



MARLOWE & COMPANY

GOVERNMENT AFFAIRS CONSULTANTS

Washington Update

for

Topsail Island Shore Protection Commission

May 24, 2010

Submitted by

Daniel Sheehan & James Alfano

1667 K STREET, NW ■ SUITE 480 ■ WASHINGTON, DC 20006 ■ (202) 775-1796 ■ FAX (202) 775-0214

EMAIL: MARLOWE@MARLOWECO.COM ■ WWW.MARLOWECO.COM

A Limited Liability Company

TISPC WRDA10 Requests

In April, we reported to the Commission that the Senate Environment and Public Works Committee had asked that senators submit project authorization requests to the committee by May 18th for consideration. Consequently, Senators Hagan and Burr set their deadlines earlier this month, respectively, for local governments to submit requests to them. Knowing of this short timeframe, we worked with Senator Burr's and Senator Hagan's staff to complete your submissions before their respective due dates.

Last week, we were pleased to report that Senator Hagan has agreed to make both TISPC authorization requests to be considered for inclusion in the next Water Resources Development Act (Senator Burr has yet to post his requests). The Senator's disclosure website confirms these requests were officially submitted (also see attached):

Surf City & North Topsail Beach, North Carolina - Surf City & North Topsail Beach, NC; \$228,636,000. Authorized funding will be used to conduct a coastal storm damage reduction project consisting of beach nourishment to reduce risk to upland structures and infrastructure in the towns of Surf City and North Topsail Beach. Shoreline erosion, coupled with recent storm events, has either severely damaged or destroyed the primary dune system and the structures along the ocean shoreline, leaving the towns of Surf City and North Topsail Beach extremely vulnerable to damage from future storm events. Since 1996, these communities have been heavily damaged by hurricanes and have suffered over \$50 million in damages. The shoreline protection project is also critical to the continued economic vitality of these communities, as well as the state and national economies. Tourism is directly tied to the beach and the infrastructure that is protected by the beach. Revenue generated by rental income, accommodation taxes, and sales taxes would be reduced by any storm activity that would impact this area. A major hurricane would destroy all rental income and accommodation tax revenues if the rental units were unusable for the entire season.

West Onslow Beach & New River Inlet (Topsail Beach), North Carolina - Topsail Beach, NC; \$127,474,000. Congress authorized a hurricane and storm damage reduction project for Topsail Beach in Section 101 of the Water Resources Development Act of 1992, but the scope to the authorized project was beyond the financial resources of the Town of Topsail Beach. A General Reevaluation Report (GRR) was authorized and funded by the FY 2001 Energy and Water Development Act. The GRR has been completed and was reviewed by Corps of Engineers Civil Works Review Board on April 17, 2008. The Chief of Engineers issued a positive Chief's Report on September 28, 2009, and the Assistant Secretary of the Army for Civil Works issued a Record of Decision on April 23, 2010. The proposed project will provide hurricane and storm damage reduction along the shoreline for the Town of Topsail Beach and include a 2000-foot transition into the Town of Surf City. The majority of the benefits will be accrued by the Town of Topsail Beach. Topsail Beach was incorporated in 1963. There are 362 residential or commercial (three motels/hotel and one pier) oceanfront parcels on the Atlantic Ocean. In addition there are 20 public accesses and three drive-over points that provide visitors and residents access to the oceanfront. The Town has a current permanent population of approximately 500 residents. The summer population is over 7,000.

At present, we believe there is a good chance that the Senate Environment and Public Works Committee will write, amend and report out the WRDA10 bill this year. The Senate Environment and Public Works Committee held a hearing earlier this month to highlight the many benefits of projects authorized by the Water Resources Development Act.

In her opening Statement, Chairwoman Barbara Boxer (D-CA) voiced her commitment to “move forward with WRDA this year,” saying she was “hopeful we can repeat the success of 2007.” In that year, the Senate voted to override a Presidential veto and enact the bill into law. Chairwoman Boxer emphasized her focus on job creation, noting that “the U.S. Army Corps of Engineers estimates that every \$1 billion in federal investment in water resources projects creates approximately 26,000 jobs.”

Senator James Inhofe (R-OK), the Ranking Member of the Committee, stated that he “supports the Chair’s intent to move a WRDA bill this year,” noting that “regularly enacted WRDA bills provide the best opportunities to address our nation’s water resources infrastructure needs.”

In his opening statement, Senator Inhofe directly addressed critics of the last WRDA bill. “It took seven years to enact the last WRDA (WRDA 2007), with detractors saying that Corps projects are a waste of taxpayer dollars. I couldn’t disagree more. This year I again was ranked by National Journal as the most conservative Senator, and I certainly take fiscal responsibility seriously. I firmly believe, however, that the two things the federal government should invest in are national defense and public infrastructure. Investments in infrastructure – including water resources infrastructure such as navigation channels, ports, flood control, and hurricane protection measures – not only have short-term job creation benefits, but more importantly, they help bring about long-term economic development opportunities.”

As this process moves forward, we will continue to work with the Senator’s staff and apprise you of any developments. Please let me know if you have any questions or if we can be of assistance in any way.

Status of Appropriations

With the public increasingly anxious about government spending and rising federal debt and the November elections barely more than five months away, few observers expect much progress on fiscal 2011 appropriations before then.

In the past decade there has usually been little achieved on spending bills in election years, particularly in the Senate. Unlike in the House, where both Republican and Democratic majorities have usually passed most or all of their bills before recessing in October to allow lawmakers to campaign, Senate leaders in the past 10 years have been more reluctant to bring up spending bills on which their vulnerable senators could be forced to take politically difficult votes forced by minority amendments. Rather, leaders have chosen to bring to the floor other legislation they consider more politically advantageous.

That means that most government agencies will again likely find themselves operating under a stopgap continuing resolution once the new fiscal year starts on October 1. Such resolutions usually continue funding agencies at the existing level until weeks or months later when the annual appropriation is enacted — which for the agencies involved results in deferred or lost opportunities to implement presidential or congressionally directed priorities and disrupts routine agency decision-making, including hiring new employees and signing contracts.

House Majority Leader Steny Hoyer (D-MD) last week rejected rumors that the House wouldn’t be bringing its own spending bills to the floor. “I don’t accept your premise that we’re not going to do any appropriations bills until after the election,” he told reporters at a Thursday press conference. “I think we will do some bills. As a matter of fact Mr. Obey and I are talking about exactly that,” he said, referencing

House Appropriations Chairman David Obey (D-WI). “I hope to have appropriations bills on the floor next month,” Hoyer said, which means Democratic leaders in coming weeks will likely move to adopt a “deeming resolution” to set a top-line discretionary spending level.

House Democrats say they are continuing discussions on a budget resolution hoping to reach agreement, and while it may be getting too late in the year to hope for adoption of a final House-Senate budget agreement, House Democrats may still want to pass an initial budget to avoid being the first House majority to fail to do so since the modern budget process was created in the 1970s.

Senate Appropriations Chairman Daniel Inouye, meanwhile, said he’s aiming to report out all 12 of his committee’s spending bills by the August recess once he has a top-line discretionary spending figure to work with. The Hawaiian Democrat cautioned that Defense could get held up, however, because of timing associated with when Defense Department officials could testify before the committee. That could mirror last year, when Senate Appropriations approved 11 of its 12 bills by the recess, with approval of Defense coming in September. Inouye said he’s also holding out hope for Senate floor consideration of some bills before August. The Senate last year passed four of its spending bills before the summer recess, eventually passing nine of its 12 bills for the year.