



## **City of Corpus Christi Federal Legislative Priorities 115<sup>th</sup> Congress 2017-2018**

The political landscape in Washington, D.C., which results from elections and the turnover in legislative branches and governmental agencies, shapes the business environment in which the Intergovernmental Relations (IGR) Department operates. It is constantly evolving due to those elected and administrative leadership outcomes, changes in statutes and regulations, changes in the economy, changes in community needs, and any number of other forces. The IGR Department's responsibility is to navigate the political environment to achieve the City's legislative, administrative and regulatory policy and funding needs.

In Washington, D.C., where congressional gridlock has existed for many years due to partisan differences, the November 8, 2016 election, will usher in a new Presidential administration, but not the control of the U.S. Senate and House of Representatives. The flow of legislation, appropriations of funds, appointments of key federal officials, rulemaking decisions and regulations from federal agencies could drastically change as a result of the elections. The Texas congressional delegation could provide some stability as there was little turnover (only two new members). Neither of Texas' U.S. Senators was up for election this cycle. With control of the U.S. House remaining with the Republican Party, Texans are likely to chair seven standing committees. This gives Texas significant legislative potential.

The governance structure of local, state, and federal governments with inter-mingled programs, financing, and customers creates a demand for intergovernmental cooperation. To be successful, this ever-evolving business environment requires close contact and constant communication with legislative leadership, external legislative consultants, municipal advocacy organizations at the state and national level, statewide municipal partners, community leadership, and community stakeholders. The IGR Department must monitor an array of issues impacting municipalities – including structure and governance, finance, workforce, land use regulation, planning, zoning, housing, construction, utilities, law enforcement, fire protection, tax policy, tourism, transportation, economic development, environmental issues, and more. The IGR Department must utilize information technology, enhance personal contacts, and engage additional resources to ensure the City's legislative, administrative and regulatory policy and funding needs are communicated effectively. The City contracts with well-connected, experienced and highly professional lobbyists at the state and federal level to assist with its advocacy and communications efforts. The City's federal lobbyist is Larry Meyers of Meyers + Associates, LLC.

At the local level, the IGR Department must work with local and regional stakeholders, officials, agencies and organizations to create partnerships to further community support. Relationship building and the exchange of information and ideas is gained through participation and service

on committees, attendance at organization meetings, and sponsorship of community functions which align with the City's goals and mission.

The Budget Control Act of 2011 (commonly referred to as sequestration), which mandates federal budget cuts between 2013 and 2021 split evenly between defense spending (except war spending) and discretionary domestic spending (except entitlements like Social Security and Medicaid) will continue to impact federal programs and services. As the home of Naval Air Station Corpus Christi, the Corpus Christi Army Depot, the U.S. Coast Guard Sector Corpus Christi, numerous federal agency offices, and the Padre Island National Seashore, federal spending cuts could cause impacts in the future.

Significant effort will be required of the City, its elected leaders, its dedicated staff and essential stakeholders to deliver successful outcomes during the two annual sessions of the 115<sup>th</sup> Congress.

The City generally supports bills that:

- Protects and enhances City revenues.
- Reduces or eliminates costs to the City.
- Supports local control.
- Protects policies previously established by City leadership through the Charter, Ordinances,
- Resolutions or Master Plans.
- Provides increased educational opportunities for the citizens of Corpus Christi and the Coastal Bend region by supporting its public schools, community colleges and universities.

The City generally opposes bills that:

- Undermines the principles of Home Rule and Local Control.
- Results in the loss of revenue or negatively impacts potential revenue growth.
- Diminishes the authority of cities to regulate and manage their growth and development.
- Nullifies or undermines the City's policies contained in existing provisions of the Charter,
- Ordinances, Resolutions and Master Plans - unless such changes expand the City's ability to manage its own affairs.
- Imposes unfunded mandates that require any expenditure by the City unless all costs are full reimbursed by the mandating governmental entity.

Specific legislative priorities of the City of Corpus Christi for the 115<sup>th</sup> Congress include:

## ***PRIORITIES***

### **Military**

1. Require significant new requirements for the Department of Defense (DoD) Siting Clearinghouse before authorizing construction of a wind farm if the proposed project interferes with the navigational radar and poses a threat to national security, pilot safety and public safety.

*Previous Bill: NDAA amendment by Sen. Ted Cruz (R-TX) and Rep. M. Thornberry (R-TX), 114<sup>th</sup> Session*

Background: The DoD Siting Clearinghouse presently evaluates a project's impact on military operations and readiness, including impacts to air operations, but it fails to take a comprehensive look at the cumulative impacts of existing and proposed turbines and how that impacts navigational radar and the threat to national security and pilot and public safety.

2. Authorize City and Navy to exchange City-owned land in clear zones of Navy landing fields for Navy-owned land on State Highway 358.

*Previous Bill: none*

Background: The Navy wants title to all land in Clear Zones to prevent incompatible development. Over the last 20+ years the City has acquired parcels within Clear Zones on behalf of the Navy. The Navy owns property fronting on SH 358 it considers excess and would like to trade with the City.

### **Tax Code**

3. Eliminate the Production Tax Credit for wind farms within a certain distance of a military installation if the proposed project interferes with the navigational radar and poses a threat to national security, pilot safety and public safety.

*Previous Bill: S. 3428 by Sen. J. Cornyn (R-TX), 114<sup>th</sup> Session*

Background: The Production Tax Credit is a federal incentive that provides financial support for the development of renewable energy facilities. The renewable energy projects receive a 2.3-cent per kilowatt-hour (kWh) incentive for the first 10 years of a renewable energy facility's operation. Originally enacted in 1992 the credit has outlived its original purpose and now gives the wind industry an economic incentive it no longer needs.

4. Oppose legislation eliminating the tax exempt status of municipal bonds.

*Previous Bill: none*

Background: The exemption is not a special interest loophole and should not be treated as such. Municipal bonds are the primary way local and state governments finance infrastructure, and have been for over a century. Over two-thirds of all public infrastructure projects in the United States are financed by municipal bonds. Voters and governmental

bodies approve issuance of these bonds, which are then purchased by private individuals, mutual funds and financial institutions. The interest gained by these investors is exempt from the federal income tax, and has been since the tax was instituted in 1913. Local governments save an average of 25 to 30 percent on interest costs with tax-exempt municipal bonds. The exemption is similar to the exemption for federal Treasury bonds – another stable investment vehicle – from state and local taxes.

5. Support legislation to direct the Federal Deposit Insurance Corporation, the Board of Governors of the Federal Reserve System and the Office of the Comptroller of the Currency to classify all investment grade municipal securities as High Quality Liquid Assets.

*Previous bill: HR 2209 by Rep. L. Messer (R-IN), 114<sup>th</sup> Session*

Background: A 2016 agreement by the Federal Reserve, the Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation to new liquidity standards designed to strengthen the banking system through clarifying credit and liquidity standards for banks' capital requirements. However, in the agreement, they failed to include a very strong and stable investment category with deep funding markets - municipal securities. NLC has long argued that failure to classify municipal securities as High Quality Liquid Asset not only overlooks an investment category that contributes to greater market stability, but that this omission would have negative effects on the municipal securities market and communities across the country by significantly reducing the appeal of municipal securities, resulting in increased borrowing costs for state and local governments to finance desperately needed infrastructure projects.

<b>Transportation</b>
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6. Support funding to continue investment in the development of Interstate 69 (along US Highway 59, US Highway 77, US Highway 281, US Highway 84, Interstate 2 and State Highway 44) and Marine Highway 69 (the Gulf Intracoastal Waterway) as an international freight corridor providing strategic intermodal connections from the Texas-Mexico border and ultimately through eight states to the US-Canada border.

*Previous Bill: HR 22 by Rep. R. Davis (R-IL) 114<sup>th</sup> Session*

Background: A total of 205 miles have been added to the Interstate Highway System so far including 117 miles in the Rio Grande Valley and 74 miles in the Houston area plus segments at Texarkana and Corpus Christi. The I-69 system highways in Texas already serve as major goods movement routes with a high ratio of trucks to passenger vehicles.

## **ACTIVELY SUPPORT**

### **Military**

Support passage of a National Defense Authorization Act which provides a predictable budgetary structure and minimizes the uncertainty and indecision of sequestration.

*Previous Bill: H.R.4512 by Rep. A. Smith (D-WA); S. 2303 by Sen. J. McCain (R-AZ), 114<sup>th</sup> Session*

### **Tax Code**

Support the Marketplace Fairness Act, which allows states to tax sales from out-of-state online vendors.

*Previous bill: S 698 by Sen. M. Enzi (R-WY), 114<sup>th</sup> Session*

### **Water**

Support Water Quality Improvement Act advocated by the US Conference of Mayors' Water Council. Creates Integrated Planning Permit lasting a minimum of five years, but no more than 10 years. Clarifies definition of "attainable water quality" by mandating that it be both "technically achievable" and "economically affordable". Eases EPA enforcement penalties for cities that do integrated planning.

*Previous bill: HR 6182 by Rep. B. Gibbs (R-OH), 114<sup>th</sup> Session*

Prohibit the Army Corps of Engineers and the Environmental Protection Agency from redefining "waters of the United States", which expands the definition of which surface waters and wetlands are subject to the Clean Water Act's regulatory requirements and protection.

*Previous bill: SJR 22 by Sen. J. Ernst (R-IA), HJR 59 by Rep. A. Smith (R-NE), HR 594 by Rep. P. Gosar (R-AZ), 114<sup>th</sup> Session*

### **Transportation**

Support funding to continue investment in the development of Interstate 14 (the Gulf Coast Strategic Military Highway) to provide the energy production area of West Texas and the various Texas military facilities improved access to Corpus Christi and the Gulf Coast.

Support amendment to add another segment from the Permian Basin to the Interstate 14 designation.

*Previous Bill: Introduction anticipated by Rep. B. Babin (R-TX), 114<sup>th</sup> Session*

Oppose increases in overweight trucks on federal highways above the current 80,000 pounds limit.

<b>Aviation</b>
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Enact re-authorization of the Federal Aviation Administration to provide stability, predictability and reliability to airports, pilots, airlines, and the aviation industry.

<b>Cybersecurity</b>
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Support legislation to direct the National Cybersecurity and Communications Integration Center, at the Department of Homeland Security, to coordinate with State and local governments on securing their information systems. The Center will: assist in the identification of system vulnerabilities and possible solutions for State and local information security systems, develop a web portal to communicate available tools for State and locals, provide technical training for State and local cybersecurity analysts, provide assistance in implementing cybersecurity tools upon request, providing privacy and civil liberties training, and inform State and locals on the current cybersecurity guidelines already developed at the federal level.

*Previous bill: HR 3869 by Rep. W. Hurd (R-TX), 114<sup>th</sup> Session*

<b>Community Development Block Grants</b>
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Support continued funding and oppose further cuts of Community Development Block Grants and HOME program through the U.S. Department of Housing and Urban Development.

<b>Public Health</b>
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Support funding to prevent, prepare for, and respond to Zika virus, other vector-borne diseases, and related health outcomes.

*Previous Bill: HR5958 by Rep. C. Clawson (R-FL), 114<sup>th</sup> Session*

## ***ENDORSE***

### **Federal Stakeholder Organizations**

The City works closely with a number of federal stakeholder organizations, exchanging information, monitoring legislation, reaching out to congressional offices, and working on mutual goals and priorities. Among the organizations in which the City is a member, include:

- U.S. Conference of Mayors
- National League of Cities
- Interstate 69 Coalition (Texas, Louisiana, Arkansas, Tennessee, Mississippi, Indiana, Kentucky, and Michigan)
- I-14 Gulf Coast Strategic Military Highway Coalition
- National Community Development Association
- Building America's Future
- Association of Defense Communities
- Army Aviation Association of America
- Coalition for Sustainable Flood Insurance
- National Association of Government Web Professionals
- American Institute of Certified Public Accountants (AICPA)