



TO: STEVE SMITH
TOPSAIL ISLAND SHORELINE PROTECTION COMMISSION

FROM: MIKE McINTYRE

SUBJECT: JULY/AUGUST MONTHLY LEGISLATIVE UPDATE

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The July/August Monthly Legislative Update provides information on the following topics:

- Washington News
 - Status of Budget and Appropriations
 - Status of Next Coronavirus Stimulus Package
 - Status of Water Resources Development Act
- Advocacy Update

WASHINGTON NEWS

Status of Budget and Appropriations

In late July, the House of Representatives approved two appropriations “minibus” packages that contained 10 of the 12 annual appropriations bills for Fiscal Year (FY) 2021. The first minibus package (H.R. 7608), which was approved on July 24, includes \$259.5 billion in funding for four of the FY 2021 spending bills: Agriculture, Rural Development, Food and Drug Administration, and Related Agencies; Interior, Environment, and Related Agencies; Military Construction, Veterans Affairs, and Related Agencies; and State, Foreign Operations, and Related Programs ([one-page summary](#) from the House Appropriations Committee). The second minibus package (H.R. 7617), which was approved on July 31, includes \$1.3 trillion in funding for six of the FY 2021 spending bills: Defense; Commerce, Justice, Science, and Related Agencies; Energy and Water Development, and Related Agencies; Financial Services and General Government; Labor, Health and Human Services, Education, and Related Agencies; and Transportation, Housing and Urban Development, and Related Agencies ([one-page summary](#) from the House Appropriations Committee). The Homeland Security and Legislative Branch bills (the two remaining bills) have both been approved by the House Appropriations Committee but have not yet been considered by the full House.

Progress on appropriations in the Senate continues to be delayed due to partisan disagreements. Senate appropriators originally planned to begin considering their FY 2021 appropriations bills after the July recess; however, the Senate Appropriations Committee did not conduct any official appropriations activity in July. As a reminder, the current fiscal year ends on September 30, meaning Congress must approve FY 2021 appropriations or appropriations extension legislation by the end of September to prevent a government shutdown. Given the delays in the Senate, it can be assumed that at least some annual appropriations will need to be extended after September 30.

For your reference, TFG and Poyner Spruill produced summaries of each minibus package ([Summary of First Minibus](#), [Summary of Second Minibus](#)).

House Energy and Water Appropriations

The House Energy and Water Appropriations Bill, which includes funding for the Army Corps of Engineers, includes a total investment of \$49.6 billion in Energy and Water Development programs, an increase of \$1.26 billion, or 3 percent, above the FY 2020 enacted level. The bill also provides an additional \$43.5 billion in emergency spending to respond to the coronavirus pandemic and the ensuing economic recession, which does not need to meet annual budget cap requirements.

Below is a summary of the funding provided to the Army Corps. The regular appropriations in combination with the emergency appropriations represents a significant increase in funding for the Corps. If these funding levels are approved, the Corps could invest in many more projects than it typically does on an annual basis.

- **Regular Appropriations:** The bill provides a total of \$7.63 billion to the Corps.
 - Investigations: \$151 million
 - Construction: \$2.6 billion
 - Operation and Maintenance: \$3.84 billion
 - Harbor Maintenance Trust Fund projects receive \$1.68 billion, an increase of \$50 million above the FY 2020 enacted level and \$665 million above the request. This meets the target set by authorizers for FY 2021 and represents 92 percent of estimated revenues compared to the FY 2021 target of 83 percent.
 - Seven new study starts and seven new construction projects.
- **Emergency Appropriations:** To support the economic recovery from the coronavirus pandemic, the bill provides an additional \$17 billion in emergency funding to accelerate work on Corps projects. (This \$17 billion in emergency funds was also included in H.R. 2, the House's *Moving Forward Act* infrastructure package.) This includes, but is not limited to:
 - Investigations: \$110 million
 - Construction: \$10 billion
 - Operation and Maintenance: \$5 billion

[Status of Next Coronavirus Relief Package](#)

In early August, House and Senate leaders delayed the official start of the August recess to continue negotiations on the next coronavirus relief package. However, Congressional leaders and the White House were unable to reach agreement on a relief package, prompting the President to sign several executive actions aimed at providing economic relief and leaving the status of further legislative negotiations unclear. Congressional leaders and the White House have both expressed willingness to proceed with negotiations. There are early indications that both sides may be willing to move forward with a smaller relief package, but details regarding what provisions would be included in such a package are still unclear. Senate Republicans released a new, smaller proposal on August 19, but negotiations still need to occur with Democrats, who have their own priorities for a relief package.

The four executive actions President Trump signed on August 8 are summarized below:

- The “[Memorandum on Authorizing the Other Needs Assistance Program for Major Disaster Declarations Related to Coronavirus Disease 2019](#)” requires the Administration to contribute \$300 of a \$400 weekly supplemental unemployment benefit, requiring states to provide the remaining \$100 per person per work, retroactively starting August 1. The Administration will divert up to \$44 billion from FEMA's Disaster Relief Fund to cover the unemployment program, which will last until December 6 or until the Disaster Relief Fund balance drops to \$25 billion (whichever occurs first).
- The “[Memorandum on Deferring Payroll Tax Obligations in Light of the Ongoing COVID-19 Disaster](#)” allows deferred payment of payroll taxes for a four-month period from September 1 to December 31 for those earning less than \$4,000 during any bi-weekly pay period, calculated on a pre-tax basis, or the equivalent amount with respect to other pay periods.
- The “[Memorandum on Continued Student Loan Payment Relief During the COVID-19 Pandemic](#)” waives student loan interest until December 31, 2020, extending the current relief under the CARES Act that is set to expire September 30.
- The “[Executive Order on Fighting the Spread of COVID-19 by Providing Assistance to Renters and Homeowners](#)” directs the Departments of Treasury and Health and Human Services to identify all available federal funds to provide temporary financial assistance to renters and homeowners who are struggling to meet their monthly rental or mortgage obligations due to the coronavirus pandemic.

Treasury Secretary Steven Mnuchin, who is leading the negotiations for the White House, said all sides have reached agreement “on almost every other single issue” except big-ticket items like state and local government aid and the total amount to provide for unemployment benefits. Secretary Mnuchin wants to work with Democratic leaders to pass a bill on “things we agree on” before addressing more difficult issues. “Any time they have a new proposal, I’m willing to listen,” he said.

Negotiations between Congressional leaders and the White House only lasted approximately two weeks before the President decided to take executive action. Commencement of the talks were delayed after Senate Republicans and the White House encountered issues coming to agreement on their own legislative proposal to use during negotiations with Democrats. Senate Republicans and the White House finally released their legislative proposal on July 27, leaving little time to negotiate with Democrats before the August recess. Right now, it is unclear when additional coronavirus relief legislation will be approved by Congress.

[Status of Water Resources Development Act](#)

On July 29, the House of Representatives overwhelmingly passed its version of 2020 Water Resources Development Act (WRDA, [H.R. 7575](#)) legislation by voice vote. H.R. 7575 would authorize numerous navigation, flood control, storm damage, and other water-related infrastructure projects and studies, as well as policy provisions related to Corps construction, contracting, environmental policies, and other matters.

Sections of the bill that are of most interest to TISPC include:

- **Sec. 109. Implementation of Water Resources Principles and Requirements.** This section directs the Corps to issue final agency procedures for the Principles, Requirements, and Guidelines (PR&G), pursuant to section 2031 of the Water Resources Development Act of 2007. The PR&G serves as the basis for the Corps' evaluation of project benefits and costs. The Corps is required to solicit, engage, and consider public and expert comment prior to release of the PR&G, review the PR&Gs every five years, and inform stakeholders prior to any revisions for input and guidance.
- **Sec. 112. Review of Resiliency Assessments.** This section requires the Corps to update existing planning guidance related to sea level rise based on the best available, peer-reviewed science, in coordination with federal and state agencies. This section also reiterates the Corps' discretion to consider benefits accrued over time as a result of sea level rise, and when requested by the non-federal interest, requires the Secretary to consider whether the need for the project is predicated upon or exacerbated by conditions related to sea level rise.
- **Sec. 115. Feasibility Studies; Review of Natural and Nature-Based Features.** This section directs the Corps to include in each flood reduction and hurricane and storm damage reduction project feasibility study a summary of any nature-based features that were considered. The Corps is directed to provide an explanation if nature-based features are not recommended.
- **Sec. 124. Sense of Congress on Multi-Purpose Projects.** This section provides a Sense of Congress that the Corps should maximize the consideration and evaluation of projects with multiple benefits.
- **Sec. 125. Beneficial Reuse of Dredged Material; Dredged Material Management Plans.** This increases the authorized number of demonstration projects to 30 projects. Additionally, this section expands the Corps' considerations when evaluating the placement of dredged materials and when calculating the economic benefits of dredged material. The bill language says that when evaluating the placement of dredged material obtained from the construction or operation and maintenance of water resources development projects, the Secretary shall consider—(i) the suitability of the dredged material for a full range of beneficial uses; and (ii) the economic and environmental benefits, efficiencies, and impacts of using the dredged material for beneficial uses, including, in the case of beneficial reuse activities that involve more than one water resources development project, the benefits, efficiencies, and impacts that result from the combined activities. This section also requires that the Corps considers small, rural, and economically disadvantaged communities when selecting its additional projects. Lastly, this section increases the coordination of beneficial reuse projects by directing the Corps to develop five-year regional dredged material management plans.

As you know, the Senate Environment and Public Works Committee approved its own WRDA bill in early May (please refer to the May Monthly Update for details on the Senate bill). The Senate has yet to consider the bill on the Senate floor; however, we still expect conference negotiations to begin on a final WRDA bill sometime this fall.

ADVOCACY UPDATE

As is typical in the month of August, legislative activity in Washington has slowed down considerably. The Senate is currently scheduled to be in recess until Tuesday, September 8. The House of Representatives initially planned to be in recess until September 14; however, in a rare move, House Speaker Nancy Pelosi called lawmakers back to Washington this week to consider legislation regarding U.S. Postal Service operations after concerns mounted that operational and organizational changes being implemented by the Postmaster General could impact the November elections due to slowed mail deliveries. The House is scheduled to be in session on Saturday, August 22. After this week, we do not expect legislative activity to resume in earnest until mid-September. It is possible that additional coronavirus relief legislation could be considered before mid-September, but regular legislative businesses will not resume for several more weeks.

As you know, a series of Virtual Washington Hill Meetings were successfully held on July 21 and 22. We met with the following offices/committees to discuss TISPC's federal priorities:

- Office of Representative Greg Murphy
- Office of Representative David Rouzer
- Office of Senator Richard Burr
- Office of Senator Thom Tillis
- House Committee on Natural Resources
- Senate Committee on Environment and Public Works

As was reiterated during the Virtual Washington Hill meetings, the Congressional delegation continues to strongly support TISPC's federal priorities. As always, we will continue to work with your Congressional delegation to further TISPC's priorities, whether legislatively or administratively, and will continue to pursue further discussions with relevant Congressional committees.

We are also pleased that discussions during the Virtual Meetings facilitated the Congressional Visit to Topsail Island on August 27, in which both Congressman Murphy and Congressman Rouzer plan to participate. Congressman McIntyre will also be traveling to the Island to participate in the visit.

Updates on TISPC's federal priorities are outlined below.

Topsail Beach Sand Borrowing Issue

As you know, the Secretary of the Interior's 2019 decision to allow sand from within a CBRA zone to be used outside a CBRA zone to carry out nonstructural shoreline stabilization projects is being challenged in court. The National Audubon Society filed a lawsuit against the Department of the Interior on July 2 in the U.S. District Court for the Southern District of New York. The lawsuit will make any effort to address this issue legislatively very difficult, but at this time, projects benefiting from the 2019 policy reversal continue to move forward. We will continue to monitor the situation closely.

North Topsail Beach CBRA Mapping Issue

During the Virtual Washington Hill Meetings, the Congressional delegation reiterated their strong support for resolving the CBRA mapping issue in North Topsail Beach. The delegation will continue to seek the best legislative avenue possible to move the bill forward. As was discussed in some of the meetings, the legislative schedule this fall is both busy and short; the November elections means Congress will be out of session longer than normal. However, all possible legislative vehicles will be considered moving forward, and the delegation will continue to evaluate all possible options.

With legislative activity scheduled to resume in mid-September, we are in the process of scheduling follow up discussions with the National Association of Realtors regarding the bill. We will keep TISPC apprised as to the result of these follow up discussions.

Topsail Beach Flood Mapping Issue

The Topsail Beach flood mapping issue was also discussed during the Virtual Washington Hill Meetings with the delegation. (Knowing it would be difficult to explain the issue in detail in the time we had available for the Virtual Washington Hill Meetings, Poyner Spruill and TFG discussed the issue with staff several weeks prior to the meetings, at which time staff relayed to us that they are willing to assist in facilitating action on the issue.) Topsail Beach is to keep us apprised as to the status of their efforts so we can engage the Congressional delegation, as needed.