



TO: STEVE SMITH
TOPSAIL ISLAND SHORELINE PROTECTION COMMISSION

FROM: MIKE McINTYRE

SUBJECT: ADDENDUM TO NOVEMBER/DECEMBER MONTHLY LEGISLATIVE UPDATE

DATE: DECEMBER 22, 2018

ADDENDUM TO MONTHLY LEGISLATIVE UPDATE

This addendum to the November/December Monthly Legislative Update provides updates on the following topics:

- CBRA Technical Corrections Package
- Surf City and North Topsail Beach WRRDA Project
- FY 2019 Budget and Appropriations
- National Flood Insurance Program Reauthorization

CBRA Technical Corrections Package

We are pleased to report that on December 20, the Senate unanimously approved H.R. 5787, the *Strengthening Coastal Communities Act of 2018*. As you know, the U.S. House of Representatives approved H.R. 5787 on November 16. The bill will now be sent to the President for his signature.

Surf City and North Topsail Beach WRRDA Project

As you know, the Surf City and North Topsail Beach coastal storm damage reduction project was not provided new start construction funding in the U.S. Army Corps of Engineers' FY 2019 Work Plan, which was released last month. After inquiring as to why funding was not provided to the project, we were pleased to be informed by sources on Capitol Hill that the Corps intended to provide funding to the Surf City and North Topsail Beach Project, and that the project was included in the FY 2019 Work Plan when the Work Plan was sent to the White House Office of Management and Budget (OMB), the agency that gives final approval over annual Corps Work Plans. Since the Project was ultimately not provided funding the FY 2019 Work Plan, it is apparent that OMB was responsible for removing the project from the final FY 2019 Work Plan, not the Corps.

It should be noted that OMB has reportedly excluded other projects from Corps Work Plans during the Trump Administration. In past administrations, OMB did not typically use such discretion with regard to Corps of Engineers funding decisions. Capitol Hill sources have suggested that other Members of Congress

are also frustrated by OMB's use of its discretion, and therefore, there are now efforts to approve legislative language barring OMB from making changes to the Corps Work Plan in future fiscal years.

Early indications also show that the Surf City and North Topsail Beach Project had a higher benefit-cost-ratio (BCR) than most of the other projects that were awarded new start construction funding in the FY 2019 Work Plan, further convoluting our understanding as to why OMB would have prevented the inclusion of the Project in the Work Plan. We are working closely with the offices of Senator Burr, Senator Tillis, Congressman Jones and Congressman Rouzer on this matter. All four offices have indicated that they are interested in potentially sending a letter to OMB expressing their concern with OMB's decision. We will keep you informed as these efforts progress.

It has also been suggested that there may be other reasons as to why OMB did not support inclusion of the Project in the FY 2019 Work Plan. We are working to confirm exactly why OMB made its decision.

We have been assured that TISPC's congressional delegation is continuing to advocate for inclusion of a provision in a forthcoming disaster aid package that would allow the Corps of Engineers to use disaster funding for new start projects, effectively circumventing the Corps Work Plan process. We will keep you informed as the situation progresses.

FY 2019 Budget and Appropriations

This week, Congress and the White House were unable to reach agreement on how to fund numerous federal agencies and border security efforts for the remainder of FY 2019, leading to a partial government shutdown at 11:59 p.m. on Friday, December 21. Parts of the federal government will remain closed until Congress and the White House reach an agreement. It is unclear at this time when such a deal will be reached.

Federal agencies that are impacted by the shutdown include all of the agencies that are funded by the following appropriations bills: Interior-Environment; Financial Services; Agriculture-Rural Development; Transportation-Housing and Urban Development; Homeland Security; Commerce-Justice-Science; and State-Foreign Operations.

Disaster aid funding was included in a House-passed Continuing Resolution (CR) proposal to keep the government open, but the measure could not secure the required 60 votes needed to pass the Senate. Included in the proposal was the Corps of Engineers provision discussed above that would allow the Corps to use disaster aid funding to begin work on new construction starts like the Surf City and North Topsail Beach Project. If disaster aid funding is ultimately not included in the forthcoming appropriations agreement, we have been assured that Congress will revisit the issue in January or February, as there is strong interest in both chambers and both parties to approve a disaster aid package.

National Flood Insurance Program Reauthorization

On December 21, the House passed a short-term extension of the National Flood Insurance Program (NFIP), which reauthorizes the program through May 31, 2019. The program was set to expire at 11:59 p.m. on

December 21. The measure was previously approved by the Senate by voice vote last month. This marks the ninth short-term extension of the NFIP since it initially expired on September 30, 2017. The new 116th Congress will now be responsible for developing a robust reauthorization of the NFIP—a task which was supposed to be handled by the 115th Congress.

Please accept our best wishes for a joyous Christmas season and a Happy New Year. Thank you for giving us the opportunity to be of service to you.