



TO: STEVE SMITH
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FROM: MIKE MCINTYRE
SUBJECT: FEBRUARY MONTHLY LEGISLATIVE UPDATE
DATE: FEBRUARY 17, 2022

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

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 - President Biden Delivers State of the Union Address
 - President and Speaker Meet to Discuss Debt Limit
 - Congressman Rouzer Named Chairman of Key Water Resources & Environment Subcommittee
 - President's FY 2024 Budget Request to be Released March 9
 - Discussions Over Earmarks Continue
 - FEMA Publishes Videos Detailing Risk Rating 2.0
 - EPA Inspector General to Evaluate the Implementation of Water Infrastructure Funds
 - Republicans File CRA Disapproval Resolution Against Biden WOTUS Rule
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WASHINGTON NEWS

President Biden Delivers State of the Union Address

On February 7, President Biden delivered his second State of the Union address.

In his speech, President Biden outlined his vision for the country in the last half of his first term. He touted his accomplishments related to the economy, health care, and foreign policy. He also discussed the success of federally-funded infrastructure projects through the Bipartisan Infrastructure Law.

President and Speaker Meet to Discuss Debt Limit

After the first in-person conversation on the debt limit earlier this month, President Biden and Speaker of the House Kevin McCarthy (R-Calif.) were able to outline the beginnings of what will turn into several months-long negotiations.

The White House released a [statement](#) noting the conversation was “frank and straightforward,” while Speaker McCarthy pointed out that the discussion included “no agreements, no promises.”

McCarthy wants a two-year spending cap deal covering FYs 2024 and 2025, while Biden hopes to preserve initiatives already passed through Congress. Implications for the parties’ inability to agree to a debt limit package could result in a first-ever U.S. default.

According to Jared Bernstein, a Council of Economic Advisers member, the inevitable negotiations are still an “absolute non-starter” as the White House [maintains](#) its stance on raising the debt ceiling. Rep. Brian Fitzpatrick (R-Pa.), co-chair of the House Problems Solvers Caucus, said that there are GOP members who would break with Republican leadership to raise the debt ceiling. He also [added](#) that Democrats must agree to spend cuts along the way.

Congressman Rouzer Named Chairman of Key Water Resources & Environment Subcommittee

For the 118th Congress, Congressman David Rouzer was named Chairman of the Transportation and Infrastructure Committee’s Subcommittee on Water Resources and Environment.

The Subcommittee has jurisdiction over matters relating to water resources and infrastructure, including beach renourishment and water pollution control issues. It also has direct oversight of the Army Corps of Engineers.

Discussions Over Earmarks Continue

Members of Congress have started releasing deadlines for earmarks (formally known as Community Project Funding and Congressionally Directed Spending requests in the House and Senate, respectively). House and Senate Appropriations Committee leadership will [share](#) guidance on the process as early as this month. The update will include any changes to accounts available for Member requests and potential limits to the total number of project requests submitted.

On the House side, Speaker Kevin McCarthy (R-Calif) and House Appropriations Committee Chair Kay Granger (R-Texas) are working with their conference to update the lower chamber’s rules on earmarks, rolling out potential changes and receiving feedback from Members. Rep. Tom Cole (R-Okla.), Chair of the Transportation, Housing and Urban Development Appropriations subcommittee, said the Speaker mentioned the phrase “federal nexus” when referring to FY24 Community Project Funding requests. Cole continued saying the federal nexus would “make sure these are more directly things that you would expect the federal government to be involved in.” The House Appropriations Committee process may also require additional evidence of community support for each request.

FEMA Publishes Videos Detailing Risk Rating 2.0

FEMA recently published two new videos explaining the National Flood Insurance Program's new [methodology](#). The video series explains rating variables and how they affect premiums.

The [first video](#) describes how a structure's location and the way it is built impact a policyholder's premium. The [second video](#) explains the nuances of building and contents coverage.

President's FY 2024 Budget Request to be Released March 9

President Biden's proposed budget for FY 2024 is now set to be released on March 9, about a month later than the normal budget release date of the first Monday in February. The release of the budget is typically the start of the congressional budget and appropriations cycle, including earmarks (i.e., Community Project Funding and Congressionally Directed Spending in the House and Senate, respectively.)

House Majority Leader Steve Scalise (R-La.) said Republicans plan to produce a budget by April. House GOP leaders have said they plan to release a multi-year budget that balances within 10 years.

EPA Inspector General to Evaluate the Implementation of Water Infrastructure Funds

Earlier this month, EPA's Office of Inspector General (OIG) announced it will evaluate whether agencies responsible for the Drinking Water State Revolving Fund (DWSRF) can manage the new funding they have been allocated under the Bipartisan Infrastructure Law (BIL).

The OIG stated that they would also look at possible risks or challenges facing DWSRF agencies' capacity to manage BIL funding that could adversely impact the effective management and implementation of federal grants. According to EPA's website, the DWSRF will receive \$11.7 billion in its traditional account as well as \$15 billion for replacing lead pipes and \$4 billion for dealing with per- and polyfluoroalkyl substances (PFAS), the "forever chemicals" credited with widespread contamination.

The inspector general's staff will conduct their work in EPA's water office, as well as in agencies handling the revolving fund across the country.

Republicans File CRA Disapproval Resolution Against Biden WOTUS Rule

The House and Senate Republicans recently introduced disapproval resolutions under the Congressional Review Act (CRA) to nullify the Biden Administration's final rule defining "waters of the U.S." (WOTUS) under the Clean Water Act (CWA).

In the House, Transportation and Infrastructure Committee Chairman Sam Graves (R-Mo.) and Water Resources Subcommittee Chairman David Rouzer (R-N.C.) led 152 Members of Congress in introducing a disapproval resolution under the CRA on the Administration's WOTUS rule. Senate Environment and Public Works Committee Ranking Member Shelley Moore Capito (R-W.Va.) also introduced the same resolution in the Senate.

While both resolutions could attract bipartisan support from moderate Democrats, some of the same Democrats are arguing that the effort could be moot in a few months, given the Supreme Court ruling expected this summer in *Sackett v. EPA*. This is a case that could upend the current WOTUS rule's reliance on the "significant nexus" test in determining jurisdiction under the CWA.

White House Highlights Infrastructure Progress and Funding Opportunities

The White House recently released [a fact sheet](#) outlining the progress made under the Bipartisan Infrastructure Law (BIL) to date.

So far, \$4.3 billion in BIL funding has been announced and is headed to [North Carolina](#) with over 143 specific projects identified for funding. North Carolina will receive approximately \$3.5 billion for transportation to invest in roads, bridges, public transit, ports, and airports and roughly \$199 million for clean water. Many more projects will be added in the coming months.

The White House also released a [useful list of open and forthcoming funding opportunities](#) funded under BIL and the Inflation Reduction Act.

FEMA is Accepting Revolving Loan Fund Applications

FEMA is now accepting applications to the [Safeguarding Tomorrow Revolving Loan Fund](#) grant program, which helps local governments satisfy non-federal cost share requirements under [FEMA Hazard Mitigation Assistance programs](#).

Applications must be submitted by April 28, 2023.

Biden Administration Announces \$2 Billion in the Bipartisan Infrastructure Law (BIL) Funding to Address PFAS

EPA Administrator Michael Regan recently announced the availability of \$2 billion from the BIL to address emerging contaminants, like Per- and Polyfluoroalkyl Substances (PFAS) in drinking water in small or disadvantaged communities across the country. This investment will be allocated to states and territories and made available to communities as grants through EPA's Emerging Contaminants in Small or Disadvantaged Communities (EC-SDC) Grant Program.

The BIL invests \$5 billion over five years to help communities that are on the frontlines of PFAS contamination reduce PFAS in drinking water. This initial allotment of \$2 billion to states and territories can be used to prioritize infrastructure and source water treatment for pollutants, like PFAS and other emerging contaminants, and to conduct water quality testing.

ADVOCACY UPDATE

North Topsail Beach CBRA Mapping Issues

Last December, during the 117th Congress, Senator Tom Carper (D-Del.) and Senator Lindsey Graham (R-S.C.) introduced the Strengthening Coastal Communities Act of 2022 ([S. 5185](#)). This bill would have implemented a total of 11 new and 184 updated CBRS maps, including maps in North Carolina.

Working with your Congressional delegation, we worked to ensure that this bill removed 2.5 acres of the Barton Bay area from Topsail Unit L06, including two structures along Barton Bay Drive and New River Inlet Road, as well as a portion of one lot to the south of New River Inlet Road. Unfortunately, this bill was introduced too late in the last Congress, and it expired before having the opportunity to be voted on. Senator Tillis's office reassured us that based on their initial conversations with the Senate Environment and Public Works Committee, Chairman Carper plans on reintroducing this bill during the new 118th Congress.

Separately, Congressmen Murphy and Rouzer's legislation ([H.R. 3315](#)) in the previous Congress to revise the boundaries of Unit L06 has not been reintroduced yet. We will continue to stay vigilant and strongly advocate for legislation to amend the NTB CBRA Map Unit L06.

Sand Borrowing

Congressman David Rouzer—who now chairs the Transportation and Infrastructure Committee's Subcommittee on Water Resources and Environment—recently introduced [a bill](#) that would have future implications for TISPC's sand borrowing issue.

This bill allows federal funds to be used to extract sand from certain inlet borrow sites that are inside CBRA zones to nourish the beach strands that are outside CBRA zones. However, qualifying projects must have used inlet borrow sources for at least the last 15 years.

As such, under this bill, TISPC would not qualify since Topsail Beach's first use of sand from the inlet was in 2014. While this is a great start, we will be sure to advocate for a "looser" threshold—e.g. 10 years as opposed to 15 years—to your Congressional delegation throughout this year so that Topsail Beach can qualify for the said exemptions.

Federal Flood Insurance Program and the Community Rating System (CRS)

We will continue to advocate for policies that are equitable and affordable to coastal residents. We will also continue to promote the CRS and work to ensure that FEMA better aligns CRS credits with successful beach management practices and outcomes.

Additionally, we look forward to discussing the said issues with your Congressional delegation during your March trip to Washington, D.C. We also plan to hold a virtual planning conference on March 13th at 11:30 AM ET. Further details will be provided to those who will be traveling to Washington, D.C., on behalf of TISPC.