

September 30, 2015

**Re: Federal Update for the week ending September 25, 2015**

**I. Federal Shutdown Update**

**II. EPA Storm-water Regulations**

**III. White House Broadband Plans IV. Transportation Funding Prospects**

Dear Mayor:

Below is an update on policy developments of import for local leaders, in our Nation's Capital.

**I. FEDERAL SHUTDOWN POSTPONED**

Earlier today, on the last day of the Federal government's Fiscal Year, the Senate passed a stopgap spending bill that will fund Federal services and programs through December 11. The House of Representatives is expected to follow suit later today. We will keep you posted on any developments on the budget that occur between now and the new shut-down deadline. While the exact impact of any future shut-down cannot be predicted, a look at the last shut-down (of 16 days) in 2013 provides some clues.

An impact study prepared immediately after that shut-down noted, "Independent forecasters estimate that the shutdown will lower fourth quarter real GDP growth by 0.2-0.6 percentage points, or \$2-\$6 billion in lost output. ... For example, because the Treasury Department's Alcohol and Tobacco Tax and Trade Bureau was unable to issue export certificates for beer, wine, and distilled spirits, *more than two million liters of U.S. products were left sitting at ports unable to ship. ... The Small Business Administration (SBA) was unable to process about 700 applications for \$140 million in small business loans, and the Federal Housing Administration (FHA) was unable to process over 500 applications for loans to develop, rehabilitate, or refinance around 80,000 multifamily rental units.*"

The Report also noted:

Millions of Americans were impacted by the shutdown, due to furloughs of Federal employees, reduced services for the public, and delays in payments to Federal grantees, States, localities, contractors, and individuals. For example, the shutdown:

Stalled weekly progress in reducing the backlog of veterans' disability claims, which was previously being reduced at a rate of *almost 20,000 claims per week.*

Delayed *almost \$4 billion in tax refunds* and will delay the start of the 2014 tax filing season by *up to two weeks.*

Forced cut-backs in Centers for Disease Control and Prevention (CDC) flu season surveillance and monitoring, leaving local public health authorities without access to complete national flu season data for *two week*

## **II. EPA SOLICITS COMMENTS ON STORMWATER REGULATIONS**

Stemming from a 2003 court decision, the U.S. Environmental Protection Agency (EPA) has established a timeline for updating its Phase II stormwater regulations regarding the procedures to be used for providing coverage to small municipal separate storm sewer systems (MS4s) under general permits.

The purpose of this rulemaking is to fix certain deficiencies that the Ninth Circuit Court of Appeals found in the permitting process for small MS4s covered under general permits, namely the lack of permitting authority review and the lack of public participation in the permitting process. This rulemaking applies to operators of a "regulated small MS4," of which 94 percent are permitted under a state general permit. There are 6380 small MS4s covered by general permits nationwide.

Under the recently negotiated timeline, EPA will publish a proposed rule by December 17, 2015 and a final rule by November 17, 2016. In the forthcoming proposed rule, EPA will solicit comments on one of the three options currently under consideration. However, communities are invited to provide feedback by early October on the options ahead of the proposed rule.

The options that EPA is considering are:

1. A traditional General Permit approach whereby the General Permit includes clear, specific and measurable provisions and the permittee is required to submit a Notice of Intent that the requirements will be met (current examples include Western Washington Small MS4 General Permit and California Small MS4 General Permit and EPA Region 6 Middle Rio Grande MS4 General Permit);
2. A procedural approach whereby the permit authority establishes a mechanism to approve individual MS4 programs (current examples include Minnesota and Texas); or
3. A state choice approach whereby the permit authority can chose to follow either option one or two or a hybrid of the two.

Click here to view EPA's recent presentation on the rulemaking.

If you do submit comments on the EPA proposed rules please copy the League at [epurcell@njslom.com](mailto:epurcell@njslom.com)

## **III. WHITE HOUSE RELEASES BROADBAND EXPANSION PLAN**

The White House released the Broadband Opportunity Council Report that describes concrete steps that 25 federal agencies will take over the next 18 months to eliminate barriers and promote broadband investment and adoption. These actions make an additional \$10 billion in federal

funding available for broadband projects. The National League of Cities (NLC), along with other local government groups, provided input to NTIA (National Telecommunications and Information Administration) during the development of this report.

As part of the Council's recommendations, the National Telecommunications and Information Administration, under its BroadbandUSA program, will create a main access portal to link federal broadband resources, policies, and grant guidance. It is also charged with collaborating with members of the Council to determine how best to implement key recommendations to improve broadband access.

We will keep you posted as the implementation plan is developed.

#### **IV. TRANSPORTATION ADVOCATES FOCUS ON HOUSE**

The House was caught by surprise in July when the Senate introduced and approved the DRIVE Act, a bipartisan, six-year transportation bill. Up until that point, the House was focused on additional short-term extensions to keep transportation funds flowing. With no long-term proposal to consider, Senate leaders sensed an opportunity and urged the House to quickly approve the DRIVE Act before the August recess. House leaders resisted the gambit, and instead pushed through another two-month extension for transportation funding. That extension ends on October 29, and House leaders are on the hook to deliver their own long-term proposal before time runs out. The House bill may represent the final opportunity for municipal advocates to have an impact on federal surface transportation programs over the next six years.

Although NLC supported the Drive Act as an improvement over the status quo, some shortcomings remained. The DRIVE Act would enact policy changes sought by local government to restore certainty in the planning and financing of transportation projects and to improve local control. However, the DRIVE Act would also perpetuate funding cuts to local areas that were enacted three years ago under the previous transportation bill, MAP-21. Under this law, local areas share of Surface Transportation Funds was reduced by 20 percent.

NLC is urging the House to introduce a bill that restores Surface Transportation Funds to local areas. We fully support this effort. See our [September 11 Update Letter](#) for details on contacting your Representative in the U.S. House.

Thanks for your follow-up on these crucial matters. We will keep you posted as events unfold.

Sincerely,

Brian C. Wahler,  
President, NJSLOM and  
Mayor, Piscataway Township