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**SUBJECT:** SEPTEMBER MONTHLY LEGISLATIVE UPDATE

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

- Washington News
  - Status of Next Coronavirus Stimulus Package
  - Status of Budget and Appropriations
  - Status of Water Resources Development Act
  - Trump Administration Extends Offshore Drilling Moratorium for Eastern Gulf, Part of Atlantic Coast
- Advocacy Update

## WASHINGTON NEWS

### Status of Next Coronavirus Relief Package

Two different legislative proposals for the next coronavirus relief package were released in September:

On September 8, Senate Republicans released a “skinny” coronavirus relief package, the “[Delivering Immediate Relief to America’s Families, Schools and Small Businesses Act](#).” The bill, which is estimated to cost between \$500 and \$700 billion, is a more tailored version of the \$1 billion Republican proposal released several weeks ago (the HEALS Act). The Senate held a procedural vote on the bill on September 10, but the vote failed when Senate Democrats unanimously rejected the bill. The proposal includes:

- No additional state and local aid
- No Coronavirus Relief Fund (CRF) flexibility—current CRF funds for states and localities still cannot be used for revenue replacement
- An extension of the deadline for states and localities to spend CRF funds, from December 30, 2020, to September 30, 2021
- Employer liability provisions that extend to local government agencies
- A restoration and reduction to \$300 per week, from \$600/week, of the Federal Pandemic Unemployment Compensation program established under the CARES Act, through December 27, 2020
- An authorization for a second round of loans under the Paycheck Protection Program (PPP) – to qualify, eligible entities must show at least a 35 percent reduction in gross revenue in the first or second quarter of 2020 compared with the same period in 2019

- Forgiveness of the \$10 billion loan made to the U.S. Postal Service (USPS) in the CARES Act (i.e., creating a \$10 billion grant for the USPS)
- \$105 billion for the Education Stabilization Fund created by the CARES Act
- \$31 billion for vaccine, therapeutic, and diagnostic development
- \$16 billion for testing, contact tracing, and surveillance
- \$20 billion in farm assistance
- \$5 billion for Child Care and Development Block Grants
- \$500 million in fishery disaster aid

On September 15, a bipartisan group of House members from the Problem Solvers Caucus unveiled a \$1.5 trillion coronavirus relief package [framework](#). The Caucus stated, “Having seen no progress on a new COVID-19 relief package in four months, and in recognition of Americans’ increasing suffering, the Problem Solvers Caucus (PSC) has developed a comprehensive, bipartisan framework to meet the nation’s needs for the next 6-12 months, that can pass both chambers of Congress and be signed into law by the President....The framework has been approved for endorsement by over 75% of the PSC membership, consisting of 25 House Democrats and 25 House Republicans.”

Below are highlights from the framework:

- State and Local Aid: \$500.3 billion
  - Allows \$130 billion remaining from CARES Act for flexible use on documented past state and local coronavirus-related expenses
  - \$130 billion in new money for documented, future state and local coronavirus-related expenses (through 2021)
  - \$120.3 billion in new money for documented local general revenue shortfalls (through 2021)
  - \$250 billion in new money for documented state general revenue shortfalls (through 2021)
- Support for Individual and Families: \$316 billion
  - 15 percent WIC plus-up through March 2021: \$1 billion
  - 15 percent SNAP plus-up through July 2021: \$10 billion
  - \$1,200 direct stimulus checks + \$500 per child + dependent adults: \$280 billion
  - Rental assistance for the most needy and other rent stabilization programs, and/or eviction moratorium through January 2021: \$25 billion
  - Student loan forbearance through December 31, 2020
- Unemployment Assistance: \$120 billion
  - \$450 per week for an 8-week transition period, followed by up to \$600 per week, and up to, but not to exceed, 100 percent of previous wages (through January 2021)
- Small Business and Non-Profits: \$290 billion
  - \$240 billion for the Paycheck Protection Program (PPP)
  - \$50 billion for the Targeted Employee Retention Tax Credit
  - Rectify the Main Street Lending Program
- Schools and Childcare: \$145 billion

- \$15 billion for childcare providers, flexible and immediate (\$10 billion for provider relief and \$5 billion for the Child Care Development Block Grants)
- \$100 billion for K-12 schools for virtual, hybrid, and/or in-person learning
- \$30 billion for higher education institutions
- Worker and Liability Protections
  - Enhanced protections for entities which follow enhanced OSHA guidelines
  - Robust enforcement of worker safety
- A series of automatic spending boosts or reductions depending on hospitalization metrics and vaccine progress. It is unclear exactly how these would work, but the plan states there could be potential “reducers” on the PPP (\$60 billion), state and local governments (\$130 billion), and rental assistance (\$10 billion).

Pressure is increasing to come to an agreement on another relief package, and Speaker Pelosi said this week that the House is “committed to staying” in Washington until a deal is reached.

Next steps for further negotiations remain unclear. While Treasury Secretary Steve Mnuchin indicated recently that a significant new aid package is still needed to help the economy recover from the coronavirus, it is unclear whether a compromise between Congressional leaders and the Trump Administration can be reached prior to early October, when Congress will begin its recess ahead of the November 3 election. Right now, neither new proposal seems to be gaining much traction.

#### Status of Budget and Appropriations

Progress on FY 2021 appropriations is currently at a standstill. The House, which has passed 10 of the 12 annual appropriations bills, and the Senate, which has yet to release or consider any annual appropriations bills, are expected to approve a Continuing Resolution (CR) by the end of September to extend funding for the federal government until after the November elections. The CR must be approved by September 30 in order to avoid a government shutdown. Congressional leaders and the White House have agreed to support the CR, but details are still being negotiated. In particular, it is still unclear how long the CR will extend current funding levels, but it is likely that the CR will extend funding into December (at least).

#### Status of Water Resources Development Act

As you know, in July, the House approved its version of FY 2020 Water Resources Development Act (WRDA) legislation. The Senate has yet to approve its FY 2020 WRDA legislation on the floor; however, the Senate Environment and Public Works Committee approved its WRDA legislation at the committee level in May. (It is likely that the Senate will not approve its bill on the floor and will instead head into negotiations with the House using the committee-approved bill.) Early discussions between relevant House and Senate committee staff have begun regarding which provisions will be included in the final, compromise FY 2020 WRDA bill. However, it is unclear when a compromise will be reached. The initial goal was to finalize and pass a bill before the November elections, but with just a few weeks left before Congress recesses in October, it is possible a bill will not be passed until after the November elections.

## Trump Administration Extends Offshore Drilling Moratorium for Eastern Gulf, Part of Atlantic Coast

On September 8, President Trump signed an executive order extending a moratorium on offshore drilling in Gulf of Mexico and Atlantic waters around Florida, Georgia, and South Carolina through mid-2032. As reported by [The Hill](#), ten East Coast states, including North Carolina, have sued the federal government in an attempt to prevent offshore drilling, but South Carolina is the only one of those states that was included in the President's executive order. There are currently no indications that other East Coast states will be included in similar moratoriums.

## ADVOCACY UPDATE

With Congress now back in Washington, legislative activity is starting to pick up. Almost all legislative efforts, however, are focused on extending annual appropriations to avoid a government shutdown at the end of the month and finding a compromise on the next coronavirus relief package. Other major pieces of legislation are on the backburner, including the next surface transportation reauthorization (due for reauthorization on September 30), reauthorization of the National Flood Insurance Program (due for reauthorization on September 30), and WRDA. Such legislation is either going to be extended in the CR along with annual appropriations (the surface transportation reauthorization and the National Flood Insurance Program reauthorization) or will be punted until Congress returns to Washington after the November elections (WRDA). We expect the legislative schedule after the November elections to be very busy, as is typical at the end of every legislative session.

Updates on TISPC's federal priorities are outlined below.

### Topsail Beach Sand Borrowing Issue

As we reported last month, despite a recent legal challenge by the National Audubon Society, projects benefiting from the 2019 policy reversal on the "sand borrowing issue" continue to move forward. For example, the Army Corps of Engineers is moving forward with a renourishment plan for Carolina Beach that plans to use a CBRA borrow site for an area outside the CBRA. A recent [memorandum](#) related to this renourishment plan summarizes the situation as follows:

"Section 6 of CBRA (16 U.S.C. 3505) permits certain federal expenditures and financial assistance within System Units of the CBRS after consultation with the U.S Fish and Wildlife Service (USFWS). The Department of Interior recently amended their interpretation of the applicability of the exception at 16 U.S.C. 3505(a)(6)(G), determining that qualifying stabilization actions under this statutory exception are not limited to actions within a CBRS unit. Utilization of the Carolina Beach Inlet borrow source thus would qualify under the exception to CBRA found at 16 U.S.C. 3505(a)(6)(G) for "non-structural projects for shoreline stabilization that are designed to mimic, enhance, or restore a natural stabilization system." However, in order to be allowable, this exception must also be consistent with the three purposes of the CBRA, which are to minimize the loss of human life by not encouraging development in high risk areas; minimize the wasteful expenditure of federal revenues; and minimize the damage to fish, wildlife, and other natural resources associated with coastal barriers.... Utilizing existing information about the Carolina Beach Inlet borrow source and information gathered about the Borrow Area B offshore borrow

source, it has been determined that the use of the Carolina Beach Inlet as the primary borrow source is consistent with the three purposes of the CBRA. Specifically, utilizing the Carolina Beach Inlet borrow source minimizes the loss of human life, as it does not encourage development on the barrier islands, and would minimize wasteful expenditure of federal revenues, as it is the lowest cost alternative. Finally, utilizing the Carolina Beach Inlet borrow source would be environmentally preferable to only using the offshore borrow source.”

The Army Corps of Engineers is also moving forward with a renourishment plan for Wrightsville Beach that plans to use a CBRA borrow site for an area outside the CBRA. A recent [memorandum](#) related to that renourishment plan uses similar language regarding the new CBRA interpretation from the Department of the Interior:

“The entire historic borrow area within Masonboro Inlet and about half of the borrow area in Banks Channel are located within a Coastal Barrier Resources System (CBRS) unit. The Coastal Barrier Resources Act (CBRA) was enacted in 1982 and contains restrictions on federal spending within undeveloped coastal barrier shorelines. Section 6 of CBRA (16 U.S.C. 3505) permits certain federal expenditures and financial assistance within the CBRS after consultation with the U.S Fish and Wildlife Service (USFWS). The Department of Interior recently amended their interpretation of the applicability of the exception at 16 U.S.C. 3505(a)(6)(G), determining that qualifying stabilization actions under this statutory exception are not limited to actions within a CBRS unit. Utilization of the Masonboro Inlet/Banks Channel borrow source thus would qualify under the exception to CBRA found at 16 U.S.C. 3505(a)(6)(G) for “non-structural projects for shoreline stabilization that are designed to mimic, enhance, or restore a natural stabilization system.” However, in order to be allowable, this exception also must be consistent with the three purposes of the CBRA, which are to minimize the loss of human life by not encouraging development in high risk areas; minimize the wasteful expenditure of federal revenues; and minimize the damage to fish, wildlife, and other natural resources associated with coastal barriers...Utilizing existing information about the Masonboro Inlet/Banks Channel borrow source and information gathered about the offshore borrow source, it has been determined that the use of Masonboro Inlet/Banks Channel as the primary borrow source is consistent with the three purposes of the CBRA. Because the area is part of the North Carolina National Estuarine Research Reserve system and a State Dedicated Nature Preserve under the North Carolina Nature Preserves Act, use of the Masonboro Inlet/Banks Channel does not encourage development on the barrier islands. Utilization of the Masonboro Inlet/Banks Channel borrow source is the lowest cost alternative and its use is environmentally preferable to only using the offshore borrow source.”

As you know, the lawsuit filed by the National Audubon Society will make any effort to address this issue legislatively very difficult, but at this time, projects continue to move forward. We will continue to monitor the situation closely.

### North Topsail Beach CBRA Mapping Issue

The legislative schedule in September will be focused on only a few major legislative items, so the majority of legislative work this fall will occur after the November elections. Most CBRA-related bills are approved in December at the end of the legislative session, and that will likely again be the case this year. As you know, a positive discussion regarding the North Topsail Beach CBRA mapping issue occurred during the

Congressional visit to Topsail Island on August 27 with Congressman Rouzer and Congressman Murphy. Both Congressmen reiterated their strong support for resolving the CBRA mapping issue, and we will continue to work with the Congressmen and their staffs, as well as both Senators, to seek the best legislative avenue possible to move the bill forward by the end of the session.