



City of Phoenix

To: Mayor and Council
Executive Team

Date: March 19, 2009

From: Karen Peters
Government Relations Director

Subject: FEDERAL UPDATE: MARCH 13 – MARCH 19, 2009

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.

MARCH 13 – MARCH 19, 2009

Travel Reminder

Please let the Office of Government Relations know if you or your staff are traveling to Washington D.C. We want to make sure that we use every opportunity to communicate and coordinate the City's federal program.

National League of Cities (NLC) Congressional City Conference

Councilman Johnson, Councilman Mattox, Councilwoman Neely and Government Relations staff participated in the NLC Congressional City Conference in Washington D.C. Councilman Mattox chairs the NLC Energy, Environment & Natural Resources Steering Committee. Councilwoman Neely serves on the NLC Transportation Infrastructure and Services Steering Committee. Councilman Johnson serves on the NLC Advisory Council. While there, elected officials and staff met with Sen. Jon Kyl, Rep. Ann Kirkpatrick, and numerous congressional staff from the Senate Energy and Water Appropriations Committee, Senate Banking, Housing and Urban Affairs Committee, House Energy and Water Appropriations, Housing and Urban Development (HUD) and Health and Human Services (HHS). The meetings focused on City of Phoenix issues and our FY10 requests.

FY10 Appropriations

The federal lobbying team and Government Relations staff worked with City staff to complete 23 FY10 Appropriations projects requests totaling \$220 million. The forms were submitted to the delegation prior to the applicable deadlines.

U.S. Secretary of Transportation Visit

The Honorable Ray LaHood will be in Phoenix on Thursday, March 26 and Friday, March 27. On Thursday, March 26 at 10:00 a.m. the Secretary will make an address and participate in the groundbreaking and announcement regarding the Airport Train.

ARRA Transit Funding

The American Recovery and Reinvestment Act (ARRA) is providing more than \$66 million dollars for shovel-ready transit projects in the greater metropolitan Phoenix area to help create jobs and give the local economy a boost. On Thursday, the Valley Metro Board of Directors, which represents 14 cities and towns, as well as Maricopa County, determined how funds would be distributed and what projects they would recommend for the stimulus funds. The list of projects will now be forwarded to the Maricopa Association of Governments (MAG) for inclusion in the Transportation Improvement Program (TIP) and will be presented to the MAG Regional Council for action on Wednesday, March 25. The recommendation for the City of Phoenix is \$28.5 million.

Feds Scrutinizing Stimulus Spending

According to recent news reports, Arizona is one of 16 states, plus the District of Columbia, that the congressional oversight agency will audit over the next two years to ensure compliance with the American Recovery and Reinvestment Act. The 16 states were chosen based on a number of criteria, including the amount of stimulus money they will receive, whether the money will be used for new or existing programs, and whether the Government Accountability Office (GAO) expects compliance issues. Arizona was likely chosen, in part, because the GAO wanted to ensure geographic diversity among the audited states, she said.

The other states chosen for GAO audits are California, Colorado, Florida, Georgia, Iowa, Illinois, Massachusetts, Michigan, Mississippi, New Jersey, New York, North Carolina, Ohio, Pennsylvania and Texas.

AIG Bonus Tax

This week, American International Group (AIG) announced that it will follow through on contractual obligations and pay nearly \$165 million dollars in bonuses to top executives using monies from the \$182 billion Troubled Assets Relief Program (TARP) fund. News of the AIG bonus awards sent shockwaves around the country. On Friday, March 20, the House overwhelmingly passed a measure that would levy a 90% tax on any bonuses received by an employee making over \$250,000 per year from a company that receives more than \$5 billion in federal aid. Seemingly targeted directly at AIG, this legislation would prevent any future attempts by a private institution to use taxpayer dollars towards bonuses. Rep. Charles Rangel (NY) said in an Associated Press interview that this legislation should be a warning to any other companies such as mortgage giants Fannie Mae and Freddie Mac that bailout money is not to be abused.

Arizona Delegation Votes *

PUBLIC LANDS CONSERVATION: Voting 282 for and 144 against, the House on March 11 failed to reach a two-thirds majority for passing a bill (S 22) that would conserve tens of millions of acres of public land, mostly in the West. The bill would designate as wilderness 2.1 million acres in California, Colorado, Idaho, Michigan, New Mexico, Oregon, Utah, Virginia, and West Virginia, while adding 26 million federally owned acres to the National Landscape Conservation System. Additionally, the bill would preserve 2,800 miles of federal trails and protect shoreline acreage on 1,000-plus miles of rivers in Arizona, California, Idaho, Oregon, Massachusetts and Wyoming. A yes vote was to pass the bill.

Voting yes: Kirkpatrick, Pastor, Mitchell, Grijalva, Giffords

Voting no: Franks, Shadegg, Flake

WATER AND SEWER PROGRAMS: Voting 317 for and 101 against, the House on March 12 sent the Senate a bill (HR 1262) authorizing \$13.8 billion over five years in grants and loans to help communities build and maintain sewage-treatment systems and \$1.8 billion in federal funding over five years for programs to control sewage overflows. The bill also provides Great Lakes clean-up funds. A yes vote was to pass the bill.

Voting yes: Kirkpatrick, Pastor, Mitchell, Grijalva, Giffords

Voting no: Franks, Shadegg, Flake

DAVIS-BACON ACT: Voting 140 for and 284 against, the House on March 12 refused to strip HR 1262 (above) of its requirement that the Davis-Bacon Act be applied to projects funded by the bill. Davis-Bacon requires that workers on federally-funded projects be paid at prevailing, or union-equivalent, wage levels for the particular region. A yes vote was to remove Davis-Bacon rules from the bill.

Voting yes: Franks, Shadegg, Flake

Voting no: Kirkpatrick, Pastor, Mitchell, Grijalva, Giffords

TAX ON BONUSES: The House on March 19 passed, 328 for and 93 against, a bill (HR 1586) levying a 90 percent tax on bonuses paid since Jan. 1 to executives of American International Group (AIG) and other firms receiving at least \$5 billion in taxpayer bailouts. The tax would be on individuals with compensation above \$250,000, including thousands of AIG employees whose recent bonuses totaled at least \$165 million. Now before the Senate, the bill was backed by 243 Democrats and 85 Republicans and opposed by six Democrats and 87 Republicans. A yes vote was to pass the bill.

Voting yes: Kirkpatrick, Pastor, Grijalva, Giffords

Voting no: Franks, Shadegg, Mitchell, Flake

AMERICORPS EXPANSION: The House on March 18 passed, 321 for and 105 against, a bill (HR 1388) that would more than triple the ranks of AmeriCorps, Volunteers in Service to America and the National Civilian Community Corps -- to 225,000 participants by 2014 -- while greatly expanding the agencies' missions. With a budget of \$6 billion through 2014, the bill also would reauthorize initiatives such as the Foster Grandparent Program, the Senior Companion Program and Learn and Serve America. The latter prepares college students for careers in public service. A yes vote was to send the bill to the Senate.

Voting yes: Kirkpatrick, Pastor, Mitchell, Grijalva, Giffords

Voting no: Franks, Shadegg, Flake

DAVID OGDEN CONFIRMATION: The Senate on March 12 confirmed, 65 for and 28 against, David W. Ogden as deputy attorney general. As the second ranking official in the Department of Justice, Ogden will be responsible for the department's day-to-day management. He previously held high-ranking positions at Justice and the Department of Defense. Critics based their opposition mainly on his litigation of child pornography cases while in private practice. A yes vote was to confirm Ogden.

Voting yes: McCain, Kyl

\$410 BILLION BUDGET: Voting 62 for and 35 against, the Senate on March 10 ended delay of a \$410 billion appropriations bill (HR 1105) to fund agencies that have been on stopgap budgets since October. Later sent to President Obama on a non-record vote, the bill raises spending by 8 percent over comparable 2008 levels, with major increases in areas such as Securities and Exchange Commission regulation, K-12 education, health care access, scientific research, renewable energy and energy efficiency, clean air and water, workforce retraining and food and drug safety, while cutting many Bush administration initiatives. The bill eases restrictions on Americans' travel to Cuba and contains 8,570 Democratic and Republican earmarks totaling \$7.7 billion. A yes vote was to advance the bill.

Voting no: McCain, Kyl

CONGRESSIONAL PAY RAISES: The Senate on March 10 upheld, 52 for and 45 against, existing rules by which members of Congress automatically receive a cost-of-living raise each January unless both chambers vote to deny it. This tabled (killed) an amendment to HR 1105 (above) requiring debate and votes on congressional pay raises. Members received a \$4,700 raise in January 2009, increasing their salaries to \$174,000. The underlying bill would freeze pay at that level until January 2011. A yes vote was to keep congressional pay raises on autopilot.

Voting no: McCain, Kyl

SCHOOL VOUCHERS: The Senate on March 10 refused, 39 for and 58 against, to strip a pending budget bill (HR 1105, above) of language that could end the District of Columbia's school voucher system, in which 1,700 poor students receive \$7,500 grants to pay their private-school tuition. This vote preserved language in the bill giving the D.C. City Council authority to kill the program after the 2009-2010 school year. A yes vote backed amendment.

Voting yes: McCain, Kyl

PUBLIC LANDS CONSERVATION: Voting 77 for and 20 against, the Senate on March 19 passed a bill (HR 146) that would conserve tens of millions of acres of public land, mostly in the West. In part, the bill would protect 2.1 million acres in California, Colorado, Idaho, Michigan, New Mexico, Oregon, Utah, Virginia and West Virginia as wilderness; add 26 million acres to the National Landscape Conservation System; preserve 2,800 miles of federal trails; add three units to the National Park System and enlarge other units; protect shoreline acreage on 1,000-plus miles of rivers in Arizona, California, Idaho, Oregon, Massachusetts and Wyoming, and ratify water settlements in California, Nevada, and New Mexico involving Indian, environmental, agricultural, state and municipal interests. The bill includes language to protect existing hunting, fishing and trapping access and ensure state regulatory authority over those activities. A yes vote was to send the bill back to the House.

Voting no: McCain, Kyl

EMINENT DOMAIN: Voting 63 for and 35 against, senators on March 18 tabled (killed) an amendment that sought to prevent the government from using eminent domain to implement HR 146 (above). Foes noted that the doctrine of eminent domain, which empowers governments to expropriate private property for public use, has been ingrained in U.S. law since 1876. A yes vote was to kill the amendment.

Voting no: McCain, Kyl

ELENA KAGAN CONFIRMATION: Voting 61 for and 31 against, the Senate on March 19 confirmed Harvard Law School Dean Elena Kagan as U.S. solicitor general, a post that involves representing the U.S. before the Supreme Court. Kagan, 48, is the first woman to hold the post. A yes vote was to confirm Kagan.

Voting yes: Kyl

Voting no: McCain

RON KIRK CONFIRMATION: Voting 92 for and five against, the Senate on March 18 confirmed former Dallas Mayor Ron Kirk as U.S. Trade Representative, putting him in charge of administering U.S. trade policies and negotiating international trade agreements. Kirk, 54, is the first African-American to hold the post. A yes vote was to confirm Kirk.

Voting yes: McCain, Kyl

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