



City of Phoenix

To: Mayor and Council
Executive Team

Date: October 9, 2008

From: Karen Peters
Government Relations Director

Subject: FEDERAL UPDATE: OCTOBER 3 – OCTOBER 9, 2008

This memorandum provides an update of the past week's federal activities – Congressional action, lobbying and national meetings. Please let me or Tom Remes know if you have any questions or need further information on specific legislation or issues.

OCTOBER 3 – OCTOBER 9, 2008

Congressional Update

The House of Representatives adjourned on Friday, October 3 and currently is not scheduled to return to Washington for the remainder of the year. The Senate has not adjourned but rather is convening daily *pro forma* sessions to forestall recess appointments by the Bush administration.

Second Stimulus Package

On Wednesday, House Speaker Nancy Pelosi (D-CA) issued a statement that a \$150 billion economic stimulus plan is needed now because of the faltering economy. She may call the House into "lame duck" session after the November 4 election to pass it. Pelosi told reporters that the stock market meltdown, which had caused an estimated \$2 trillion loss as of earlier this week from pension funds, was a factor in her recommendation for a second stimulus bill.

Speaker Pelosi's press release states: "Last month, the House passed an economic recovery and stimulus package that creates jobs by rebuilding our roads, bridges and highways, prevents cuts to health care coverage resulting from state budget crises, extends unemployment benefits, and helps families afford rising food costs. While Senate Republicans blocked our plan, the growing evidence of the spreading harm of the current economic crisis on Americans should persuade the President and those Members of Congress who have opposed our efforts of the need for immediate, bipartisan action."

United States Conference of Mayors (USCM) – Immigration Reform

Last weekend at the USCM Fall Leadership Meeting in Palm Beach, the mayors serving on the *Comprehensive Immigration Reform Task Force* agreed on a strategy of quick action to achieve immigration reform in the next Congress and new Administration. As

Chairman of the Task Force, Mayor Gordon and the other members adopted five principles based on existing Conference of Mayors policy which will guide the efforts:

- Increased border security and enforcement;
- More support for city and state governments;
- Use of new technologies to match up foreign workers with jobs in this country that are going unfilled;
- Elimination of current obstacles to citizenship or legal resident status for the 10-12 million undocumented residents living in the shadows; and
- Protection of the human and civil rights of both citizens and non-citizens being detained.

The Task Force will work to further refine the strategy and plan for meetings with the new Administration and Congressional leaders. A key part of this strategy will be building alliances with other groups to achieve consensus for realistic immigration reform which can be enacted at the earliest possible date.

Community Development Block Grant (CDBG)

The Department of Housing and Urban Development (HUD) sponsored a two-day summit in Washington, D.C. with federal, state, and community leaders to discuss the *Neighborhood Stabilization Program (NSP)*, the *Housing and Economic Recovery Act of 2008*, the *HOPE for Homeowners* program, and other foreclosure prevention and loss mitigation programs. In his opening remarks, HUD Secretary Steve Preston announced the implementation of the *Hope for Homeowners* Program, saying that “the program will provide additional help to refinance families in the most difficult situations. For lenders to participate, they must reduce the loan amount to no more than 90% of the home value, insuring a layer of equity. In addition the restructured loan must meet an affordable standard for the family to reduce the chance of another default. We and our partners have moved mountains to launch *HOPE for Homeowners* by October 1, the first allowable date under the legislation.”

Neighborhood Services Department Director Jerome Miller participated in the summit to get additional details on how the City can use its \$39 million NSP allocation.

Federal Aviation Administration (FAA) Reauthorization

On September 30, the President signed H.R. 6984, the Federal Aviation Administration Extension Act, which provides for a six-month extension through March 31, 2009 of FAA programs and taxes, authorizes \$1.95 billion for the Airport Improvement Program (AIP), and reauthorizes the Small Community Air Service Development Program until September 30, 2009. This six-month extension means that there will likely not be a multi-year FAA Reauthorization bill until next year. Government Relations and the federal team will continue to stress to members of Congress the importance of completing a multi-year reauthorization bill.

Presidential Transition

President Bush signed an Executive Order today that begins the process of transition from his administration to the next. Washington does not wait until inauguration day to figure out the details of a transition to a new presidency. Both presidential campaigns already have designated officials to oversee such a transition once the outcome of the election is known. The transition team of the winning candidate will set up procedures for selecting key personnel and making policy decisions in the 11 weeks between the

election on November 4 and the inauguration of a new President in January, 2009. Congress has appropriated \$8 million to finance transition operations.

President Bush's order established a presidential transition coordinating council whose members include top officials from the intelligence and national security community, as well as the White House budget office, the Justice Department, Homeland Security and other agencies. Even before the election, they will work with both the Obama and McCain campaigns "to provide appropriate information and assistance . . . on an equal basis and without regard for party affiliation," the order directs. "The council shall assist the major party candidates and the President-elect by making every reasonable effort to facilitate the transition between administrations."

Department of Homeland Security Funding

H.R. 2638, the Continuing Resolution (CR) described last week that funds federal government through March, 2009, provides FY 09 funding for the Department of Homeland Security, including \$4.2 billion for *First Responder and Port Security Grant Programs*, which is \$2 billion above the President's request and \$24 million above 2008. This total includes:

- **State Grants:** \$950 million, rejecting the President's \$777 million cut and the same as 2008, for grants used to plan, equip and train local first responders to respond to terrorist attacks and catastrophic incidents.
- **Urban Area Grants:** \$837.5 million, \$17.5 million above 2008 and \$12.5 million above the President's request, to help high-risk urban communities prevent, respond to, and recover from terrorist attacks.
- **Transit Grants:** \$400 million, rejecting the President's \$225 million cut and the same as 2008, to protect critical transit infrastructure, including freight rail, Amtrak and ferry systems in high-threat areas.
- **Emergency Management Performance Grants:** \$315 million, rejecting the President's \$100 million cut and \$15 million above 2008, for all-hazard grants for State and local emergency managers.
- **Fire Grants (including SAFER):** \$775 million, rejecting the President's \$450 million cut and \$25 million above 2008, to help local fire departments address communication, equipment and staffing problems.
- **Metropolitan Medical Response System:** \$41 million, rejecting the President's proposal to eliminate aid to help high-threat communities respond to mass casualty incidents and the same as 2008.
- **Interoperable Communications:** \$50 million, rejecting the President's proposal to eliminate aid to help police, firefighters and emergency responders to talk to each other during a crisis and the same as 2008.
- **Emergency Operations Centers:** \$35 million, rejecting the President's proposal to eliminate assistance for states and local communities to construct, equip, and upgrade central command facilities used by emergency personnel during disasters and \$20 million above 2008.

Staff will work to maximize access to these federal grant funds for Phoenix. The City's federal lobbyists plan to work with the Arizona delegation and the Department of Homeland Security to ensure that the Phoenix Urban Area Security Initiative (UASI) program is fully funded in FY 2009.