



**TO:** STEVE SMITH  
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**FROM:** MIKE McINTYRE  
**SUBJECT:** FEBRUARY REPORT AND LEGISLATIVE UPDATE  
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This report and legislative update provides information on the following topics:

- Washington News
  - Foreign Aid and Border Security Negotiations Collapse; Votes Held to Impeach Secretary of Homeland Security Mayorkas, and Vote to Pass Standalone Israel Aid Fails.
  - House Republicans Introduce Clean Water Act Reform Bills
  - Bipartisan Tax Package: The Tax Relief for American Families and Workers Act of 2024
  - Congress Briefed on “Serious National Security Threat”
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## Washington News

### **Foreign Aid and Border Security Negotiations Collapse; Votes Held to Impeach Secretary of Homeland Security Mayorkas and Pass Standalone Israel Aid Fails.**

A bipartisan package of supplemental appropriations legislation encompassing \$118 billion in spending on aid to Ukraine and Israel, as well as for border security measures, appears to have collapsed. The bill includes over \$60 billion in aid for Ukraine, over \$14 billion in aid for Israel, over \$20 billion in funding for security measures at the U.S.-Mexico border, as well as funding for a variety of general foreign aid programs.

These funding priorities were merged in order to garner support across a broad political cross-section of Members of Congress. Generally, the legislation aimed to address Republican priorities of funding border security and security assistance to Israel and Democratic priorities for assistance to Ukraine in its war against Russia.

The text of the bill was introduced on February 4, 2024. Initially, the bill was expected to pass with a significant degree of bipartisan support in both the House and Senate. However, soon after its introduction, criticism of the bill began to mount. Primarily, many Republican members criticized the border security provisions, which included language to trigger a mandatory authority for the Department of Homeland Security to close border checkpoints after a set number of illegal border crossings per day. Per the bill, if

illegal crossings reached 5,000 on average per day over a week or over 8,500 illegal crossings in a single day, Homeland Security would be required to close southern border checkpoints to migrants and asylum seekers with no existing prior authorization to enter the country, with the exception of unaccompanied minors.

Soon thereafter, many Republican members in both the House and Senate began to publicly disavow the legislation, leading to questions over whether the bill would have a chance at passing. Former President Donald Trump, whose voice remains influential to Congressional Republicans, publicly opposed the legislation too. On February 7, 2024, the Senate moved to a procedural vote on the measure – the first step in consideration of the legislation. The procedural vote failed, with only four Senate Republicans voting to advance it. This likely means that the legislation, at least in its current form, will not pass Congress this session. The foreign aid provisions may be passed independently of the border security measures, which remain significantly more controversial.

Simultaneously to the consideration of this foreign aid deal, Speaker Johnson aimed to advance two measures out of the House, one to impeach Secretary of Homeland Security Alejandro Mayorkas, and the other to appropriate over \$17 billion in funds for a standalone package of security aid to Israel. In an initial blow to Speaker Johnson, both measures failed, with most Democrats and several Republicans voting against them. It is very uncommon for Congressional leadership to bring up votes on their policy priorities unless they know that the legislation will pass with significant support from their party.

On February 14, 2024, Speaker Johnson brought the measure to impeach Secretary Mayorkas to the House floor for a second vote. This time, with several members of both parties not in attendance, House Republicans succeeded in advancing the measure on a 214-213 vote. Secretary Mayorkas is the second sitting Cabinet member to be impeached in U.S. history. He must still be tried in the Senate to be removed from his office, where he is expected to be acquitted by the Democratic-majority chamber.

## House Republicans Introduce Clean Water Act Reform Bills

House Republicans have introduced five bills aimed at modifying the Clean Water Act (CWA), with the goal of reducing obstacles faced by energy companies and businesses seeking CWA permits.

The bills, unveiled by lawmakers on the House Transportation and Infrastructure (T&I) Committee, include the [Nationwide Permitting Improvement Act](#), introduced by T&I Water Resources and Environment Subcommittee Chair David Rouzer (R-NC). The bill would require the Army Corps of Engineers to consider only the effects of dredge-and-fill activities when issuing nationwide permits. Another bill, the [Reducing Permitting Uncertainty Act](#), from Representatives Pete Stauber (R-MN) and Rouzer, would limit the EPA's timeframe for vetoing permits, while a third bill, the [Judicial Review Timeline Clarity Act](#), from Representatives Eric Burlison (R-MO) and Rouzer, would impose time limits on legal challenges to federal wetlands permits. The additional bills, the [Water Quality Criteria Development and Transparency Act](#) from Representatives Burgess Owens (R-UT) and Rouzer, and the [Confidence in Clean Water Permits Act](#) from Representatives John Duarte (R-CA) and Rouzer, would address transparency in EPA's water quality criteria and seek specificity in pollution limits under the NPDES program while protecting permit holders from what are described as "frivolous lawsuits."

The Committee has already passed the *Creating Confidence in Clean Water Permits Act* by a party-line vote of 32-30. The House may take up the bill on the floor as soon as next week. Republican leaders are also pushing the [Water Quality Certification and Energy Project Improvement Act](#) in broad permitting legislation, which would limit the power of states and tribes to block CWA permitting of projects like pipelines and ports. Democrats have introduced the [Clean Water Act of 2023](#), to increase EPA and Corps' oversight of wetlands after the *Sackett* Supreme Court decision reduced regulation of wetlands under the CWA.

### **Bipartisan Tax Package: The Tax Relief for American Families and Workers Act of 2024**

On January 31, 2024, the House passed the bipartisan \$78 billion *Tax Relief for American Families and Workers Act of 2024* ([H.R. 7024](#)) by a margin of 357-70 to expand the child tax credit and extend cuts to business taxes. The House's relatively swift action on the bill comes in the wake of an endorsement by House Speaker Mike Johnson (R-LA), which seemed to ease the concerns expressed by many conservative House Republicans.

The bill includes \$33 billion for an expanded Child Tax Credit (CTC) for three years, allowing more low-income families access to the CTC and many families to benefit from a larger CTC. As it heads to the Senate, it faces several significant legislative hurdles, including many Republican Senators feeling spurned over being cut out of the negotiating process between Senate Finance Committee Chair Ron Wyden (D-OR) and House Ways and Means Committee Chair Jason Smith (R-MO). When the Senate considers this legislation, there are some points of contention that may arise including CTC access for migrants and parolees. Additionally, there is a growing belief among some that the bill could add \$400 billion to the federal deficit over the next decade.

Timing will play a significant role, as senators will place priority on passing the national defense supplemental; the FY 2024 government funding bills; and the Federal Aviation Administration's (FAA) five-year authorization bill.

### **Congress Briefed on "Serious National Security Threat"**

On February 14, 2024, Congressman Mike Turner (R-Ohio-10), Chairman of the House Intelligence Committee, in a rare public announcement, indicated that members of the House would be briefed on a "serious national security threat". Jake Sullivan, the President Biden's National Security Advisor, also offered a rare personal briefing to the "Gang of Eight" – eight members of Congress who are briefed on serious intelligence and national security issues, including the Speaker and Minority Leader of the House, the Chairman and Ranking Member of the House and Senate Intelligence Committees, and the Majority Leader and Minority Leader of the Senate.

Congressman Turner also made a public request for President Biden to declassify intelligence related to the matter in so that the American public could be made aware of the threat, and so that Congress could discuss it openly. Currently, no intelligence about the matter have been declassified. Some reports suggest that the threat concerns Russian capabilities with nuclear weapons in space, or otherwise Russian satellites equipped with electronic warfare capabilities that could pose a threat to U.S. communications and related satellites.

In an impromptu discussion with reporters at the Capitol, Speaker Johnson cautioned that there is no immediate threat or cause for panic.

## ADVOCACY UPDATE

Under the existing “laddered” Continuing Resolution, funding for the Federal government expires on March 1<sup>st</sup> and March 8<sup>th</sup> for various agencies, respectively. At this point, it does not appear that significant progress has been made on a funding deal for the FY 2024 Federal budget. To further complicate the issue, the House will remain in recess through February 28<sup>th</sup>, though behind-the-scenes work on a spending deal is sure to continue. It is also a distinct possibility that the House will return from its recess early for the express purpose of negotiating a spending deal.

In the meantime, Congress has attempted to act on a variety of legislative issues, which have largely stalled due to contentious debate in each House. The aforementioned foreign aid package and similar legislation have fallen apart for various reasons. In a rare moment of bipartisanship, the House voted overwhelmingly on a resolution to condemn sexual violence committed by the terrorist group Hamas, though the resolution has no formal statutory effect.

### North Topsail Beach CBRA Mapping Issue

The passage of [H.R. 2437](#) – Congressman Murphy’s bill to correct issues arising from historical improper mapping of Coastal Barrier Resources System Unit L06 boundaries – out of the House Natural Resources Committee at the end of 2023 remains a significant accomplishment. This remains the most significant movement of the bill across many sessions of Congress, and across the numerous iterations of the bill that have been introduced over the years.

We are still waiting for the Congressional Budget Office (CBO) to “score” the bill. CBO is required to produce a cost estimate for nearly every bill approved by a full committee of the House of Representatives or the Senate. It can take several months to produce a CBO score. Having a CBO score is essential to a bill moving forward in Congress, so action on the bill will be stalled until CBO produces the score.

The bill also remains caught in the legislative logjam that ongoing disagreements over government funding have created, though there will certainly be opportunities to advocate and push for the bill’s passage before the end of this Congress. As this is an election year, the lame-duck period at the end of the year represents a significant opportunity to push legislation to a vote. Senator Budd, Senator Tillis, and Congressman Murphy’s offices will remain invaluable partners in moving the bill closer to passage. The bill must still be passed by the full House, the Senate, and be signed into law by the President in order for it to become law.

### Sand Borrowing

Just as with H.R. 2437, Congressman Rouzer’s legislation, [H.R. 524](#), to exempt certain uses of federal funds in shoreline borrow sites within the CBRS, is subject to the legislative impasse created by ongoing disagreements over the federal budget. It was extremely promising for the bill’s chances of passage

to see H.R. 524 passed by the House Natural Resources Committee on November 15, 2023, by unanimous consent. Passage by unanimous consent is indicative of overwhelming bipartisan support and that a bill is non-controversial. There is a good chance that this legislation will be able to pass the whole House and Senate and be signed into law before a new Congress is seated in 2025.

### **FEMA Reinsurance**

In response to a question we received from Chairman Smith regarding the potential impacts of FEMA reinsurance on North Carolina reinsurance rates, we drafted a memo to the Commission (dated January 28, 2024) based on our research and knowledge of the FEMA reinsurance program. We concluded that while FEMA's reinsurance program could potentially influence reinsurance costs in North Carolina, it is not the sole determinant.

For your reference, a copy of the memo is included as an attachment to this report.

### **Other FEMA Issues**

On January 19, 2024, the Department of Homeland Security announced reforms to FEMA's Individual Assistance Program (IAP). The Biden Administration announced that IAP reforms were forthcoming in the President's Spring Regulatory Agenda in June 2023. They were anticipated to be released in October 2023 but were delayed.

These reforms encompass substantive and procedural changes to how the IAP is administered. For example, the new rule would enable disaster-impacted families to access a \$750 payment for critical needs such as baby formula, food, and water. It will also reduce the barriers for those applying for housing assistance and other assistance under the IAP. Less documentation will be required for applications, and appeals of decisions made by FEMA will be streamlined.

Reforms will also streamline related insurance claims and other assistance requests. Disaster-impacted families and business owners can apply for Small Business Administration (SBA) loans concurrently with making FEMA assistance requests and will not be required to apply for an SBA loan before accessing certain FEMA assistance for businesses. FEMA financial support will also be expanded to allow self-employed workers to replace certain tools and hardware related to their profession.

Overall, the announced IAP reforms appear to be good news for those seeking access to FEMA financial assistance under the IAP. All reforms under this process will take effect for any disasters declared on or after March 22, 2024. A one-pager on IAP reforms provided by FEMA can be found [here](#), and the announcement by FEMA can be found [here](#).

### **FY 2025 Appropriations and Earmarks**

As Congress has yet to pass a full FY 2024 budget, FY 2025 appropriations and earmarks have been delayed. We anticipate Members of Congress that participate in the earmarking process to begin to open their individual request processes sometime in March, though specific timing may vary. Generally, we anticipate that the FY 2025 appropriations process will closely resemble the FY 2024 process. Like in

FY 2024, we expect Members of the House of Representatives will be limited to fifteen (15) appropriations requests, and Senators will have no submission limits.

There may be many opportunities for TISPC member communities to engage in earmarking to assist with the funding of public projects. Several federal accounts that were open to earmarking in the FY 2024 process (and which we fully expect will be open in FY 2025) may be useful to coastal communities, including:

- The FEMA Emergency Operations Centers account;
- The FEMA Pre-Disaster Mitigation account;
- The NOAA Coastal Zone Management account;
- The U.S. Army Corps of Engineers Investigations account;
- The U.S. Army Corps of Engineers Construction account;
- The U.S. Army Corps of Engineers Operations and Maintenance account;
- The Environmental Protection Agency State and Tribal Assistance Grant (STAG) account; and
- The Maritime Administration Port Infrastructure Development Program account.

TISPC's five (5) federal advocacy priorities for 2024 focus on policy issues, so FY 2025 appropriations are not relevant to meeting those goals. However, because several appropriations accounts are relevant to coastal issues, TISPC and its member communities should be aware that these funding opportunities exist. Any funding research or identification of funding opportunities for specific projects on behalf of a TISPC member community would be subject to a separate agreement with said municipality or county.

### **Surf City General Reevaluation Report (GRR)**

We have been in contact with Kyle Breuer regarding the Surf City GRR and possible Congressional action that may be necessary to move the project forward. As we reiterated to Kyle, we remain available to assist TISPC and Surf City on the GRR, as needed.