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Budget Control Act

The Budget Control Act of 2011, adopted by the U. S. House of Representatives (269-161) and the U.S. Senate (74-26) on August 1st raised the federal debt limit and is intended to cut federal government spending. President Obama signed the bill and requested that Congress lift the \$14.3 trillion debt ceiling, instantly giving Treasury \$400 billion in additional borrowing power.

As estimated by the Congressional Budget Office (CBO), the Act:

- Establishes caps on discretionary spending through 2021 ranging from \$1.043 trillion in fiscal 2012 to \$1.234 trillion in fiscal 2021.
- Makes changes to the Pell Grant and student loan programs.
- Require that the House of Representatives and the Senate vote on a joint resolution proposing a balanced budget amendment to the Constitution between October 1 and December 31.
- Establishes a procedure to increase the debt limit by \$400 billion initially and procedures that would allow the limit to be raised further in two additional steps, for a cumulative increase of between \$2.1 trillion and \$2.4 trillion.
- Creates a Congressional Joint Select Committee on Deficit Reduction to propose further deficit reduction, with a stated goal of achieving at least \$1.5 trillion in budgetary savings over 10 years.
- Establishes automatic procedures for reducing spending by as much as \$1.2 trillion if legislation originating with the new joint select committee does not achieve such savings.

If appropriations in the next 10 years are equal to the caps on discretionary spending and the maximum amount of funding is provided for the program integrity initiatives, CBO estimates that the legislation would reduce budget deficits by \$917 billion between 2012 and 2021. In addition, legislation originating with the Joint Select Committee, or the automatic reductions in spending that would occur in the absence of such legislation, would decrease deficits by at least \$1.2 trillion over the 10-year period. Therefore, the deficit reduction stemming from this legislation would total at least \$2.1 trillion over the 2012–2021 period.

The 12 members of the Joint Select Committee on Deficit Reduction were

recently appointed by leaders of the Senate and House of Representatives. The committee consists of six Democrats and six Republicans. The members are:

- Senators – Murray (Co-Chair), Kerry, Baucus, Kyl, Portman, Toomey.
- Representatives – Hensarling (Co-Chair), Camp, Upton, Clyburn, Van Hollen, Becerra

The 12-person Committee is required to report by November 23 and the bill provides for expedited floor procedures for voting in each chamber by December 23.

If Congress doesn't act on the Joint Select Committee's recommendations, or if the new law doesn't meet the deficit-reduction goals, additional cuts based on the difference between \$1.2 trillion and whatever is enacted would go into effect. The reductions would be equally divided between security and non-security programs.

Congressional milestones outlined in the Act are as follows:

- **By October 14, 2011** the Joint Select Committee must consider any recommendations from House and Senate committees with respect to changes in law necessary to meet the goal of the Joint Select Committee.
- **By November 23, 2011** the Joint Select Committee is required to vote on a report which contains recommendations and legislative language in support of those recommendations to achieve at least \$1.2 to \$1.5 trillion in future deficit reduction over fiscal years 2012 through 2021.
- **By December 2, 2011** the Joint Select Committee must transmit its report and legislative language to the President, Vice President, Speaker of the House, and Majority and Minority Leaders of both the House and Senate.
- **No later than December 9, 2011** each committee of the House or Senate to which the Joint Select Committee bill is referred must report that bill without amendment to the House or Senate floor.
- **On or before December 23, 2011** the full House and Senate must vote on the Joint Select Committee's proposed legislation without amendments.
- If the Joint Select Committee bill is passed by the full House and Senate and is then vetoed by the President, debate in the Senate on the veto override is limited to one hour, equally divided between the majority and minority leaders.

FAA Reauthorization

On August 5 the Senate approved a six-week reauthorization of the Federal Aviation Administration (FAA), extending the FAA's budget authority through September 16, 2011 allowing federal aviation programs to continue and the federal government to again collect the over \$30 million a day in airline ticket taxes.

The extension, however, does not address the underlying disagreement over a provision in the longer-term FAA authorization bill that would restrict airline workers' collective-bargaining rights and a controversial provision that would have eliminated federal subsidies for several small airports. The legislation passed the Senate by unanimous consent with the understanding that Transportation Secretary LaHood would utilize his authority to exempt

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several airports from the proposed subsidy cuts. President Obama signed the measure the same day it was adopted. The FAA extension sent the nearly 4,000 furloughed workers and tens of thousands of contractors back to work.

Urban Areas Security Initiative

Broward County staff, along with staff from Miami-Dade, Palm Beach and Monroe counties participated in Urban Areas Security Initiative (UASI) strategy sessions on August 1st and 17th to develop a plan of action to prevent any cuts to the Fort Lauderdale-Miami UASI.

The group's approach is to make a case to Florida Senators Nelson and Rubio (both of which are on the Senate's Select Intelligence Committee) that the Fort Lauderdale-Miami UASI should be a Tier 1 UASI, such as New York, Los Angeles and San Diego. In order to accomplish this goal, the group agreed to the following:

- Make Congress aware of the unique risks in South Florida that make the area a target for potential terrorist activity.
- Explore any possibility that the Fort Lauderdale-Miami UASI could become a Tier 1 UASI.
- Request creation of a more transparent system regarding scoring for UASIs.
- Allow members of Congress to review the scoring for UASI areas (since the information is not currently shared) to ensure different regions are being treated objectively.
- Advocate for equal cuts across the board based on 2010 funding levels. Last year, the top 11 UASIs did not endure any funding cuts; however, the Fort Lauderdale-Miami UASI suffered a 44% cut.
- Ask Congress to consider the ongoing maintenance and sustainability needs, training, etc.
- Educate Congressional leaders on the importance of keeping the Jacksonville, Orlando, and Tampa UASIs.

Members of the UASI strategy group are planning a September 13th-15th fly-in to Washington, DC to meet with Senators Rubio, Nelson, Landrieu and Coats and Homeland Security staff to advocate on behalf of the Fort Lauderdale-Miami UASI.

3% Withholding

The 3% withholding law mandates that federal, state and local governments that spend more than \$100 million per year on goods and services withhold 3% of their contract payments. Compliance with this law will impose significant, unnecessary financial burdens on both the public and private sectors. The effective date of implementation for the 3% withholding requirement has again been delayed until January 2013.

The House version (H.R. 674) of the 3% withholding repeal legislation now has 221 cosponsors, representing an outright majority of House members that have signed on as cosponsors of the bill; meanwhile, the Senate version (S. 164) now has 21 cosponsors of the Senate version of the legislation.

Port Everglades – Maintenance Dredging Project

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Port Everglades Director Phil Allen and Deputy Port Director Glenn Wiltshire travelled to Washington, DC and met with Senators Rubio and Nelson, Representatives Wasserman Schultz, West, and Mica, as well as staff from the U.S. Army Corps of Engineers, to advocate for the Port's maintenance dredging and channel deepening projects.

Mr. Allen and Mr. Wiltshire, along with Kareem Murphy of the Ferguson Group, stressed the need to include an additional \$3 million in the President's FY 2013 budget request to dredge the federal channel to its authorized depth of 42 feet. The Corps has roughly \$2.46 million currently available for this project, and the \$3 million request would complete the funding for this project.

Equally important, a case was made for adding \$1.5 million to the President's FY 2013 budget request for the Port Everglades' Deepening and Widening Program. The Corps' study has continued for over a decade; the Port desires to complete the study in the next 18 months.

The County is working with the Congressional Delegation to send a letter to Mr. Jacob Lew, Director, White House Office of Management and Budget, urging the inclusion of both projects within the President's FY 2013 budget.

Patient Protection and Affordable Care Act

Last week, a three-judge panel of the 11th Circuit Court of Appeals held 2-1 that the individual mandate in the Patient Protection and Affordable Care Act is unconstitutional. In so doing, the Court rejected the federal government's argument that the Act's individual mandate was authorized under the Constitution's Commerce Clause, which allows the federal government to regulate interstate commerce. The suit was initiated by Florida and 25 other states opposed to the plan requiring almost all Americans to have health insurance in 2014 or be subject to a fine.

The court upheld the Medicaid expansion. The states' lawsuit had sought to block the part of the law that calls for expanding Medicaid to families and individuals with up to 133 percent of household income, which is estimated to cover an additional 16 million people. The appellate court overturned a part of a lower court's ruling, declaring the rest of the law could stand without the individual mandate.

The White House downplayed the [304-page decision](#) and said the Affordable Care Act will ultimately be upheld. The Supreme Court may take up the case in its next term, which begins this October and ends in June 2012.

Transportation Reauthorization Proposals

The U.S. House and Senate released outlines for potential transportation reauthorization proposals intended to modernize and reform the nation's current transportation systems. The House proposal would provide \$230 billion over six years from the Highway Trust Fund for transportation projects; meanwhile, the Senate proposal would authorize federal-aid highway programs for 2-years while maintaining current spending levels.

The House and Senate proposals include:

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- Consolidating or eliminating nearly 70 duplicative programs.
- Cutting bureaucratic red tape by:
 - Allowing federal agencies to review projects concurrently.
 - Delegating project approval authority to states.
 - Establishing hard deadlines for federal agencies to make decisions on permits and project approvals.
- Providing formula funds to states for projects to improve the movement of freight on highways, including freight intermodal connectors.
- Providing funds to states for projects and programs in air quality nonattainment and maintenance areas for ozone, carbon monoxide, and particulate matter, which reduce transportation related emissions.
- Providing funds to states for infrastructure improvements on all public roads to achieve a significant reduction in traffic fatalities and serious injuries.
- Increasing funding for the Transportation Infrastructure Finance and Innovation Act program from \$122 million per year to \$1 billion per year.
- Utilizing performance targets to assist states in steering limited resources to projects that will assure improvement in the condition and performance of nation's highways and bridges.

Wetlands Conservation in the Everglades

On August 11, the U.S. Department of Agriculture (USDA) announced a \$100 million plan for wetlands conservation in the Everglades. The funds, which will come from the Wetlands Reserve Program of the USDA Natural Resources Conservation Service, will be used to acquire permanent conservation easements from agricultural landowners in the Northern Everglades Watershed, made up of parts of Glades, Hendry, Highlands, and Okeechobee counties.

Specifically, the program will allow eligible landowners to voluntarily sell the rights to develop their land while otherwise retaining exclusive ownership and the ability to use their land for agricultural purposes. Restoring wetlands in the Watershed will help to decrease water runoff, thereby reducing nutrient contamination in the Everglades and South Florida's water management infrastructure, while also providing critical wildlife habitat.

Clean Water Cooperative Federalism Act

H.R. 2018, the Clean Water Cooperative Federalism Act of 2011, which passed in the U. S. House of Representatives on July 13, would amend the Clean Water Act to limit the Environmental Protection Agency's (EPA) authority to enforce Clean Water Act standards in the states. Sponsored by Rep. Mica, the bill would reduce the EPA's ability to promulgate new or revised water quality standards for pollutants in states where a standard has been previously approved by the EPA Administrator, even where a standard is determined to not be protective of public health.

The bill would also limit the EPA's ability to veto dredge and fill permits issued by the Army Corps of Engineers (ACOE) as well as reduce the EPA's authority over National Pollution Discharge Elimination System permit

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programs. Concerns have been raised by opponents, who fear that if the bill would allow states to weaken or simply not enforce their individual water quality standards, the environmental effects of which would be felt downstream and beyond any one offending state's borders.

In response to the bill's passage in the House, the White House issued a statement that the President would veto the legislation in the event that it passes in the Senate. However, there is little chance the bill will see any action in the U.S. Senate this year.

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