

WASHINGTON WEEKLY REPORT

October 3rd – October 7th, 2011

Below is an informal overview of the Washington D.C. activities of the Office of Intergovernmental Affairs:

THE SENATE WAS IN SESSION THIS WEEK

THE HOUSE WAS IN SESSION THIS WEEK

PRESIDENT OBAMA SENDS FREE TRADE AGREEMENTS TO CONGRESS – HOUSE AND SENATE TO ACT QUICKLY

Less than 48 hours after receiving long-stalled trade agreements from President Obama on Monday evening, the House Ways and Means Committee quickly considered and passed three bills that set the stage for House and Senate approval possibly as soon as next week. The committee's swift action is indicative of Congress's desire to move on the trade deals that both the White House and most members of Congress say could create tens of thousands of jobs.

Notably, this legislative speed comes after years of delay. All three agreements were signed during President George W. Bush's administration, but President Obama's administration refused to send them to Congress until it renegotiated key issues, specifically on access to South Korea for U.S. automakers and Colombia's protections for labor rights.

HOW WE FINALLY GOT HERE – PREPARED BY DC LOBBY TEAM

In September, the House passed a bill (H.R. 2832) to reauthorize the Generalized System of Preferences (GSP), which governs trade with developing nations. The bill was referred to the Senate. During the Senate floor debate on the GSP bill, an amendment was included to extend the Trade Adjustment Assistance (TAA) program for workers displaced by trade. The Senate passed the bill on September 22 and it is now pending in the House. Extension of TAA benefits, which expired in February, has been the key to the President and Democrats agreeing to proceed with the three pending free trade agreements. On October 3, the House Rules Committee approved a rule for floor consideration for the GSP/TAA bill and is expected to report out the rule later today. The House will need to approve the bill before the Senate proceeds with the trade agreements.

On October 3, the President also submitted the implementing bills for the free trade agreements (FTAs) for Colombia, Panama, and South Korea to Congress. The implementing bills for the FTAs will be considered under Trade Promotion Authority -- formerly known as "fast track" -- which is an expedited procedure for Congressional consideration of certain trade agreements. The fast-track authority provides that

Congress will consider trade agreement implementing bills within mandatory deadlines, with a limitation on debate, and without amendment.

Trade Promotion Authority (TPA) actually expired on July 1, 2007. However, TPA procedures apply to implementing bills for free trade agreements entered into before that date. Four free trade agreements were signed in time to be considered by Congress under TPA – Peru, Colombia, Panama, and South Korea. The implementing legislation for the U.S.-Peru Trade Promotion Agreement was passed by Congress and signed into law by President Bush on December 14, 2007. The three remaining agreements with Colombia, Panama, and South Korea have been pending since then.

Under fast-track procedures, once the President transmits a trade agreement to Congress, then the implementing bills must be introduced in the House or Senate in next day they are in session. Senators and Representatives cannot amend the President's bill in committee or during floor consideration. The committees to which the bills have been referred – Ways and Means in the House and Finance in the Senate – have 45 days to report the bill, or be automatically discharged, and each chamber must vote within 15 days after the bill is reported or discharged.

The bill typically originates in the House, and after the Senate receives the House-passed bill, the Finance Committee would have another 45 days to report the bill or be discharged, and then the Senate would have another 15 days to pass the bill. On the House and Senate floor, the bill can be debated for no more than 20 hours. Senators cannot filibuster the bill. Only a simple majority is required to pass the bill. Taking the entire process together, Congressional consideration can take no more than 90 days from the date of introduction.

In accordance with these procedures, House Majority Leader Eric Cantor introduced the three implementing bills on October 3 -- H.R. 3078, "United States-Colombia Trade Promotion Agreement Implementation Act"; H.R. 3079, "United States-Panama Trade Promotion Agreement Implementation Act"; H.R. 3080, "United States-Korea Free Trade Agreement Implementation Act". Congress has 90 days from yesterday to approve the bills.

However, the process is not likely to take that long as the House Ways and Means Committee is holding a markup of the bills for October 5. The bills cannot be amended by the Committee, but it their opportunity to express their views on the trade agreements. The Committee is expected to report the bill out the same day and it will likely be voted on by the full House the week of October 10.

The bills will then be forwarded to the Senate for consideration. The bills are expected to proceed through the Senate without difficulty, but the Senate is not expected to pass them until the House approves the Senate-passed GSP bill that includes an extension of TAA benefits. The Senate leadership has already sent notice that the trade agreements could be taken up before their next scheduled recess on October 24. President Obama would like the bills to be approved before the official state visit by

South Korea's president on October 13 so it is possible that they could be cleared before then.

SEN. RUBIO PENS OP-ED WITH SENS. MCCAIN AND KIRK FOLLOWING LIBYA TRIP

From Sen. Rubio's press office - On Friday, The Wall Street Journal published an op-ed that Sen. Marco Rubio co-wrote with Senators John McCain (AZ), Lindsey Graham (SC) and Mark Kirk (IL) reflecting on how America can help the Libyan people based on what they saw during their CODEL. Read the full op-ed here - <http://rubio.senate.gov/public/index.cfm/2011/10/the-promise-of-a-pro-american-libya>

PRESIDENT CALLS ON CONGRESS TO TAKE UP AND PASS HIS JOBS BILL

President Obama again called on members of the U.S. House and Senate to take action and pass his plan for job creation. The American Jobs Act, according to the White House, will put more people back to work and put more money in the pockets of working Americans and will do so without adding a dime to the deficit. Below are the highlights of the bill released by the White House:

1. Tax Cuts to Help America's Small Businesses Hire and Grow

- Cutting the payroll tax in half for 98 percent of businesses: The President's plan will cut in half the taxes paid by businesses on their first \$5 million in payroll, targeting the benefit to the 98 percent of firms that have payroll below this threshold.
- A complete payroll tax holiday for added workers or increased wages: The President's plan will completely eliminate payroll taxes for firms that increase their payroll by adding new workers or increasing the wages of their current worker (the benefit is capped at the first \$50 million in payroll increases).
- Extending 100% expensing into 2012: This continues an effective incentive for new investment.
- Reforms and regulatory reductions to help entrepreneurs and small businesses access capital.

2. Putting Workers Back on the Job While Rebuilding and Modernizing America

- A "Returning Heroes" hiring tax credit for veterans: This provides tax credits from \$5,600 to \$9,600 to encourage the hiring of unemployed veterans.
- Preventing up to 280,000 teacher layoffs, while keeping cops and firefighters on the job.

- Modernizing at least 35,000 public schools across the country, supporting new science labs, Internet-ready classrooms and renovations at schools across the country, in rural and urban areas.
- Immediate investments in infrastructure and a bipartisan National Infrastructure Bank, modernizing our roads, rail, airports and waterways while putting hundreds of thousands of workers back on the job.
- A New “Project Rebuild”, which will put people to work rehabilitating homes, businesses and communities, leveraging private capital and scaling land banks and other public-private collaborations.
- Expanding access to high-speed wireless as part of a plan for freeing up the nation’s spectrum.

3. Pathways Back to Work for Americans Looking for Jobs.

- The most innovative reform to the unemployment insurance program in 40 years: As part of an extension of unemployment insurance to prevent 5 million Americans looking for work from losing their benefits, the President’s plan includes innovative work-based reforms to prevent layoffs and give states greater flexibility to use UI funds to best support job-seekers, including:
 - *Work-Sharing*: UI for workers whose employers choose work-sharing over layoffs.
 - *A new “Bridge to Work” program*: The plan builds on and improves innovative state programs where those displaced take temporary, voluntary work or pursue on-the-job training.
 - *Innovative entrepreneurship and wage insurance programs*: States will also be empowered to implement wage insurance to help reemploy older workers and programs that make it easier for unemployed workers to start their own businesses.
- A \$4,000 tax credit to employers for hiring long-term unemployed workers.
- Prohibiting employers from discriminating against unemployed workers when hiring.
- Expanding job opportunities for low-income youth and adults through a fund for successful approaches for subsidized employment, innovative training programs and summer/year-round jobs for youth.

4. Tax Relief for Every American Worker and Family

- Cutting payroll taxes in half for 160 million workers next year: The President's plan will expand the payroll tax cut passed last year to cut workers payroll taxes in half in 2012 – providing a \$1,500 tax cut to the typical American family, without negatively impacting the Social Security Trust Fund.
- Allowing more Americans to refinance their mortgages at today's near 4 percent interest rates, which can put more than \$2,000 a year in a family's pocket.

5. Fully Paid for as Part of the President's Long-Term Deficit Reduction Plan.

- To ensure that the American Jobs Act is fully paid for, the President will call on the Joint Committee to come up with additional deficit reduction necessary to pay for the Act and still meet its deficit target. The President will, in the coming days, release a detailed plan that will show how he can do that while achieving the additional deficit reduction.

APPROPRIATIONS UPDATE – CONGRESS AGAIN WORKS OVERTIME TO AVOID GOVERNMENT SHUTDOWN

Fiscal Year (FY) 12 started on Saturday, October 1. The federal budget was not enacted and in place before that date. In fact, none of the twelve appropriations bills that, taken together, make up the federal budget had been enacted. Only six of the twelve bills have passed the House. Only one has passed the Senate. All of the other FY12 spending bills bottled up in committee or far back in the queue for the legislative calendar in each chamber.

FY12 started without a hitch. Last week, Congress passed a very short term Continuing Resolution (CR) that kept the government running through Tuesday, October 4. Then earlier this week the House and Senate then passed another CR that keeps the government running until November 18.

ANALYSIS

With the CR in place the House and Senate will turn to focus on completing the FY12 annual spending bills. OIA and the DC Lobby Team do not expect Congress to pass all twelve bills individually. Instead, Congress will package all twelve bills into one comprehensive omnibus appropriations bill.

OIA and the DC Lobby Team expect continuing disagreements over the details for each spending bill. When Congress passed the debt limit law in August, it set a limit of \$1.043 trillion for federal discretionary spending. Both the President and the Senate Democratic leadership are determined to spend that amount. The House leadership also agreed with that number; however, a number of House Republicans want the overall number to be smaller. Some members may vote against any omnibus appropriations bill that spends \$1.043 trillion. If they do, it puts the House Speaker in a

difficult position. He can pass a bill that spends less than \$1.043 trillion and have the support of his conservative caucus members, or he can pass a bill that totals \$1.043 trillion, lose the vote of many Republicans, but pick up enough Democrats to pass the bill. The problem for the Speaker if he takes the second path is that he will face the wrath of his conservative members.

The Speaker, along with the rest of the House leadership, including Majority Leader Eric Cantor and Majority Whip Kevin McCarthy have all stressed that they do not want to see a government shutdown and will abide by the agreements in the debt limit bill.

Beyond the overall numbers, many other issues remain to be resolved. The House and Senate have written widely divergent bills. For example, in the bill that funds the Department of Education, the House has eliminated funding for 30 programs, including the Secretary's crown jewel -- the "Race to the Top" program which funds K-12 educational reforms. The House bills also include scores of policy provisions. For example in the bill that funds the Environmental Protection Agency, the House bills stops the EPA from issuing several pending new pollution control rules. The White House and the Senate Democrats strongly oppose most of these items. Extremely difficult negotiations lie ahead.

It is possible that all the decisions will not be made by November 18. In that case, Congress will need to pass another short term CR or the government will again face a shutdown.

3% WITHHOLDING REPEAL

On Wednesday, the Government Withholding Relief Coalition held a conference call to touch base with members about the upcoming markup of HR 674. The bill will be considered by the committee next week and is expected to be brought to the House Floor during the week of October 24th. House Leadership has not stated whether the bill will be brought to the Floor on the Suspension Calendar or in regular order, although the Chamber believes the latter is most likely.

The Chamber is still trying to provide letters of support and anecdotes to the Committee. These were requested by the Committee for the record and use on the House Floor. So far, the Chamber has received six letters. OIA along with Director of Procurement Miriam Singer are working with Commissioner Sally Heyman to submit a letter calling for the repeal of the withholding. The Chamber wants to build as much support for the bill as possible in the House to give it greater momentum in the Senate.

While the Senate still remains an obstacle, the Chamber noted that this week Senator Scott Brown (MA) filed the bill as an amendment to Senator Sherrod Brown's (OH) currency bill. Although this was a positive development, Senate Majority Leader Harry Reid (NV) has already filled the amendment tree and Senator Brown's amendment will not be considered.

To date, the House bill has 262 cosponsors, 17 of which are from the State of Florida, including Reps. Ros-Lehtinen, Diaz-Balart and Rivera. OIA, along with Commissioner Heyman, Director Singer and the DC Lobby Team continue to work to secure the support of Reps. Wasserman Schultz and Wilson.

REP. ROS-LEHTINEN: CONVICTED SPY POSES THREAT TO U.S. SECURITY

Rep. Ileana Ros-Lehtinen, Chairman of the House Foreign Affairs Committee, on Monday said that she was extremely concerned by the upcoming “supervised release” on Friday, October 7th, of Rene Gonzalez, a convicted spy for Cuba. Gonzalez is one of the five Cuban intelligence officers convicted in the United States for their roles in the Brothers to the Rescue shutdown, and other espionage activities targeted at harming the U.S.

In a statement released through the House Foreign Affairs Committee, the Congresswoman said, “Rene Gonzalez, like the regime he serves, is an enemy of America. He has American blood on his hands and dedicated his life to harming our country on behalf of a regime that is a State Sponsor of Terrorism. It is deeply concerning that this villain will soon be granted his freedom through ‘supervised release.’ While I don't believe the punishment measured up to his heinous crimes, our judicial process took its course. The focus must now be on protecting our nation and the American people from this convicted spy for the Cuban regime, a State Sponsor of Terrorism that seeks to hurt and undermine the United States at every opportunity. Rene Gonzalez is hailed as a hero in Cuba for his acts against the United States. His supervised release must have the most stringent monitoring and safeguards attached to it. The Obama Administration needs to take every precaution to protect U.S. security and the American people from this enemy of our nation.”

MIA TO PARTICIPATE IN PRE-SCREENING TSA PILOT PROGRAM

The Transportation Security Administration (TSA) announced this week that it began testing a limited, voluntary passenger pre-screening initiative with a small known traveler population at four U.S. airports. The TSA PreCheck initiative implements a key component of the agency's intelligence-driven, risk-based approach to screening. This pilot program will help assess measures designed to enhance security by placing more focus on pre-screening individuals who volunteer information about themselves prior to flying in order to expedite the travel experience generally.

TSA will use pre-screening capabilities to make intelligence-based risk assessments on passengers who voluntarily participate in the TSA PreCheck program and are flying domestically from one of the four pilot sites: Miami International, Hartsfield-Jackson Atlanta International, Detroit Metropolitan Wayne County, and Dallas/Fort Worth International airports. Eligible participants include certain frequent flyers from Delta Air Lines and American Airlines as well as members of the Customs and Border Protection's (CBP's) Trusted Traveler programs, including Global Entry, SENTRI, and

NEXUS who are U.S. citizens and are flying on participating airlines. If successful, TSA plans to expand the pilot to include additional airlines, as well as airports that participate in CBP's Global Entry program, once operationally ready.

CLIMATE COMMUNITIES

On Thursday, Climate Communities held their weekly webinar titled, "Promoting Sustainability in Parks and Recreation Operations." The webinar discussed that while community parks create opportunities to connect residents with the natural environment, parks and recreation operations present unique challenges to the realization of local sustainability goals, specifically water and energy conservation. The discussion focused on sustainability strategies for local park and recreation departments by Dianne Hoover and Darin Budak from the City of Bakersfield, California's Recreation and Parks Department and Lyssa Hall from the City of Phoenix, Arizona's Parks and Recreation Department. According to Climate Communities, "Heavily utilized sports fields require frequent watering and nighttime illumination. Keeping parks open and lighted at night requires calculated tradeoffs between safety and energy usage. Connecting bicycle and pedestrian trails in local parks to residential and commercial areas necessitates coordination with local transportation planning efforts. Although in many ways sustainability is integrated into the fabric of parks and recreation operations, communities must also develop strategies to ensure that their parks operations remain truly green."

Ms. Hoover and Mr. Budak spoke about how Bakersfield has focused on enhancing its water efficiency to reduce the energy and water demand of its parks and recreation operations. Ms. Hall mentioned how Phoenix has developed a comprehensive sustainability strategy that promotes greater recycling, energy and water efficiency and tree cover in its parks and recreation operations.

GOP PRESIDENTIAL FIELD 2012: GOVERNORS PALIN AND CHRISTIE END THE SPECULATION

After weeks and months of speculation from supporters, pundits and the general public, Governors Chris Christie (NJ) and Sarah Palin announced this week that they would not enter the crowded GOP presidential primary field.

PRIMARY CALENDAR COMPETITION

In other presidential primary news, the following states have moved up their primary dates to attract more attention from presidential campaigns: The Iowa Caucuses have set a tentative date of January 3, Florida has re-scheduled its primary for January 31, South Carolina has chosen January 21 and Nevada will hold its caucus on January 14. New Hampshire is reportedly considering a date of December 6 for its primary.

Here is a list of candidates who have announced they will run, and some other potential candidates.

OFFICIALLY ANNOUNCED WILL RUN:

Michele Bachmann – U.S. Rep. from Minnesota
Herman Cain – former CEO of Godfather's Pizza
Newt Gingrich – former Speaker of the U.S. House of Representatives
Jon Huntsman – former Gov. of Utah & former Ambassador to China
Gary Johnson – former Gov. of New Hampshire
Ron Paul – U.S. Rep. from Texas
Rick Perry – Gov. of Texas
Buddy Roemer – former Gov. of Louisiana
Mitt Romney – former Gov. of Massachusetts
Rick Santorum – former Sen. from Pennsylvania

YET TO OFFICIALLY ANNOUNCE:

Rudy Giuliani – former Mayor of New York City

FEDERAL LOBBYIST REPORTS

Please use the following link to access the monthly lobbyist reports for the Washington D.C. lobbying team http://www.miamidade.gov/intergov/federal_lobbyist.asp

NEXT WEEK'S CALENDAR: OCTOBER 10TH – OCTOBER 14TH

The House will be in session next week

The Senate will be in session next week