



TO: STEVE SMITH
TOPSAIL ISLAND SHORELINE PROTECTION COMMISSION

FROM: MIKE MCINTYRE

SUBJECT: SEPTEMBER MONTHLY LEGISLATIVE UPDATE

DATE: SEPTEMBER 19, 2019

The September Monthly Legislative Update provides information on the following topics:

- Washington News
 - Budget and Appropriations
 - National Flood Insurance Program Reauthorization
 - Senate Environment and Public Works Committee Holds Hearing on 2020 WRDA
 - Bills Limiting Offshore Drilling Approved by the House
 - South Atlantic Coastal Study Stakeholder Meeting September 24
- Update on TISPC Federal Priorities

WASHINGTON NEWS

Budget and Appropriations

Final approval of FY 2020 appropriations bills got to a rocky start in September as the Senate Appropriations Committee (SAC) canceled the markups for two of the four bills set to move through the process first just two days after Congress returned to Washington after the August/Labor Day recess. Luckily, the Senate Energy and Water (E&W) appropriations bill, which funds the Army Corps of Engineers, did not get caught in this delay and was approved by SAC on September 12.

The Senate E&W bill provides a total of \$7.75 billion to the Corps, \$751.5 million above the FY 2019 enacted level, \$2.786 billion above the President's budget request, and approximately \$400 million more than the House's E&W bill. Importantly, the bill provides \$2.155 million for Atlantic Intracoastal Waterway operations and maintenance activities in North Carolina, the same amount that is provided by the House bill. The bill also provides \$30,000 for operations and maintenance activities in the New River Inlet, the same amount that is provided by the House bill.

The next step will be for the House and Senate to negotiate the differences between their respective bills. Despite making some progress, Congress may find it difficult to approve any FY 2020 appropriations bills before the end of the fiscal year. According to *The Hill*, there is not yet a bipartisan consensus on top-line funding figures. We optimistically anticipate that the E&W bill, and possibly several others, will be approved by the September 30 deadline. However, we anticipate that many other FY 2020 appropriations bills will not be approved by the September 30 deadline, which will require Congress to approve a short-term Continuing Resolution (CR) for all remaining bills.

In the event that no appropriations bills are ready for final passage, the House approved a CR on September 19 that would extend funding for the entire government through November 21, just before Congress leaves Washington for the Thanksgiving recess. The CR itself, however, could run into issues because it does not include several requests from the Administration. Several weeks ago, the White House previously released a list of funding adjustments and policy provisions that the Administration wants included in a CR, but the current CR does not include many of those requests.

National Flood Insurance Program Reauthorization

We expect to see yet another extension of the National Flood Insurance Program (NFIP) this month as Congress nears the September 30 NFIP reauthorization deadline without a reauthorization bill in hand. This next extension will mark the 13th extension of the NFIP in just the past two years. The extension is currently included as part of the CR package and will extend the program's authority through November 21, tracking with the expiration of the CR.

As we previously reported, there are NFIP reauthorization bills in both the House and Senate. However, the bills differ substantially in many ways, which will require considerable negotiation between the House and Senate—negotiation that has yet to occur in earnest.

Senate Environment and Public Works Committee Holds Hearing on 2020 WRDA

On September 18, the Senate Environment and Public Works Committee (EPW) held a hearing to kick off discussions on the next Water Resources Development Act (WRDA), which Congress will need to approve in 2020 in order to stay on the regular biennial schedule for passing WRDA bills. As you know, WRDA bills authorize funding and policy updates for the Army Corps of Engineers, including for Corps authorities related to dredging, beach renourishment, and sediment management. All three issues were topics of discussion at the hearing.

Democrats on the committee, particularly Ranking Member Tom Carper (D-DE), Senator Sheldon Whitehouse (D-RI), and Senator Kirsten Gillibrand (D-NY), stressed the importance and value of using natural infrastructure such as beaches, dunes, and wetlands to mitigate the impacts of storms on coastal communities. They also discussed their concerns with how the Corps and the White House Office of Management and Budget (OMB) calculate benefit-cost ratios (BCRs), particularly for coastal projects. For example, benefits from reducing flood risk are fully calculated in BCRs, but only 50 percent of recreational economic benefits are counted, and ecological and social benefits are not included in the calculation at all. Senator Whitehouse pointed out that the Corps has spent between 19 and 120 times more on inland flood projects versus coastal flood projects in any given year over the past ten years. The Corps and OMB BCR calculations may be part of the issue, but it still does not account for the full disparity. Senator Whitehouse has asked the Corps to clarify why this disparity exists but has yet to receive a response. Ranking Member Carper referred to OMB as a “black box,” stating that OMB “rarely...discloses how projects are evaluated, raising serious concerns about which projects will make it in the final Army Corps’ work plan each year.” All three Senators expressed that they would like to address these issues in the next WRDA bill.

With regard to sediment, there was discussion about ensuring that the Corps calculates the economic valuation of sediment when determining the least cost method of disposal for dredged materials. As the

American Shore and Beach Preservation Association pointed out in their testimony, only 28 percent of dredged material from Corps navigation projects are beneficially used on beach, wetlands, or in nearshore waters. There was agreement that this number is too low and more needs to be done to encourage greater regional sediment management and beneficial use.

Bills Limiting Offshore Drilling Approved by the House

On September 11, the House voted to permanently ban oil and gas exploration and drilling in the eastern Gulf of Mexico (H.R. 205, the *Securing Florida's Coastline Act*) and prohibit the Interior Department from leasing tracts in federal water off the Atlantic and Pacific coasts for oil and gas exploration or drilling (H.R. 1941, the *Coastal and Marine Economies Protection Act*). H.R. 205 has strong bipartisan support from the Florida congressional delegation. H.R. 1941 has strong Democratic support but only one Republican cosponsor, Francis Rooney (R-FL), who is also the lead sponsor of H.R. 205.

The White House has issued a veto threat for both bills, stating that the bills “would undermine the Administration’s commitment to a prosperous American economy supported by the responsible use of the Nation’s abundant natural resources”; however, there are currently no plans for the Senate to consider either bill.

House Republicans have introduced a counterproposal that aims to allow states greater control over offshore oil and gas resources by offering states the ability to take over permitting functions for oil and gas development. The bill would also ease permitting requirements for offshore renewable resources, including wind and geothermal exploration. House Minority Whip Steve Scalise (R-LA) has indicated support for the bill, as well as Natural Resources Committee Ranking Member Rob Bishop (R-UT) and Republican Conference Chair Liz Cheney (R-WY). The bill’s prospects in the Senate are currently unclear.

Governors are taking note of the debate in Washington as well. Just last week, Republican Governor of New Hampshire Chris Sununu signed a bill into law that would ban oil and gas drilling in the state’s coastal waters. States like California and Florida have similar bans in place. North Carolina Governor Roy Cooper has also expressed to the Administration that North Carolina would like to be exempt from proposed seismic testing and offshore drilling, and pledged potential legal action if North Carolina is not exempt.

South Atlantic Coastal Study Stakeholder Meeting September 24

The Corps will be hosting a stakeholder engagement meeting regarding the South Atlantic Coastal Study (SACS) for stakeholders in coastal counties south of Pitt and Pamlico Counties on Tuesday, September 24 from 9:00 a.m. to 1:00 p.m. We plan to participate in the meeting via webinar. The meeting will be hosted in-person at the Armed Forces Reserve Center in Wilmington (3617 Carolina Beach Road, Wilmington, NC 28412).

The goals of the meeting are to provide an update on the progression of SACS and to identify relevant state/territory-specific information for use in the study. The meeting will start with a presentation overviewing SACS and reviewing the Tier 1 Risk Assessment, followed by breakout sessions. Questionnaires and maps will be provided at the meeting to elicit feedback.

Webinar access information is provided below:

<https://usace.webex.com/meet/Outreach>

Telephone: 888-398-2342

Access Code: 7960291

Password: 0614

UPDATE ON TISPC FEDERAL ADVOCACY PRIORITIES

The current status of priority agenda items is outlined below.

1. North Topsail Beach – Continue to facilitate changes to the CBRA maps, and
2. Topsail Beach – Support legislation that would allow for the use of sand from inlet CRBA areas for beach nourishment

With Congress back in session, we plan to again meet with the Senate EPW committee in the coming weeks to discuss next steps related to both the North Topsail Beach CBRA mapping bill and the sand borrowing issue. It is important to note that Senate EPW is currently in the process of soliciting requests from Senators about their priorities for the 2020 WRDA bill. As a result, there is currently an opportunity to make Corps-related requests for inclusion in the next WRDA bill, such as sand borrowing language. The North Topsail Beach CBRA mapping bill would not be an ideal fit for WRDA because CBRA issues are under the jurisdiction of the U.S. Fish and Wildlife Service (FWS) and are not typically addressed in WRDAs, but it is possible that the WRDA bill could become part of a larger infrastructure package that could address issues such as CBRA. The sand borrowing issue is also under the jurisdiction of FWS, but because it has a nexus to the Corps (and because Senate EPW has jurisdiction over both the Corps and FWS), the WRDA bill could be a viable vehicle to address the issue.

3. Island-wide – Obtain federal funding for approved federal beach nourishment projects (Surf City/North Topsail Beach & Topsail Beach)

We now expect an announcement by the Corps regarding which projects will be awarded funding with the additional disaster appropriations provided by the *Additional Supplemental Appropriations for Disaster Relief Act, 2019* (P.L. 116-20, Disaster Relief Act) **by the end of September, at the earliest.** Staff on Capitol Hill have confirmed that they are receiving similar reports when checking in with Corps regarding that status of the Corps' decisions as it relates to the Surf City and North Topsail Beach Project. We continue to stay in close contact with Capitol Hill and the Corps regarding the timing for award announcements and will inform TISPC of any definitive news as soon as such information is available.