



## City of Phoenix

**To:** Mayor and Council  
Executive Team

**Date:** October 23, 2008

**From:** Karen Peters  
Government Relations Director

**Subject:** FEDERAL UPDATE: OCTOBER 17 – OCTOBER 23, 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 17 – OCTOBER 23, 2008**

#### **Preparation of Federal Legislative Agenda**

Government Relations is working with City departments to prepare suggestions for the federal legislative agenda that will be discussed, together with the state legislative agenda, at the **November 18** Council work study session. Departments are submitting authorization, appropriation and rule change requests as well as proposed policy statements. After the November 4 general election there will be new President who will bring with him a new Cabinet and Administration; there are also likely to be many changes in the Congress. These changes provide an opportunity to reevaluate our federal strategies and create new partnerships. Government Relations is looking forward to input and direction on the agenda for the 111<sup>th</sup> Congress.

#### **Lame Duck Session**

A lame duck session of the Congress is tentatively slated to begin on November 17. It is unclear what issues might be addressed during this session. One scenario has the Congress meeting just for that week for a brief post-election organizational session. As was mentioned in previous reports, there are nine unfinished FY09 Appropriations bills, thus requiring that many portions of the federal government operate under a Continuing Resolution through March 6, 2009.

But there is speculation that the lame duck may be used to address a number of issues including a second economic stimulus package, completion of all FY09 Appropriations bills, and passage of a number of other bills that would otherwise die at the end of the 110th Congress on December 31st. This would likely be done with a large omnibus bill that would be used to move the entire package forward.

As for the unpassed FY09 Appropriations bills, House and Senate Appropriations staff have stated that if they receive direction during the first week of the lame duck session,

they can have an FY09 Appropriations omnibus package to go no later than mid-December. Failing that, the bills would have to be addressed next year either in an omnibus or through a year-long Continuing Resolution.

### **Economic Stimulus Package**

Federal Reserve Chairman Ben Bernanke announced on Monday his support for the concept of a second stimulus package, potentially signaling that the Administration may have softened its threat to veto such a measure. It is unclear whether a measure would be brought forward before the end of the year or after a new Congress and President are in office in January. Ideas proposed for inclusion in a second stimulus package are: infrastructure projects, unemployment benefits, food stamps, and aid to cash-strapped states.

Government Relations is monitoring legislative hearings on this issue and working with departments in order to be prepared to respond quickly should legislation move after the election. For example, in the stimulus bill that passed the House in September, funds for airport infrastructure, highway infrastructure, transit capital and transit energy assistance would have been made available, with no local match required, for projects that could award bids within 120 days after enactment of the measure. State and local governments around the country are busy preparing lists of these “ready-to-go” projects.

### **Low-Income Home Energy Assistance Program (LIHEAP) Update**

The Department of Health and Human Services announced the release of \$5.1 billion in FY 2009 LIHEAP funding. The State of Arizona will receive \$29 million in formula funding and \$2 million in emergency funding for a total of \$31 million in FY 2009 LIHEAP funding. The \$2 million in contingency funding and \$29 million in formula funding are the largest LIHEAP allocations the State has ever received. Based upon past allocations, Phoenix expects approximately 25% of the Arizona funds.

### **New Market Tax Credits**

On Monday, the U.S. Treasury and the Community Development Financial Institutions (CDFI) Fund announced that 70 organizations were selected to receive \$3.5 billion in New Market Tax Credits. The Phoenix Community Development and Investment Corporation (PCDIC) was awarded \$40 million in tax credits. This is the second award the PCDIC has received bringing its total NMTC allocation to \$210 million.

### **Rio Salado Oeste Continuing Resolution Funding**

This week, the local U.S. Army Corps of Engineers office contacted City staff with the news that funding under the Continuing Resolution for Rio Salado Oeste design is \$566,000. Compared to all regional Corps projects in design, Rio Salado Oeste received more funds than any of the other projects. This is a very good start; we may even get more funds after the Continuing Resolution ends on March 6, 2009. The City's overall request was \$1.5 million.

### **Aviation Meetings**

On October 22, Deputy Aviation Director Brent Cagle and Assistant Aviation Directors Jane Morris and Paul Blue met with the Federal Aviation Administration in Washington DC to discuss the City's application for an extension of the Passenger Facility Charge (PFC) for Phoenix Sky Harbor.

**U.S. Conference of Mayors (USCM) Discusses Surface Transportation Reauthorization**

The USCM hosted a meeting on October 21 to review Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) reauthorization proposals for transit and highways prepared by associations representing local governments, regional authorities and transit groups. The meeting was one in a series of sessions that will be held over the next year to ensure that bus, light rail and heavy rail programs get a fair share of funding that will be authorized in the next transit and highway bill. More than forty city representatives, including a Phoenix representative, listened to the priorities for these organizations to increase transit's percentage of surface transportation spending in the next bill, emphasizing economic development, land use, and environmental benefits rather than a narrow evaluation provided by cost benefit analysis.