



Memo

To: Marc Sarkady , President Plum Island Foundation
From: Marlowe & Company
Re: Monthly Update
Date: July 3, 2008

Congressional Update

Before adjourning for its annual 4th of July recess this week, the House and Senate Appropriations Committees were actively producing spending bills for the upcoming fiscal year.

House and Senate Appropriators stated last month that earmark levels in FY09 would not exceed those set in FY08 when bills contained \$18.3 billion worth of earmarks, a 23 percent drop from FY05 (the last time all bills included lawmakers' projects). Democrats plan to spend \$72 billion more on regular spending bills this year than in FY08, and keeping earmark funding in check allows that increase to go to other spending priorities during this election year.

In addition, Republicans have been especially critical of the treatment of earmarks by the Democratic Leadership. As part of an economic platform released earlier this month, House Republicans said they would institute an earmark moratorium and a review of the process if they win control of Congress.

The Appropriations Committees will be operating under the FY09 Budget Resolution that allows Congress to spend \$24.5 billion more on domestic programs than the \$991.6 billion budget proposed by the President, who has threatened to veto any bill that exceeds the President's request, setting up a post-election showdown on spending bills that will likely spill over into 2009 when the next President takes office.

In the House, the Appropriations Committee approved a majority of the bills at the subcommittee level and had begun reporting bills out of Committee for the consideration by the full House until Ranking Member Jerry Lewis (R-CA) attempted to force the consideration of the Interior-Environment bill by offering it as an amendment to the Labor-HHS-Education bill during the markup of the Labor-HHS bill last week. Republicans have been anxious to offer amendments to the Interior bill that would open up the Outer Continental Shelf to further oil exploration and drilling. When Chairman David Obey (D-MN) delayed consideration of the Interior bill two weeks ago, Republicans were furious and have been looking for ways to force the issue.

Chairman Obey took issue with Lewis' tactic and, as of last week, suspended all future committee work on the FY09 spending bills, publicly threatening Republicans with a Continuing Resolution (CR) for the entire 2009 fiscal year. A number of aides on Capitol Hill consider it a bluff by the Chairman to allow him to regain control of the appropriations process - Obey made similar threats last year that failed to materialize. When the House returns from recess next week we will have a better idea of how the Chairman will proceed. In the Senate, the Appropriations Committee is making progress on its bills and appears poised for a post-recess push when it returns next week.

Town of Newbury Appropriations Projects

As you know, your Congressional delegation submitted funding requests to the Energy & Water (E&W) Subcommittees, for the Plum Island Beneficial Dredging, Section 204 Study, and Newbury Harbor South Jetty Repair Projects.

The House Appropriations Committee approved the E&W spending bill last week, and we are pleased to announce that we secured \$750,000 for the Beneficial Dredging Project. We also secured another \$95,000 for the South Jetty Repair Project. This is great news for the Town due to the fact that House appropriators significantly reduced the Army Corps of Engineers budget this fiscal year.

Unfortunately, the Section 204 Study was not included in the House Report. However, the Senate is expected to act on their version of this spending bill in the coming weeks. Please know that we at Marlowe & Company are working to include Section 204 funding in this spending measure.

Please know that due to the Presidential and Congressional Elections, this will be a long appropriations cycle. Rest assured that we at Marlowe & Company will continue working everyday to convey the efforts and initiatives of the Town.

Other Federal Legislative News

House Votes to Renew Law Enforcement Grants

Last Wednesday, the House passed a bill to reauthorize a state and local law enforcement grant program that the Bush administration has repeatedly sought to eliminate. The bill (H.R. 3546), which passed 406-11, would authorize \$1.1 billion annually through fiscal 2012 for the Edward Byrne Memorial Justice Assistance Grant Program.

The program, established in a 1988, supports state and local law enforcement efforts, including drug task forces, gang prevention and prosecution initiatives.

The Byrne grants would receive \$581 million in a draft fiscal 2009 Commerce-Justice-Science spending bill approved June 19 by the Senate Appropriations Committee. The House Appropriations panel approved its companion C-J-S bill with \$550 million for Byrne grants on Wednesday.

There were plans to give the program additional money for the rest of fiscal 2008 in the supplemental spending bill (H.R. 2642), but the provision was cut. The omnibus spending bill for fiscal 2008 (PL 110-161) provided \$170 million for the Byrne grants.

House Approves Public Transit Aid to Lower Fares

The House recently voted to provide local mass transit systems with \$1.7 billion over the next two years to lower fares and expand operations as more riders flock to public transit. H.R. 6052, authored by House Transportation and Infrastructure Chairman Jim Oberstar (D-MN), would authorize \$750 million annually for 2008 and 2009 for operating expenses for mass transit systems in urbanized areas of 200,000 people or more and allot another \$100 million annually for non-urban systems.

Democrats proposed the assistance as lawmakers struggled to respond to public anger of high gasoline costs. But the measure

also attracted substantial Republican support. It passed by a vote of 322-98. The measure must still be taken up by the Senate.

The legislation marks the first time federal money would be used to support local mass transit operating costs. Federal transit money normally is limited to help pay capital costs. Supporters of the bill said transit systems need financial help to meet increased demand as more people turn to public transportation because of high gasoline prices.

Senate Clears Three-Month FAA Extension

The Senate cleared a three-month FAA extension Thursday, after yielding to Republicans who insisted that Democrats drop their efforts to add \$8 billion to cover anticipated shortfalls in the Highway Trust Fund.

The straightforward extension (H.R. 6327) was passed by voice vote after Sen. Jim DeMint (R-SC) objected to an attempt by Senate Majority Leader Harry Reid (D-NV) to add \$8 billion for the Highway Trust Fund.

The House passed its measure by 422-0 two days before. It would extend through Sept. 30 the authority of the Federal Aviation Administration to collect and spend aviation-related taxes and would provide contract authority for the Airport Improvement Program for the rest of fiscal 2008.

The new FAA extension will give Congress through the end of the fiscal year to work out remaining disagreements on a four-year reauthorization bill (HR 2881, S 1300). The House has passed its version, but consideration stalled in the Senate over disputes about airline pensions and other items.

Congress Drops Rural Schools Funding from Supplemental

Last week, the House removed \$400 million for the **Secure Rural Schools** program from the Emergency Supplemental Appropriations bill prior to passing the \$186.5 billion bill. The move follows

previous action in the Senate to include the emergency county funding for FY 2008. The Secure Rural Schools program expired September 2006 and received an emergency one-year extension on last year's supplemental appropriations bill.

The House proposal was agreed to by House Democrats and Republicans as well as the Administration. Additional funding provisions added to the bill included \$5.8 billion for Louisiana levees and \$1.87 billion in food and disaster aid for the areas affected by floods in the Midwest.

Congress last year provided a one year funding extension for Secure Rural Schools in the U.S. Troop Readiness, Veterans' Care, Katrina Recovery, and Iraq Accountability Appropriations Act. Without another extension of the program, counties will face an inevitable funding crisis that will affect hundreds of rural counties and schools across America. The Secure Rural Schools program aids over 600 rural counties and 4,400 school districts in 41 states.