



**TO:** STEVE SMITH  
TOPSAIL ISLAND SHORELINE PROTECTION COMMISSION

**FROM:** MIKE McINTYRE

**SUBJECT:** MAY MONTHLY LEGISLATIVE UPDATE

**DATE:** MAY 20, 2021

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

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## WASHINGTON NEWS

### President Biden Nominates Michael Connor to Oversee the Army Corps of Engineers

President Biden has nominated Michael Connor to be the Assistant Secretary of the Army for Civil Works, the position overseeing the U.S. Army Corps of Engineers. Mr. Connor, a member of the Taos Pueblo tribe, served as the Obama administration's Deputy Secretary of the Interior and Commissioner of the Bureau of Reclamation. He has a long history in government, working as counsel in the Senate Energy and Natural Resources Committee before joining the Obama administration.

### Status of Coronavirus Relief

On May 10, the Treasury Department released its [guidance](#), distribution amounts ([metropolitan municipalities](#) and [counties](#)), and [other associated documents and information related](#) to the State and Local Fiscal Recovery Funds Program. Metropolitan municipal and county governments may now request their allocations from the Recovery Fund through the Treasury Submission Portal. **Non-entitlement units (including Topsail Island communities) should not request Coronavirus State and Local Fiscal Recovery Funds through the Treasury Submission Portal. While local governments designated as non-entitlement units are eligible to receive Coronavirus Local Fiscal Recovery Funds, as provided in the American Rescue Plan Act of 2021, they will receive this funding from their applicable state government.** Additional information for non-entitlement communities can be found [here](#). Additional information for non-entitlement communities in North Carolina can be found [here](#).

## **States must distribute funds to non-entitlement communities within 30 days of receiving a payment from the Treasury Department, with extensions permitted up to 90 days.**

In addition, for your reference, TFG produced a [Special Report](#) on eligible uses of Coronavirus State and Local Fiscal Recovery Fund and other helpful information from Treasury's guidance.

### Status of Infrastructure Stimulus Legislation

Congress and the White House are continuing efforts to come to an agreement on infrastructure legislation. Senator Shelley Moore Capito (R-WV), Ranking Member of the Senate Environment and Public Works (EPW) Committee, and several other Senate Republican leaders met with senior Biden administration officials, including Transportation Secretary Pete Buttigieg and Commerce Secretary Gina Raimondo, on May 18 to discuss the Senate Republicans' latest infrastructure offer. Senator Capito promised on May 13 to present a counteroffer early this week, although no details were publicly released. The White House is expected to make a counteroffer of some variety within days and plans to "follow up" with the Senate Republicans later this week. The White House also said it was encouraged by the talks on May 18, even as lawmakers said the session yielded no agreement on an overall spending figure or on how to pay for it.

According to the *Washington Post*, "President Biden and top Democrats are signaling privately they are willing to make concessions over Biden's \$2.3 trillion infrastructure plan, or break it into chunks if that will attract even a handful of Republican votes and allow them to notch a bipartisan win." This report follows recent comments by Senate Minority Leader Mitch McConnell (R-KY), who said he expected no Republicans would support President Biden's current combined price tag of \$4 trillion for the American Jobs Plan and the American Families Plan, indicating Republican lawmakers are open to a roughly \$600 to \$800 billion bill.

### Status of the President's FY 2022 Budget Request to Congress

As we reported last month, the Biden administration [released](#) top-line spending numbers for the President's FY 2022 Budget Request to Congress. However, the administration has yet to release the President's full budget request. Reports suggest that the administration aims to release the request in late May, likely on or around May 27.

### Appropriations Earmarks to Return in the Senate

Earmarks are set to return in the Senate after Senate Appropriations Committee (SAC) Chairman Patrick Leahy (D-VT) [announced](#) on April 26 that the Committee would "accept requests for congressionally directed spending items" for the FY 2022 appropriations bills. Chairman Leahy said the Committee will follow the existing requirements for congressionally directed spending items in Rule XLIV of the Standing Rules of the Senate and, like the House, will implement additional reforms that will require greater transparency and accountability, including a one percent cap on discretionary spending for earmarks; a ban on earmarks to for-profit entities; a requirement for Senators to post their requests online; a requirement for Senators to provide financial certification disclosures attesting that they do not have any financial interest in their requests; and audits of a sample of enacted earmark items. SAC is expected to issue member request instructions for programmatic, report language, and earmark requests soon.

On April 21, the Senate Republican Conference left in place its prohibition on earmarks in a meeting on conference rules. However, the conference rules are non-binding, and at least some Senate Republicans say they plan to utilize earmarks this year. Senate Appropriations Vice Chairman Richard Shelby (R-AL) said it would be up to individual members to decide if they want to participate.

#### Representative Rouzer Introduces Bill to Streamline Disaster Recovery Assistance

On April 21, Congressman Rouzer introduced the *Natural Disaster Recovery Program Act of 2021*. The bill would create a block grant program for disaster assistance funds for states impacted by federally declared disasters. The bill aims to provide states flexibility in deciding how to spend disaster aid. The program would allow states to focus on their unique recovery needs for disaster relief, resiliency, long-term recovery, restoration of infrastructure and housing, mitigation, and economic revitalization as they see fit.

## ADVOCACY UPDATE

As we have discussed with Chairman Smith, we are in the process of scheduling a series of Virtual Washington Meetings for Tuesday, June 15, with a backup date of Wednesday, June 16, in the event we could not conduct certain meetings on June 15. The purpose of these meetings is to discuss TISPC's federal priorities with the Congressional delegation.

We will be sure to keep Chairman Smith apprised of the schedule as meetings are confirmed.

We have also confirmed with Chairman Smith that we will host a preparatory phone conference on Thursday, June 10 at 11:30 a.m. for everyone who will be participating in the Virtual Washington Meetings. We expect our phone conference will not take more than 45 minutes. In addition, as we have done for previous meetings, we will develop meeting materials and talking points for the meetings before the preparatory call. We will provide TISPC with ample time to review these documents and provide any feedback.

Updates on TISPC's federal priorities are outlined below.

### North Topsail Beach CBRA Mapping Issue

We are very pleased to report Representative Murphy and Representative Rouzer reintroduced the North Topsail Beach CBRA mapping bill on May 18. The new bill number is [H.R. 3315](#), and the official title is, "To revise the boundaries of a unit of the John H. Chafee Coastal Barrier Resources System in Topsail, North Carolina, and for other purposes." We greatly appreciate the efforts of both Members and their staff for working with us and TISPC to reintroduce the bill.

The [press release](#) from Representative Murphy and Representative Rouzer on the reintroduction of the bill is as follows:

"Washington, D.C. – On Tuesday, May 18, 2021, Congressmen Greg Murphy, M.D. (NC-03) and David Rouzer (NC-07) introduced legislation to revise the boundaries of Unit L06 of the John H. Chafee Coastal Barrier Resources System in North Topsail Beach, North Carolina.

"There's no question that North Topsail Beach is a developed area," said Murphy. "Residents there shouldn't be deprived of the same federal benefits every other American has access to because Congress made a mistake nearly four decades ago. I'm proud to lead the effort to fix this problem in the U.S House of Representatives."

"I'm pleased to join Congressman Murphy in the effort to help North Topsail Beach receive the federal resources they deserve," said Rouzer. "The 1982 CBRA designation is outdated and must be reversed in order to increase shoreline protection in North Topsail Beach, as well as to support their citizens and local economies."

Background

In 1982, Congress passed the Coastal Barrier Resources Act (CBRA), which designates undeveloped coastal barrier islands for inclusion in the Coastal Barrier Resources System (CBRS). These designated areas are ineligible for certain federal financial assistance that may support development, such as National Flood Insurance, VA loans and shore protection projects conducted by the U.S. Army Corps of Engineers.

A portion of North Topsail Beach, designated as Unit L06, was deemed undeveloped and therefore included in the CBRS. However, significant infrastructure existed in L06 prior to the CBRA's passage, including roads, sewer, electric, public water systems, and a high-rise bridge connecting the island to the mainland. The population of the town is estimated to be nearly 30,000 during the summertime.”

### [Topsail Beach Sand Borrowing Issue](#)

The Biden administration has yet to release information on its review of the Interior Solicitor's 2019 legal opinion regarding sand borrowing in the CBRS, as required by [Executive Order 13990](#). It remains our understanding that all federal agencies are working to comply with the directive outlined in Executive Order 13990, but we do not yet have an update on the status of the 2019 CBRS policy change.

### [Surf City and North Topsail Beach Federal Project](#)

We continue to be available to assist Surf City and North Topsail Beach as their discussions continue with the Corps regarding advancement of the federal project, which we successfully achieved.

### [Topsail Beach Flood Mapping Issue](#)

We continue to be available to assist the Town of Topsail Beach with resolving its FEMA flood mapping issue. Topsail Beach is to keep us apprised as to the status of their efforts so we can engage the Congressional delegation, as needed and as discussed.

### [Support and Promote the Community Rating System and the Federal Flood Insurance Program](#)

As you know, Congress faces a September 30 deadline to extend the National Flood Insurance Program (NFIP). Congress has passed 16 short-term extensions of the NFIP since the last major reauthorization (P.L. 112-141) expired at the end of FY 2017.

Some lawmakers want to use the reauthorization process to limit premium increases ahead of Risk Rating 2.0, which will increase costs for some policyholders. For example, the NFIP [reauthorization legislation](#) considered by the House Financial Services Committee would set a 9 percent limit on the amount FEMA could increase premiums in one year. Federal law currently allows annual rate increases up to 18 percent. Other lawmakers argue the reduced premium levels would endanger the long-term financial health of the program and make it harder for private insurers to compete, while others would like to see Risk Rating 2.0 delayed or completely withdrawn. This debate is expected to be ongoing over the next several months.

The Senate Banking, Housing, and Urban Affairs held its first committee meeting of the year on the NFIP reauthorization on May 18. FEMA was not invited to testify at this hearing, but the Committee is expected to hold additional hearings on the NFIP at which the Committee “[will invite](#) the Federal

Emergency Management Agency to discuss the status and reauthorization of the program.” Opinions on Risk Rating 2.0 were varied and did not fall cleanly along party lines. [E&E News explains](#) the varied opinions expressed at the hearing,

“‘Most of the people that your Risk Rating 2.0 is going to impact are not wealthy homeowners with a second or third home on the beach. That's certainly not the case in Louisiana,’ [Senator] Kennedy [R-Louisiana] said.

‘Most of the people, FEMA, that you're going to impact get up every day, go to work, obey the law, pay their taxes, try to do the right thing by their kids and try to save for retirement. And their biggest financial asset is their home. And in five months' time, without even a public notice and comment opportunity, you're going to ram through changes that potentially could make their home unaffordable and affect its value and make it impossible to sell,’ Kennedy added.

Although Kennedy addressed FEMA, no one from the agency spoke at yesterday's hearing. Sen. Sherrod Brown (D-Ohio), the committee chairman, began the hearing by saying he would invite FEMA to testify at a subsequent panel — a vow that Kennedy either did not hear or did not believe.

‘I'm curious why FEMA isn't here,’ Kennedy said at the start of his opening statement, ‘particularly Mr. Maurstad, who is in charge of Risk Rating 2.0. But I'm sure my friends at FEMA are listening.’

David Maurstad runs the FEMA flood insurance program.

Asked to respond to Kennedy, FEMA told E&E News that it is making flood insurance premiums ‘fairer’ and correcting long-standing inequities that have forced owners of low-value homes to pay too much for coverage while owners of high-value homes pay too little.

‘As a federally mandated program following Congress' direction, FEMA cannot ignore policyholders who have been unjustly subsidizing other properties,’ the agency said in a statement. ‘FEMA is fixing longstanding inequities in flood insurance pricing and establishing a system that is better equipped for the reality of frequent flooding caused by climate change.’

Kennedy received support from a New York City official who warned that insurance costs will ‘skyrocket’ and force some homeowners to ‘make the impossible choice between abandoning their insurance policies or cutting back on household necessities like food, utility payments and school supplies, or even abandoning their homes altogether.’

That could trigger a ‘governmentwide foreclosure crisis,’ New York City federal affairs director Rebecca Kagan Sternhell told the Banking Committee.

Sternhell rejected FEMA's statement that the rate restructuring would lower premiums for people in areas where housing values are generally low.

‘This policy has recently been rebranded as 'Equity in Action' but is anything but equitable,’ Sternhell said.

Sen. Robert Menendez (D-N.J.) warned yesterday that higher insurance rates will cause some people to drop flood coverage, ‘forcing Congress to spend more on expensive disaster relief that goes to unprotected homes.’

Sen. Raphael Warnock (D-Ga.) said he fears that FEMA's new price structure ‘will affect low-income communities in flood zones — those that have the least amount of resources.’

Some senators voiced support for Risk Rating 2.0, including Sens. Thom Tillis (R-N.C.) and Steve Daines (R-Mont.), who said the plan ‘enjoys broad support in Montana.’

Tillis said the impact is being overstated by critics asserting that ‘this is an across-the-board increase in flood insurance....About 4 or 5% [of policyholders] may experience a significant increase.’

Senators expressed support for a new program proposed by House Financial Services Chairwoman Maxine Waters (D-Calif.) that would help low-income households pay for flood insurance.”