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## Memorandum

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From: Jane Sargent, Rick Spees and Jose Villalobos

To: Chairman Esteban Bovo  
Board of County Commissioners

CC: Joe Rasco

Date: September 5, 2018

Subject: August 2018 Monthly Report

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### **Appropriations:**

In August the House was out of session the entire month. The Senate was in session off and on during the month. Both returned this week and will immediately turned to working further on the federal budget. The current fiscal year ends on September 30. Fiscal Year 2019 starts on October 1. Unfortunately there are only 11 days in September when both houses of Congress will be in session. Congress has done an excellent job passing the appropriations bills but time will run out before they get the job done. They will have to pass a Continuing Resolution before the end of the month to keep many parts of the government running.

There are twelve appropriations bills that Congress must pass each year to fund the entire government. To date none of the twelve have been fully through the process. However, significant progress has been made. The House has passed six of the twelve bills on the House floor. The Senate has passed nine of the twelve. Three of the bills – the ones that funds the Department of Energy, the one that funds the Department of Veterans Affairs and the one that funds the Legislative Branch were combined into one measure and passed both chambers. The combined bill is in conference where the differences between the House and Senate versions will be reconciled. It is expected that the bill will get successfully out of conference and the final version will be adopted by both the House and Senate and will be sent to the President for his signature. That should happen this month.

Turning to the other bills, it is likely that another package bill -- one that contains the provisions four more individual bills -- will also get through conference. If successful, that means a total of seven of the twelve appropriations bills will get done before the end of the fiscal year.

The fate of the remaining five bills is more problematic. The departments funded by those bills, or the issues involved with them, are more controversial. For example, the bill that funds the Department of Homeland Security, also funds the proposed wall on the southern border. How much money will be allocated to the wall is extremely controversial. The bill that funds the Departments of Labor, HHS and Education is opposed by conservative House Republicans. The bill that funds the Department of Justice contains some controversial immigration provisions. The bill that funds the State Department also funds foreign aid programs.

In short, the remaining five appropriations bills are full of trouble, especially at a time of hyper-partisanship and particularly before a major election. Both parties will be making political points on the bills. As a result there is little chance any of the five bills will pass before the start of the new fiscal year.

In most years that would mean Congress would pass a Continuing Resolution. However, the President has suggested (tweeted) that he may not sign a Continuing Resolution into law until he gets money for the southern border wall. If he refuses to sign the Continuing Resolution there would be a partial government shut down for the agencies that have not received funding.

However, we believe this threat will not pan out, before the election. We believe the Congressional Republicans will convince the President to sign a Continuing Resolution that will keep the government operating until after the election. Then both parties will wait to see the results of the election.

### **FY2019 Defense and Labor-HHS-Education Bills:**

One of the bills that the Senate took up during its unusual August session was a two-bill spending package that included the FY2019 Defense Appropriations bill and the Labor-HHS-Education bill. Both bills had been approved by the Senate Appropriations Committee earlier in the summer.

As we previously reported, the Senate version of the Labor-HHS-Education bill includes funding for key programs of interest to the County and rejects many of the cuts proposed by the Trump Administration for FY2019. For instance, the Senate bill includes \$2.32 billion for Ryan White HIV/AIDS programs, which is the same level as FY2018. The bill also includes \$10.1 billion for Head Start, \$110.5 million for Healthy Start, and \$896.8 million for senior nutrition programs. The bill also includes \$1.5 billion (a \$500 million increase) for State Opioid Response Grants.

The Senate passed the two bill spending package on August 23. While the full House has not yet passed its version of the FY2019 Labor-HHS-Education bill, this week it agreed to go to conference with the Senate on the combined measure. The House has also agreed to use the Senate spending allocation for the bill, which is \$2.2 billion more than the House Appropriations Committee-approved version. Using the higher Senate allocation for the bill should help facilitate conference negotiations. Congress is trying to reach an agreement on a final bill before the 2019 fiscal year starts on October 1.

### **North American Free Trade Agreement (NAFTA):**

President Trump, who campaigned on an anti-free trade message, has been working to re-negotiate the 1994 North American Free Trade Agreement (NAFTA) since last year. On May 18, 2017, the United States Trade Representative (USTR) sent a notification to Congress of its intent to begin talks to renegotiate NAFTA, and negotiations with Canada and Mexico began in August 2017.

After a year of negotiations, the Trump Administration sent a notification to Congress on August 31, 2018, stating that intends to sign a bilateral trade agreement with Mexico within 90 days, which could replace NAFTA. The formal notification is required to submit a final trade agreement to Congress under Trade Promotion Authority (TPA) or "fast track" authority, which allows trade agreements to move through Congress under special expedited procedures. Under TPA, a trade agreement can be approved by a simple majority in both chambers and is not subject to filibuster in the Senate.

The Administration and Mexico will continue to finalize the details of the agreement over the next month before submitting it to Congress for approval. In the meantime, the U.S. and Canada continue their negotiations, which have been more difficult. Agriculture issues continue to be one of the key sticking points with Canada.

In August, the Miami-Dade Congressional delegation sent a letter to the USTR urging the Administration to advocate for inclusion of provisions to protect Florida's specialty crop industry as it finalized its negotiations with Mexico. The delegation urged that any final agreement must allow producers in Florida and the Southeast to use seasonal data to pursue dumping and subsidy cases against Mexico. The seasonal data would make it easier for Southern growers to cite financial injury from Mexican fruits and vegetables sold below fair market value.

However, the proposed U.S.-Mexico agreement announced on August 31 appears not to include language protecting these growers. Following the announcement, Senators Rubio and Nelson wrote to the USTR about their concerns with the proposed agreement. Other Senators have expressed their concerns about the proposed agreement as well and urged the U.S. to include Canada as part of the agreement. We will continue to keep the County updated as the agreement with Mexico is finalized and the negotiations with Canada continue.

### **National Flood Insurance Program (NFIP):**

The National Flood Insurance Program, which was set to expire on July 31, was extended by Congress for four months until November 30. Congress passed legislation to keep the program going in late July and the President signed the bill into law on July 31.

This was the sixth extension of the old law that Congress has passed in less than a year. Congressional leaders continue to kick the can down the road for short periods of time in the hope that they will agree on a reauthorization of the whole program. Unfortunately they have not been able to accomplish that goal. The House passed a five year renewal of the program late last year, but it has no traction in the Senate. The Senate has been unable to pass anything except extension bills.

It is hard to believe that they will solve all the problems during this four month time period, particularly as Congress will be out of session from the first of October until after the election. We will continue to watch this legislation, but we expect that, in the end, Congress will only extend the existing law for several more months into next year.

### **S. 3157, 5G Legislation:**

We have been tracking legislation, S. 3157, the STREAMLINE *Small Cell Deployment Act*, which will have a significant impact on local governments. The bill is aimed, like recent Federal Communications (FCC) rulemaking efforts, at limiting the actions local governments can take on small cell wireless facility siting in an effort to make deployments less expensive, faster and more consistent across jurisdictions.

The bill was introduced by Senator Thune (R-SD), the Chair of the Senate Commerce Committee, along with Senator Brian Schatz (D-HI). The bill is under the jurisdiction of the Senate Commerce Committee. Since S. 3157 was introduced by the Chairman, it could be expected to get favorable treatment.

However, the bill has generated significant opposition by cities and counties throughout the U.S. All the trade associations that represent local communities -- the National League of Cities, the U.S. Conference of Mayors, and NACO -- have all weighed in against the bill. In 2017, Florida enacted a 5G wireless technology bill that was also opposed by the Florida League of Cities.

The objections are due to several problematic provisions. The bill cuts the time for local governments to review 5G technology applications. If the local governments miss deadlines, the applications are deemed approved. The bill also eliminates market based rents paid to local governments and ends several fees.

Given the opposition, the bill has not moved this year. The Senate Commerce Committee has not even held a hearing on the bill and time is quickly running out in the legislative session.

We have been working with Senator Bill Nelson's office on this legislation to express local government concerns. Senator Nelson is the ranking Democrat on the Senate Commerce Committee, which has jurisdiction over the bill.

**Activities for September:**

The House and Senate are back in session. However, they will only be in session for 11 legislative days before the end of the fiscal year. This month, they will try to complete as many of the FY2019 appropriations bills as possible. Since they will not be able to complete all twelve bills, they will also need to take up a Continuing Resolution to keep the rest of the federal government operating until they can finish all the bills. They will also be working on the FAA reauthorization bill or an extension of it since the current law is set to expire at the end of September. They will also be working to complete negotiations on a farm bill since the current law also expires at the end of September. The Senate Judiciary Committee is holding a confirmation hearing for Supreme Court Justice nominee, Brett Kavanaugh. The full Senate is expected to vote on his nomination this month. We will continue to monitor and report on Presidential actions and any other legislative developments of interest to the County.