



The Washington Report

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THE WASHINGTON REPORT MAY- JUNE 2011

CONGRESSIONAL SCHEDULE

At least one chamber of Congress was in session every week in June. This month, full House of Representatives passed three of the twelve fiscal year (FY) 2012 spending bills: Agriculture, Homeland Security, and Military Construction. Senate appropriators began work on the Senate's version of FY 2012 spending bills, unveiling the Military Construction/VA Appropriations bill.

With the authorization for the Federal Aviation Administration set to expire in June, Congress passed a short term extension to keep aviation programs funded until July 22. The Senate took up legislation to reauthorize the Economic Development Administration, but could not pass a cloture motion to end debate on the measure.

Looking ahead, at least one chamber will be in session every week until August. We expect to see some movement in both the House and Senate on legislation to reauthorize the nation's surface transportation law. Negotiations continue on a comprehensive debt reduction agreement in hopes that a compromise will be reached by August 2.

For more information, please contact Melissa Avstreich at mavstreich@tfgnet.com.

BUDGET, APPROPRIATIONS & FISCAL POLICY

Status of FY 2012 Appropriations

House of Representatives

During the month of June, the House of Representatives continued to make progress on FY 2012 Appropriations bills. The three bills that were approved by the House Appropriations Committee in May (Homeland Security, Military Construction/Veterans Affairs, and Agriculture, Rural Development, Food and Drug Administration) were all approved by the full House of Representatives during June. Summaries of these bills were provided in the May Washington Report.

On June 2, the House passed the Homeland Security bill by a vote of 231-188. During consideration of the bill on the floor, a number of amendments to the bill were adopted, including the following:

- An amendment to increase Federal Emergency Management Agency (FEMA) state and local firefighter assistance grants by \$320 million, offset by a \$63.3 million reduction in the Office of the Secretary of Department of Homeland Security (DHS), a \$117.5 million

reduction in the Office of the Undersecretary for Management, and a reduction of \$139.2 million reduction in the Office of the Chief Information Officer. The amendment was adopted on a vote of 333-87.

- An amendment which reduces funding in the Office of the Secretary by \$1 million, and increases Immigration and Customs Enforcement (ICE) by \$1 million for the 287g program, which helps state and local entities investigate, detain, and arrest aliens on civil and criminal grounds. The amendment passed on a vote of 268-151.
- An amendment which struck language in the legislation prohibiting funds from being used for immigrant integration grants. The amendment was adopted on a voice vote.
- An amendment which prohibits funds from being used to enforce requirements for cost sharing, spending restrictions, and program requirements on FEMA's firefighter grants (SAFER), making the program into an operating subsidy for firefighter retention. The amendment passed on a vote of 264-157.

On June 14, the Military Construction/Veterans Affairs bill was approved by the House of Representatives by a vote of 411-16.

On June 16, the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies bill was approved by the House by a vote of 217-203. During consideration of the bill on the floor, a number of amendments to the bill were adopted, including the following:

- An amendment which cuts \$1 million from the Office of the Chief Information Officer and transfers it to the Rural Energy for America Program. The amendment was adopted on a voice vote.
- An amendment which adds \$5 million for child nutrition, offset by a cut to the Departmental Administration account. The amendment was adopted on a voice vote.
- An amendment which prohibits funds for the Food and Drug Administration (FDA) to approve genetically engineered salmon. The amendment was adopted on a voice vote.
- An amendment cutting \$6 million from Agriculture Buildings and Facilities and Rental Payments and transfers the funding to Rural Broadband Loans. The amendment passed on a vote of 221-198.
- An amendment which transfers \$3 million from Agriculture Buildings and Facilities and Rental Payments to Watershed Protection and Flood Prevention Program. The amendment passed on a vote of 288-132.

Also during June, the House Appropriations Committee approved three additional bills – Defense, Energy and Water Development, and Financial Services. Summaries of the bills follow:

Defense

The House Appropriations Committee approved the FY 2012 bill funding the Defense Department on June 14.

In total, the bill provides \$530 billion in non-emergency funding, an increase of \$17 billion over last year's level and a decrease of \$9 billion from the President's request. In addition, the bill contains \$119 billion in emergency spending for Defense activities related to the Global War on Terror – \$39 billion less than last year due to the drawdown of U.S. forces overseas.

The legislation includes funding for critical national security needs, and provides the necessary resources to continue the nation's military efforts abroad. In addition, the bill provides essential funding for health and quality of life programs for the men and women of the Armed Services and their families.

The full House of Representatives began consideration of the bill on June 23 and is expected to pass the bill following July 4 recess.

Energy and Water Development

The FY 2012 Energy and Water Development appropriations bill was approved by the House Appropriations Committee on June 15.

In total, the bill recommended providing \$30.6 billion for the programs of the U.S. Army Corps of Engineers, the Department of the Interior's Bureau of Reclamation, the Department of Energy and several independent agencies. This total is about \$1 billion below FY 2011 and almost \$6 billion below the President's budget request.

For the Corps of Engineers, the bill provides a total of \$4.8 billion, \$89 million below FY 2011 but \$195 million above the President's request. The Committee has recommended no new starts in either the Investigations or Construction accounts for FY 2012.

In the Investigations account, the Committee recommended \$104,000,000, the same as the budget request. However, the Committee did provide \$3,650,000 for "additional investigations". These funds were derived from reductions in certain items requested by the Administration. The Committee directs that these funds be used to fund feasibility studies and preconstruction engineering and design activities for ongoing navigation, flood control, and storm damage reduction projects. The bill directs the Corps of Engineers to report back to the Committee within 45 days of enactment of the bill on how it proposes to spend the additional funds.

In the Construction account, the Committee has recommended \$1,565,941,000, almost \$86 million above the budget request. Of the total provided, the Committee directs that \$124,600,000 be utilized for additional, unspecified flood and storm damage reduction

projects, and \$118,400,000 be provided for additional unspecified navigation projects. To find these funds, the Committee made minor reductions to most of the projects included in the budget request. The Corps of Engineers is to report back to the Committee within 45 days of enactment of the bill on how it proposes to spend the additional funds.

The bill includes no new funds for any of the Corps' Continuing Authorities Programs, directing the Corps to use available carryover funds to continue ongoing projects. With regard to floodplain mapping and levee certification, the Committee included report language encouraging the Corps of Engineers to submit legislation to the appropriate authorizing committees of the Congress addressing any statutory impediments to providing assistance to local communities with levee certification.

Section 109 of the bill would prevent the Corps of Engineers from developing, adopting, implementing or enforcing new guidance related to how the Corps will identify waters that fall under the jurisdiction of the Clean Water Act (CWA). This provision would leave in place the guidance issued by the Corps and the Environmental Protection Agency (EPA) on January 15, 2003 and December 2, 2008. This section is apparently a reaction to a notice issued by the Corps and EPA on May 2, 2011 announcing that it was publishing for comment new guidance for determining for the agencies to use to identify waters falling under the jurisdiction of the CWA. The new guidance is intended to implement the Supreme Court's decisions on this topic (*Solid Waste Agency of Northern Cook County v. U.S. Army Corps of Engineers (SWANCC)* and *Rapanos v. United States (Rapanos)*). The notice issued by the Corps and EPA states that under the proposed new guidance, the number of waters identified as protected by the CWA will be increased compared to current practice. The Corps and EPA have estimated that the new guidance would result in additional costs (stream and wetlands mitigation and administrative costs) ranging from \$87 to \$171 million per year. They estimate benefits of the additional wetlands mitigation resulting from the new guidance to range from \$162 to \$368 million per year.

An amendment to strike this provision and replace it with one that would have permitted the Corps and EPA to receive and analyze comments on the new guidance was offered by Congressman Jim Moran (D-VA). The amendment was defeated by a vote of 27-21.

For the Bureau of Reclamation, the bill includes \$971 million, \$91 million below FY 2011 and \$47 million below the President's budget request.

For the Water and Related Resources account, the bill provides \$822,300,000, \$89 million below the current year, but \$17 million above the budget request. The bill provides no funding for the San Joaquin River Restoration Fund, for which the Administration had requested \$9,000,000 in a separate account. The Committee report does not state why the funds requested were not provided. The Administration had requested that \$51.5 million for Indian Water Rights Settlements in a new, separate account. The Committee chose to fund Indian Water Rights Settlements within the Water and Related Resources account. The Committee also made minor reductions (less than 2%) to most projects included in the budget request in order to reduce overall funding for the Water and Related Resources account.

The Central Valley Project Restoration Fund is funded at \$53,068,000, the same as the President's request. The Committee directs that these funds be expended in accordance with the budget request.

The only significant change to the bill made by the full Appropriations Committee was a amendment offered by the Chairman of the Subcommittee, Representative Rodney Frelinghuysen (R-NJ), providing a little over \$1 billion in emergency funds for the Corps of Engineers to respond to the flooding in the Mississippi and Missouri River basins was adopted by the full committee. These funds were offset by the rescission of unobligated high-speed rail funds appropriated in the American Recovery and Reinvestment Act of 2009.

The Energy and Water Development bill is scheduled to be considered by the House of Representatives the week of July 4.

Financial Services

The Financial Services Appropriations bill provides annual funding for the Treasury Department, the Executive Office of the President, the Judiciary, the District of Columbia, the Small Business Administration, the General Services Administration, the Securities and Exchange Commission, and several other independent agencies.

The bill includes a total of \$19.9 billion in funding for the agencies, which is nearly \$2 billion - or 9% - below last year's level, nearly \$6 billion below the President's FY 2012 request, and more than \$700 million below the level enacted in 2008.

Senate

On Tuesday, June 28, the Military Construction/Veterans Affairs Subcommittee of the Senate Appropriations Committee marked up its FY 2012 appropriations bill. This was the first markup by the Senate Appropriations Committee of an FY 2012 appropriations bills.

Total funding approved by the subcommittee for Military Construction, Veterans Affairs and Related Agencies is \$142.029 billion for FY 2012, including \$72.53 billion in discretionary funding and \$69.5 billion in mandatory funding.

Discretionary funding is \$1.255 billion below the President's budget request and \$617.98 million below the FY 2011 enacted level. The bill provides \$13.7 billion for military construction and family housing, \$1.049 billion below the budget request; \$58.6 billion in discretionary funding for the Department of Veterans Affairs for FY 2012, \$181 million below the budget request; and \$221.4 million for related agencies, a \$25 million decrease from the request. No funding was requested or is provided in the bill for military construction related to Overseas Contingency Operations.

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EDUCATION

K-12 Reform Legislation Approved In House Committee

On June 22, the House Committee on Education and the Workforce approved the second in a series of education reform bills designed to overhaul current elementary and secondary education statute. The Empowering Parents through Quality Charter Schools Act, H.R. 2218, sponsored by Subcommittee on Early Childhood, Elementary, and Secondary Education Chairman Duncan Hunter (R-CA), passed by a strong bipartisan vote of 34 to 5. A hearing was held May 31. According to the sponsor, this legislation will encourage the development and expansion of charter schools for the more than 400,000 students currently on waitlists by providing incentives for states to support charter schools.

The first K-12 education reform bill, H.R. 1891, H. Rept. 112-106, Setting New Priorities in Education Spending Act, was reported out of Committee on May 25 and proposes to repeal 42 elementary and secondary programs. Both bills are pending floor action by the House of Representatives.

For more information, please contact Debra Bryant at dbryant@tfqnet.com.

Higher Education Act Reform

On June 25, the House Committee on Education and the Workforce approved legislation to repeal two federal regulations burdening institutions of higher education. The Protecting Academic Freedom in Higher Education Act, H.R. 2117, sponsored by Subcommittee on Higher Education and Workforce Training Chairwoman Virginia Foxx (R-NC), passed by a strong bipartisan vote of 27 to 11. The bill will help streamline the federal role in postsecondary education by permanently repealing the unnecessary credit hour and state authorization regulations issued by the Department of Education. The bill was endorsed by the American Council on Education, representing more than 60 higher education associations and accrediting organizations.

For more information, please contact Debra Bryant at dbryant@tfqnet.com.

Children's Hospital Bill Scheduled for Markup in Senate

On July 13, the Senate Health, Education, Labor, and Pensions Committee will hold a markup of S. 958, the Children's Hospital Graduate Medical Education (GME) Support Reauthorization Act of 2011 introduced by Senator Bob Casey (D-PA). The bill has bipartisan support and amends the Public Health Service Act to reauthorize the program of payments to children's hospitals that operate graduate medical education programs. Similar legislation, H.R. 1852, has been introduced in the House by Representative Joe Pitts (R-PA) and is pending in the House Energy and Commerce Committee.

Since its creation in 1999, this program has provided freestanding children's hospitals with funding to support the training of medical residents. While most hospitals receive support through the Medicare program, freestanding children's hospitals are not eligible for that funding. Prior to the enactment of the GME funding, the number of residents in children's hospitals'

residency programs had declined over 13 percent. The funds have enabled children's hospitals to reverse this trend and to increase their training by 35 percent.

For more information, please contact Debra Bryant at dbryant@tfgnet.com.

ENERGY, ENVIRONMENT AND SUSTAINABLE DEVELOPMENT
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Climate Communities Hosts Successful 2011 Local Clean Energy Leadership Summit

On June 15-17, Climate Communities hosted the 2011 Local Clean Energy Leadership Summit in Washington, DC, to showcase successful local clean energy and sustainability initiatives. The event brought together elected officials, city managers, city and county sustainability directors, and private sector leaders to share best practices; meet with key Obama Administration, congressional and federal agency decision-makers; advocate for federal policies and incentives that can support local clean energy and sustainability initiatives; and network with their peers from across the country. Participants also learned how to be competitive for FY 2011 grant opportunities, include the Department of Housing and Urban Development's Sustainable Communities Initiative, the Department of Energy's Rooftop Solar Challenge, and the Economic Development Administration's Global Climate Change Mitigation Incentive Fund.

The Summit featured best practice presentations from local government officials from across the country. Session topics included:

- Reducing Energy Costs in Local Government: Best Practices in City Hall Retrofits, Street Light & Traffic Signal Upgrades, Green Infrastructure Improvements, and More
- Leading the Transition to Renewable Energy: Profiles of Successful Solar, Biomass and Geothermal Initiatives
- Shifting to Alternative Fuel Vehicles and Infrastructure: Lessons from Local Government Experts
- Tackling Commercial and Residential Retrofits: Effective Outreach and Incentives
- Financing Local Clean Energy and Sustainability Initiatives: How to Leverage Public Dollars with Private Sector and Other Resources
- Adapting to the Impacts of Climate Change: Steps to Make Your Community More Resilient
- Reducing Vehicle Miles Traveled: Policies and Planning that Provide Greater Transportation Options
- The Power of Partnerships: Fostering Climate Protection Collaboration Among Local Governments, Businesses, Universities, and Non-Profits

To download PDFs of the PowerPoints presented at the Summit, please visit Climate Communities' website at www.climatecommunities.us.

For more information, please contact Andy Seth at ASeth@tfgnet.com.

Land and Water Conservation Funding Threatened

The tough budgetary climate for FY 2012 suggests that the Land and Water Conservation Fund (LWCF) is targeted for deep cuts and the State Assistance Program may be at risk. House appropriators are scheduled to vote on FY 2012 funding for the LWCF's State Assistance Program on July 6 by the subcommittee and July 11 by the full committee. Additionally, the Department of Interior (DOI) plans to place the bulk of State Assistance funding under its direct control via a national competitive grant process. Changing the current distribution method, where all states receive some funding by way of formula, to a grant program intended to highlight a few areas deemed by DOI to be nationally significant, will effectively decrease the amount of funding received by most states and eliminate the funding currently received by many others.

One of the most important messages to relay to your congressional delegation, in addition to preserving LWCF funding in the FY 2012 budget, is that LWCF is much more than a federal land acquisition program. It also provides grants to assist with capital construction of outdoor recreational facilities and open areas at the state and local levels. In addition, while current law requires that 40 percent of total LWCF funds must go to the federal land acquisition program, "stateside" supporters are advocating for a minimum of 40 percent of LWCF funding to also be allocated to the State Assistance Program in FY 2012. This is not a request for increased spending but rather a request to retain the formula distribution method and to ensure the states and local communities receive the same funding levels as federal land acquisition.

Conversely, on June 23 five Democratic senators introduced legislation, S. 1265, to guarantee full appropriations of \$900 million per year for the LWCF. Although a long shot because the trend this Congress is to reduce federal spending, program supporters emphasize "no new money" by referencing that a percentage of offshore oil and gas royalties finances it. Sponsors of S. 1265 are Senators Max Baucus (D-MT), Jeff Bingaman (D-NM), Jon Tester (D-MT), Mark Udall (D-CO) and Ron Wyden (D-OR). The President has also recommended full funding of the LWCF as part of his FY 2012 budget and the America's Great Outdoors (AGO) initiative. The AGO recommendation would not guarantee the money, but instead leaves it up to annual appropriations.

For more information, please contact Leslie Mozingo at lmozingo@tfgnet.com.

Federal Agencies Partner to Revitalize Urban Waterways

As part of the America's Great Outdoors (AGO) initiative is a new federal partnership aimed at revitalizing urban waterways in underserved communities across the country. The Urban Waters Federal Partnership (UWFP), comprised of 11 agencies, will focus its initial efforts on seven pilot locations: the Patapsco Watershed (Maryland), the Anacostia Watershed (Washington DC/Maryland), the Bronx & Harlem River Watersheds (New York), the South Platte River in Denver (Colorado), the Los Angeles River Watershed (California), the Lake Pontchartrain Area (New Orleans, LA), and the Northwest Indiana Area. Lessons learned from these pilot locations will be transferred to other cities. For more information, please visit www.urbanwaters.gov.

For more information, please contact Leslie Mozingo at lmozingo@tfgnet.com.

House Examines Role of “Dual Eligibles” in Health Care Reform

The House Energy and Commerce Subcommittee on Health held a June 21 hearing to look at the how individuals who are eligible for both Medicare and Medicaid (so-called “Dual Eligibles”) might play in overall program cost savings, especially if they were shifted fully to Medicare programs.

Approximately nine million people nationwide fit into this pool. According to data highlighted by Subcommittee Chairman Joseph Pitts (R-PA), dual eligibles total 15% of all Medicaid beneficiaries but their medical care expenses amount to almost 40% of all Medicaid spending. The hearing suggested that many barriers exist in securing care for this population because portions of their overall care needs are met by the two programs, which in many states bear no resemblance to one another, even when care is provided in the same health setting.

Testifying on behalf of the Administration was Melanie Bella, Director of Federal Coordinated Health Care Office at the Centers for Medicare and Medicaid Services (CMS), which focuses on dual eligibles. Ms. Bella explained that Medicare provides coverage for acute health care services and drugs, while Medicaid provides coverage for supplemental benefits such as long-term care, Medicare premiums, and cost sharing for beneficiaries who need financial assistance, usually. Ms. Bella noted that her office is also awarding 15 states each \$1 million each to design systems of care specifically for dual eligibles. Additional witnesses included Denise Levis Hewson, Director of Clinical Programs and Quality Improvement for Community Care of North; Billy Millwee, Associate Commissioner of the Texas Health and Human Services Commission; and Robert Egge, Vice President of Public Policy for the Alzheimer's Association.

For more information, please contact Kareem Murphy at kmurphy@tfgnet.com.

Administration Pushes Back on Medicaid Block Grants

Cindy Mann, Director of the Center for Medicaid and State Operations told the Medicaid Congress (a health policy organization sponsored by state programs and the private industry) that block granting Medicaid was not a cure all for the program’s fiscal woes. Ms. Mann said, “A block grant fundamentally, as I see it, takes away one of the key areas of flexibility that a state has, which is to be able to draw down federal dollars when its costs increase—whether its costs increase because of a downturn and there’s more people enrolling in the program or whether its costs increase because there’s some new technology.” Ms. Mann was explaining that under the block grant proposals circulating in Congress, states would receive no more federal funding if they found that more people became eligible under their own state rules, or if the costs of providing care suddenly escalated. Under the current Medicaid program, costs for both instances are subsidized by the federal government; a state’s share of providing those costs does not go up based on those factors. Ms. Mann also warned that block granting the program would also lead to substantial differences in the scope and quality of care for the same group of eligible people. The comments were in part in response to a June 13 letter from 29 Governors seeking more flexibility to run their state programs.

For more information, please contact Kareem Murphy at kmurphy@tfgnet.com.

Stakeholders Coalesce to Fight Proposed Cuts to State and Local Programs

The Ferguson Group, LLC (TFG) helped organize a stakeholder group to fight cuts to most state and local programs that were part of the House of Representatives-passed FY 2012 Homeland Security Appropriations bill. The bill would provide \$1 billion for programs including the Urban Area Security Initiative, Port Security Grants, Transit Security Grants, State Homeland Security Grant Program, Metropolitan Medical Response System grants, Local Law Enforcement Terrorism Prevention Program grants, and a host of others. It combines them into a single line item and instructs the Homeland Security Secretary to determine how to allocate funds across the programs. Each of these programs historically received its own line item, meaning that the House's bill would amount to more than a \$2 billion cut. Stakeholders, including the International Association of Fire Fighters, International Association of Chiefs of Police, the National Association of Counties, U.S. Conference of Mayors, National Emergency Management Association, and others gathered on June 7 to coordinate a response. The coalition will be submitting a letter to House and Senate leadership and the Appropriations Committees' Chair and Ranking Members. Public messaging will also be a component. TFG clients can expect to receive more guidance about the strategy over the coming weeks.

For more information, please contact Kareem Murphy at kmurphy@tfqnet.com.

FEMA Delays Collection Efforts on Overpayments to Disaster Victims

On June 20, the Federal Emergency Management Agency (FEMA) announced that while it sent over 5,500 collection letters to over 160,000 people noting that they improperly received overpayments for disaster aid, they were extending the period of repayment. The letters, with claims totaling \$642 million, were mostly related to Hurricanes Rita, Katrina, and Wilma (although some small flood-related disasters from 2009 and 2010 were included). Recipients now have 60 days to file appeals. The June 20 policy change included a provision that will allow those living in areas recently hit by other disasters (including the tornadoes in the South and flooded areas along the Mississippi River) to have up to 120 days to appeal. FEMA Spokesperson Bradley Carroll said, "Survivors should be able to focus on the safety and immediate needs of their families and loved ones during this difficult time, and this extension will help ensure that they can do just that." FEMA action came as it was heavily criticized for the action by Members of Congress including House Homeland Security Committee Ranking Member Bennie Thompson (D-MS) and Senator Mary Landrieu (D-LA). The claims are referred to as "recoupment" and FEMA sent these letters to people who appeared to have received funds due to simple mistakes either by themselves or by FEMA workers.

For more information, please contact Kareem Murphy at kmurphy@tfqnet.com.

AFG/SAFER Workshops Continue

FEMA continues its road show of the grants workshop for the Assistance to Firefighters Grant (AFG) and SAFER Hiring Grant Programs throughout July. The workshops started in various parts of the country in June and will wrap up in late July. FEMA anticipates the opening of the grant competition for AFG to comments in late July. TFG will issue a client alert when the

program opens. Please contact your TFG Client Manager to receive a copy of the workshop PowerPoint presentation. AFG provides cost-share support for programs and projects to increase fire safety, including equipment, vehicles, training, and special programs. SAFER provides funds to recruit and/or hire additional fire safety personnel. We expect that for the 2011 cycle, SAFER will continue to provide fully funding (100%) for at least two of the five years of the grant performance period.

For more information, please contact Kareem Murphy at kmurphy@tfgnet.com.

D-Block Supporters Host Demonstration

On June 16, the White House hosted a major event to demonstrate its support for the allocation of the so-called “D-Block” of wireless communications spectrum for public safety needs. While the White House did not share any additional specifics on the proposal (currently awaiting action in Committee in the House and Senate), the White House event did include Vice President Joe Biden, Federal Communications Commission (FCC) Chairman Julius Genachowski, Homeland Security Secretary Janet Napolitano, and Attorney General Eric Holder. Supporters in Congress praised the event, including Senate Commerce, Science and Transportation Chairman John Rockefeller (D-WV), the sponsor of the Senate bill, who said that the event added a sense of urgency to the issue. The public safety community wants the allocation set aside for their needs because current and networking equipment operate on different portions of the radio spectrum. A combined and dedicated section would allow them true interoperability. The event was not without its critics. Chairman of the House on Energy and Commerce Subcommittee on Communications and Technology Representative Greg Walden (R-OR) said that neither the Administration or the bill’s backers have provided specifics on how the network would be maintained, and how the unused spectrum would be auctioned off.

For more information, please contact Kareem Murphy at kmurphy@tfgnet.com.

TRANSPORTATION

Senate Releases Time Frame for SAFETEA-LU Reauthorization

Senator Barbara Boxer (D-CA), Chairman of the Environment and Public Works Committee, announced the Committee's planned time frame for the Senate’s SAFETEA-LU reauthorization bill:

- Unveiling of the bill text the week of July 11
- EPW Committee hearings the week of July 18
- EPW markup the week of July 25.

For more information, please contact Melissa Avstreich at MAvstreich@tfgnet.com.

Senate Approves Three-Week FAA Extension

This week, the Senate voted to approve a three-week extension of federal aviation programs. This extension was needed to keep the Federal Aviation Administration (FAA) running after current authorities expire June 30.

The bill, H.R. 2279, extends taxes that fund the Airport and Airway Trust Fund through July 22. These taxes pay for the majority of federal aviation programs, as well as the authority to obligate money from the trust fund. The legislation also provides approximately \$2.8 billion in contract authority for the Airport Improvement Program through July 22.

The House passed the legislation last week before leaving for its July 4 recess week.

The FAA has been operating on a series of short-term extensions since the last reauthorization expired at the end of FY 2007.

Earlier this year, the House and the Senate each advanced their own long-term reauthorization measures. The Senate passed a two-year bill, S 223, that would authorize approximately \$35 billion, and the House passed a four-year measure, HR 658, that would authorize about \$60.4 billion.

The negotiations between the House and Senate on the long-term FAA reauthorization have been at an impasse on issues ranging from overall funding levels to rules regarding the unionization of airline and railway employees. Another point of contention remains regarding the number of long-distance flights that would be allowed in and out of Ronald Reagan Washington National Airport.

For more information, please contact Trent Lehman at TLehman@tfqnet.com.

FTA Announces Four Grant Opportunities

This month, the Federal Transit Administration (FTA) announced four opportunities for public transit agencies to compete for federal funding for capital improvements, such as replacing, rehabilitating, and purchasing buses and related equipment and to construct/rehabilitate bus related facilities. Grants will be awarded through the following programs: State of Good Repair Bus Grants, TIGGER, Clean Fuels Bus Grants, and Bus Livability.

For more information visit [FTA](#) or please contact Melissa Avstreich at MAvstreich@tfqnet.com.

WATER AND NATURAL RESOURCES

While Costly, EPA Rules Afford Public Health Benefits

On June 28, the White House Office of Management and Budget issued a new report to Congress examining the effects of rules by agencies across the federal government. The report found that the Environmental Protection Agency (EPA) rules are among the most expensive to comply with but also afford the most benefits, especially to public health. It estimates that over the last decade, EPA rules provided a benefit of between \$82 billion and \$551 billion, at a cost of between \$23 billion and \$28 billion. The report comes as Republicans on the House Energy and Commerce Committee put final touches on a bill that would delay or change EPA's Clean Air Act rules for conventional pollutants. The House has already passed a bill, H.R. 910, that would strip EPA of its ability to regulate greenhouse gas emissions.

For more information, please contact Mark Limbaugh at mlimbaugh@tfqnet.com.

House Agriculture Spending Bill Contains Deep Cuts To Conservation Programs

The House passed the FY 2012 Department of Agriculture spending bill, which cuts Agriculture discretionary spending by 13 percent. Conservation programs, such as the Conservation Stewardship Program, the Watershed Rehabilitation Program, and the Farmland Protection Program, would take a cut of over \$1 billion, and a number of renewable energy programs would be eliminated. During the Appropriations Committee consideration of the measure, an amendment authored by Representative Marcy Kaptur (D-OH) would restore \$1.2 million to the Rural Energy for America Program. Additionally, the Natural Resources Conservation Service's budget is seeing a cut of 11 percent. The bill also lowers the maximum adjusted gross income for a farmer to be eligible for certain subsidies from \$750,000 to \$250,000.

For more information, please contact Mark Limbaugh at mlimbaugh@tfgnet.com.

MISCELLANEOUS

TFG Launches Blog

The Ferguson Group has launched a blog to make it easier to inform clients of upcoming funding opportunities, as well as provide you with timely information about policy and legislative issues that impact you the most. Please forward to other personnel at your organization, particularly those responsible for tracking federal grant opportunities, and urge them to subscribe to the blog to stay informed. Users can subscribe by email or RSS.

TFG will continue issuing client alerts by email on a regular basis. However, the blog will be updated more frequently to share important grant announcements and other news that impacts our clients.

[Click Here to Visit the Blog](#)