad authority to search records and conduct domestic surveillance of suspected terrorists. With minutes to spare before the law's expiration, the President took the rare step of using the auto-pen machine to put his signature on the legislation. The Senate spent the better part of the last week negotiating on parliamentary procedure and how to dispose of amendments to the bill, so it could finally be given an up-or-down vote. The Senate finally passed the bill late Thursday and the House passed it shortly thereafter.

NEW YORK SPECIAL CONGRESSIONAL ELECTION

Democrat Kathy Hochul won a special election on Tuesday in New York’s 26th congressional district that covers parts of Buffalo and Rochester. Hochul (48 percent) defeated Republican Jane Corwin (42 percent) and tea party candidate Jack Davis (8 percent). Hochul, the clerk of Erie County, will fill the seat vacated by the resignation of Rep. Christopher Lee.

NEXT WEEK’S CALENDAR: MAY 30 – JUNE 3

The House will be in session.

The Senate will be in pro forma session to prevent the President from making “recess appointments.”