December 2013

Congressional Negotiators Reach a Deal on the Federal Budget
Sen. Patty Murray (D-WA) and Rep. Paul Ryan (R-WI), Chairs of the House-Senate Budget Conference Committee, announced December 10 that budget negotiators had reached a budget agreement that will set federal discretionary spending levels for the next two years. If approved by the House and Senate, the agreement would avert a government shutdown early next year.

The agreement increases federal discretionary spending by $63 billion over the next two years and raises the sequester mandated level of spending from $967 billion to $1.012 trillion for fiscal year (FY) 2014 and to $1.014 trillion for FY 2015. The agreement on spending levels will allow Sen. Barbara Mikulski, (D-MD) and Rep. Hal Rogers, (R-KY), Chairs of the Senate and House Appropriations Committees, to move forward with an omnibus spending measure that includes all 12 of the annual appropriations bills. The omnibus measure will include the Transportation and Housing and Urban Development (T-HUD), the Energy and Water and the Environment and Interior spending bills.

The House could vote on the budget agreement as soon as December 13. Federal programs are currently funded through January 15 by a stopgap funding measure that was part of the deal to end the federal government shutdown in October.

FEMA Seeks Feedback on Strategic Plan
The Federal Emergency Management Agency (FEMA) announced that the agency is seeking feedback as it develops its 2014–2018 Strategic Plan. The plan will be built around five strategic priorities and two strategic imperatives to advance the way the agency approaches response, recovery, preparedness, protection and mitigation. The two strategic imperatives that frame the strategic planning efforts are, “A Whole Community Approach to Emergency Management” and “Foster Innovation and Learning.”

Details on the strategic priorities and imperatives may be found at: http://www.fema.gov/media-library-data/20130726-1911-25045-2187/2015_2019_administrator_s_intent_final508.pdf.
In addition, FEMA is looking for feedback to help define five core areas of focus as the agency develops the plan. They are: 1) Be survivor centric in mission and program delivery; 2) Become an expeditionary organization; 3) Posture and build capacity for catastrophic disasters; 4) Enable disaster risk reduction nationally; 5) Achieve business and management excellence.

FEMA is providing several opportunities to participate in discussions through webinar discussions and online collaboration. A webinar will be held December 19 from 3:00 PM to 4:30 PM Eastern Time. To participate, dial 1-888-219-1217 (Participant Passcode: 7395335). Follow the Adobe Connect Link: https://fema.connectsolutions.com/femastrategicplan. Select “Enter as a Guest.”

FEMA has also made an online forum available for public discussion, which can be accessed at http://fema.ideascale.com.

**Cybersecurity Amendment Offered to Defense Authorization Bill**

Sen. Jay Rockefeller (D-WV), Chair of the Senate Commerce, Science and Transportation Committee, has offered legislation to strengthen cybersecurity as an amendment to the National Defense Authorization Act (NDAA) of 2014 (S. 1197).

The Cybersecurity Act of 2013 (S.1353) would establish voluntary national cybersecurity standards for owners and operators of critical infrastructure systems, promote further cybersecurity research and development and strengthen the cybersecurity workforce, and launch a public cybersecurity awareness and preparedness campaign nationwide in an effort to build more resilient communities.

The Senate Commerce, Science and Transportation Committee approved the cybersecurity bill by a voice vote in July. The Senate has yet to pass the NDAA bill. The House passed its version (HR 1960) in June.

**APWA Supports Clean Water Trust Fund Legislation**

Rep. Earl Blumenauer (D-OR) has introduced legislation establishing a new Clean Water Trust Fund that will provide a small, deficit-neutral, protected source of revenue to help states replace, repair and rehabilitate critical wastewater treatment facilities. APWA supports the bill.

The legislation, the Water Protection and Reinvestment Act, would create a voluntary labeling and contributory system to which businesses that rely on a clean water source could opt-in. Businesses could choose to place a small label on their products indicating their commitment to protecting the nation’s clean water. For each unit that displayed such a label, companies would contribute $0.03 to the Water Trust Fund.

APWA’s partners from the Water Infrastructure Network, the National Association of Counties, the National League of Cities, the National Association of Clean Water Agencies, the American
Council of Engineering Companies and the United Association of Plumbers & Pipefitters of the United States, Canada and Australia also expressed support for the bill.


**APWA Works to Protect Fire Hydrants from Unnecessary Regulation**

APWA, the US Conference of Mayors, the National League of Cities and the National Association of Counties wrote to US Environmental Protection Agency (EPA) Director of the Office of Ground Water and Drinking Water, urging the agency to withdraw the recent interpretation extending the applicability of the *Reduction of Lead in Drinking Water Act* to fire hydrants.

The letter states that the agency’s recent interpretation extending applicability of the Reduction of Lead in Drinking Water Act to fire hydrants is misplaced, unnecessary and will not provide any additional public health benefits. Such an interpretation, if allowed to stand, will result in an unfunded mandate on local governments across the nation because this existing stock of hydrants will no longer be usable.

The agency has agreed to reconsider its interpretation and respond to stakeholders by the implementation date in early January. In addition to working with EPA to address the concerns, APWA has joined a broad coalition of groups, including the American Water Works Association, the Association of Metropolitan Water Agencies and the National Association of Water Companies, in urging House and Senate leaders to pass legislation specifically exempting fire hydrants from the *Reduction of Lead in Drinking Water Act*. The House passed a bill December 2. The coalition is now focusing its efforts on the Senate.

**APWA Reminds WRDA Conferees of Importance of SRF Programs**

In a letter to House and Senate conferees negotiating an agreement on authorizing Water Resources Development Act (WRDA) programs, APWA expressed support for the Water Infrastructure Financing Innovation Act (WIFIA) in the final bill and encouraged conferees to include the reauthorization of the Drinking Water and Clean Water State Revolving Funds. Proponents of WIFIA, a pilot program for financing water projects modeled after a similar highway financing program, are working to ensure that the proposal is included in the final package.

House and Senate Conference Committee negotiators are working to reconcile differences in House and Senate versions of WRDA to meet an end of the year deadline. The conference committee is led by Senate Environment and Public Works Committee Chair Barbara Boxer (D-CA) and House Transportation and Infrastructure Committee Chairman Bill Shuster (R-PA).

Both House and Senate bills would authorize US Army Corps of Engineers projects to dredge waterways and harbors, provide ecosystem restoration and build dams, locks and levees. Some
of the most significant differences between the two versions relate to how projects will be authorized, certain environmental streamlining provisions and the final cost of the overall bill.

**Proposed Rule Addresses Wireless Facilities Siting Policies**
The Federal Communications Commission (FCC) is requesting comments on a notice of proposed rulemaking (NPRM) to implement provisions governing state and local review of wireless siting proposals. Comments are due by February 3, 2014. Reply comments are due by March 5, 2014.

The NPRM addresses four issues regarding the regulation of wireless facility siting and construction. First, FCC seeks comment on implementing section 6409(a) of the Middle Class Tax Relief and Job Creation Act of 2012, enacted to advance wireless broadband service. Section 6409(a) states, “a state or local government may not deny, and shall approve, any eligible facilities request for a modification of an existing wireless tower or base station that does not substantially change the physical dimensions of such tower or base station.” Eligible facilities request include collocation requests as well as requests for removal or replacement of existing equipment. The proposed rule defines terms left undefined in the law. FCC also seeks comment on how to encourage efforts to develop best practices for applying the section and what role they might play in interpreting or implementing the provision.

In addition, FCC is requesting comment on its environmental review process for distributed antenna systems, small cells and other small scale wireless technologies that may have minimal effects on the environment. In the NPRM FCC also proposes to adopt a narrow exemption from its preconstruction environmental notification requirements for certain temporary towers.

Finally, FCC is seeking comment on whether to address certain disputes or questions that have arisen about how to apply a 2009 Declaratory Ruling in several specific circumstances having to do with definition of collocation, completeness of applications, local moratoria, application of distributed antenna systems and deemed granted remedy. However, FCC is not seeking comment on or otherwise revisiting the declaratory ruling.


**Deputy Transportation Secretary Porcari to Step Down**
US Department of Transportation Deputy Secretary John Porcari announced that he will leave the agency at the end of the year. Transportation Secretary Anthony Foxx named Federal Highway Administrator Victor Mendez to be Acting Deputy Secretary following Porcari’s departure.
Porcari has held the number two position at USDOT since June 2009 and played key roles in advancing the Administration’s stimulus programs and USDOT’s TIGER program. Prior to serving at USDOT, Porcari was Secretary of the Maryland Department of Transportation.

A replacement will require confirmation by the Senate. Mendez becomes Acting Deputy Secretary January 1.

**House Bill Would Raise Federal Gas Tax by 15 Cents per Gallon**

Rep. Earl Blumenauer (D-OR) has introduced legislation to phase in over the next three years a 15 cents per gallon tax increase on gasoline and diesel. The Update, Promote and Develop America’s Transportation Essentials (UPDATE) Act, HR 3636, would raise approximately $170 billion over 10 years.

The bill would phase in the increase starting in 2014, index the federal gas and diesel taxes to inflation and confirm Congress’s intention to replace the gas tax with a more equitable, stable source of funding by 2024.

Blumenauer also introduced legislation establishing a competitive grant program to fund Vehicle Miles Traveled (VMT) pilot projects. The Road Usage Fee Pilot Program Act (HR 3638) would prioritize projects that involve multiple states and set aside 10 percent of funding for regional-scale projects to provide local municipal flexibility. The legislation directs the Department of Treasury to assist and study the implementation of these projects. Treasury will be responsible for ensuring that the system protects privacy and is simple to administer and will convene working groups coordinated with the Department of Transportation to address the more complex aspects of the transition.

**Senate Bill Establishes Infrastructure Financing Authority**

Sen. Mark Warner (D-VA) and a bipartisan coalition of ten Senators introduced legislation to establish a new infrastructure financing authority to help states and localities better leverage private funds to build and maintain infrastructure.

The Building and Renewing Infrastructure for Development and Growth in Employment Act, or BRIDGE Act (S. 1716), aims to help address the nation’s investment shortfall in maintaining and improving transportation, water and wastewater systems and energy infrastructure.

The BRIDGE Act will establish an independent, nonpartisan financing authority to complement existing U.S. infrastructure funding. The authority would provide loans and loan guarantees to help states and localities fund the most economically viable road, bridge, rail, port, water, sewer and other significant infrastructure projects. The authority would receive initial seed funding of up to $10 billion to spur private sector investment and make possible up to $300 billion in total project investment. The authority is structured in a way to make it self-sustaining over time.
Key provisions include:

- Projects would have to be at least $50 million in size and be of national or regional significance to qualify. Five percent of the Authority’s overall funding would be dedicated to projects in rural regions, and rural projects would be required to be $10 million in size.
- The Authority would finance no more than 49 percent of the total costs of the project in order to avoid crowding out private capital. Loans and loan guarantees would be subject to modest additional fees, which will allow the Authority to quickly become self-sustaining over time.
- The Authority would operate independently of existing federal agencies, led by a Board of Directors with seven voting members and a CEO, all of whom would be required to demonstrate proven expertise in financial management and be confirmed by a vote of the Senate.
- The legislation is likely to be considered as part of a broader transportation reauthorization bill next year.

For more information visit: http://cqrcengage.com/apwa/app/bill/350835.

FHWA Releases Draft of Primary Freight Network

The Federal Highway Administration has published a draft initial designation of the Primary Freight Network (PFN) which provides information about designation of Critical Rural Freight Corridors (CRFC), designated by the states, and establishment of the National Freight Network (NFN), which combines the two, along with the portions of the Interstate System not designated as part of the PFN.

FHWA is seeking comment on the draft initial PFN and other critical aspects of the NFN. Comments are due January 17. For more information visit: http://www.gpo.gov/fdsys/pkg/FR-2013-12-11/pdf/2013-29520.pdf