



## City of Phoenix

**To:** Mayor and Council  
Executive Team

**Date:** October 16, 2008

**From:** Karen Peters  
Government Relations Director

**Subject:** FEDERAL UPDATE: OCTOBER 10 – OCTOBER 16, 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 10 – OCTOBER 16, 2008**

#### **Economic Stimulus Package in the House of Representatives**

House Speaker Nancy Pelosi (D-CA) and other Democratic leaders held a Columbus Day meeting with a group of economists in a continuing effort to convince Republicans and President Bush to support a second economic stimulus package. Pelosi has asked the chairs of the Financial Services, Oversight & Government Reform, Budget, Education & Labor, and Agriculture Committees to convene hearings next week to analyze the nation's current economic situation and craft a package to boost spending.

On Wednesday, Pelosi suggested that the new stimulus package should be \$150 billion. That's more than double the \$61 billion stimulus bill that the House passed before recessing for the fall campaign season. President Bush had promised to veto that measure, but it failed to clear the Senate. Pelosi's new figure is roughly the same as the \$152 billion stimulus signed into law in February, which included tax rebates.

The Speaker did not announce a lame-duck session of the full House, though one is expected during the week of November 17 to consider whatever legislation comes out of the hearings this month.

#### **Transportation a Priority in House Stimulus Discussions**

According to the American Association of State Highway and Transportation Officials (AASHTO), spending on transportation infrastructure projects is a high priority for Democratic leaders in Congress who are shaping economic stimulus legislation. "If Congress wants to support small business, create thousands of jobs here at home, and stimulate the economy, it should invest in the more than 3,000 'ready to go' highway projects that could be under contract within the next 30-to-90 days," John Horsley, AASHTO executive director, said in a Wednesday press release. "Funding

these 'ready to go' projects offers Congress a tremendous opportunity to put Americans to work and help cash-strapped states repair and replace our crumbling infrastructure."

### **Housing Summit**

Hundreds of stakeholders from 47 states, including representatives from local and state government, housing authorities, financial institutions and community-based organizations met in Washington, D.C., October 7 and 8 for a detailed discussion with staff from the Department of Housing and Urban Development (HUD) on the new \$3.92 billion Neighborhood Stabilization Program (NSP), created to implement provisions of the Housing and Economic Recovery Act of 2008.

By December 1, NSP entitlement cities and states must submit action plans to HUD providing details about how NSP funds will be spent. Local governments that are not targeted for direct funding are to coordinate with state agencies and HUD field offices.

HUD has provided statistical data to help states and localities target the greatest need, including figures on the number and percent of subprime mortgages, defaults, delinquencies and foreclosures. However, grantees may also use their own data, such as utility bills and code enforcement records, to be more precise about how and where funds are made available.

Neighborhood Services Director Jerome Miller attended this meeting. Additionally, Neighborhood Services staff participated in regional HUD meetings.

### **House Climate Change Bill**

Last week, the House Energy and Commerce Committee released a 400-plus page committee draft of climate change legislation that will be the base bill for action in the next Congress. The draft includes language that would preempt state and regional climate change agreements. The bill also creates a state and local transportation efficiency program that would provide grants on a competitive basis to transportation systems that reduce emissions and decrease vehicle miles traveled. Phoenix staff will evaluate the draft and make recommendations to the Mayor and Council. Phoenix Congressman John Shadegg (R-CD3) sits on this committee.

### **Federal Aviation Issues**

The City's federal lobbyists met with U.S. Customs and Border Patrol regarding staffing at Sky Harbor International Airport. Additionally, they met with Transportation Security Administration staff to discuss the In-Line Explosive Detection System (EDS) Baggage Screening Systems funding.

### **Internal Revenue Service (IRS) Pension Reform Rule**

As mentioned in a previous update, in May 2007 IRS published a final rule on distributions from a pension plan upon attainment of "normal retirement age." For government plans, the changes were to have taken effect in plan years starting on or after January 1, 2009.

This week IRS issued public notice 2008-98 indicating its intention to extend the date by which government plans must comply with the final rule from January 1, 2009 to January 1, 2011. City staff will continue to participate in the national dialogue on this topic.