



APWA Washington REPORT

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INTERGOVERNMENTAL

FY04 Federal Budget

DEFENSE, HOMELAND SECURITY RECEIVE LARGE FUNDING BOOST

The Bush Administration released a \$2.2 trillion fiscal year 2004 (FY04) budget which significantly increases funding for defense and homeland security. Defense spending under the plan would increase by 4.2 percent and homeland security by 5.5 percent.

Overall, the budget proposes three percent growth in federal spending, a projected \$304 to 7 billion deficit (the biggest in history) and includes the President's proposed \$695 billion in new tax breaks over the next 11 years and another \$805 billion by making existing tax cut provisions permanent. *More information about public works programs in the proposed budget follows in the Transportation, Environment and Emergency Management/Disaster Mitigation and Rural sections.*

The release of the FY04 budget came as a Congressional conference committee continued to negotiate House and Senate versions of an omnibus spending package containing 11 of the 13 unfinished FY03 appropriations bills. Federal programs without an approved appropriation have been funded at 2002 levels by a series of continuing resolutions (CR). Conferees are working to resolve differences including funding levels, a 2.9 percent proposed across-the-board cut contained in the Senate bill and other issues. Some lawmakers are urging extension of the current CR through the end of the fiscal year (September 30, 2003) unless Congress is able pass, and the President sign, an omnibus bill before the CR expires on February 20, 2003. *The entire 2004 federal budget is available through the Office of Management and Budget at <http://www.whitehouse.gov/omb/budget/fy2004/budget.html>*

Economic Stimulus

WHITE HOUSE, CONGRESSIONAL DEMOCRATS INTRODUCE DIFFERING PLANS

The Bush Administration and Democrats in Congress, concerned over an economy still struggling to recover, have presented differing economic stimulus proposals. President Bush introduced on January 6, 2003 a 10-year, \$674 billion package that includes tax cuts, acceleration of personal income tax rates and tax incentives.

Senate Minority Leader Tom Daschle (D-SD) on January 24, 2003 unveiled a one-year, \$141 billion plan which includes individual tax cuts, tax credits and assistance to states, including \$4 billion for infrastructure. Daschle's plan is similar to a one-year, \$136 billion stimulus package presented in the House by Democratic Leader Nancy Pelosi (D-CA) on January 6, 2003.

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108th Congress Leadership

COMMITTEES TAKE SHAPE AFTER ELECTION CHANGES

Following the changes from the November 2002 election, Congressional committee structure is being finalized. Among those of special interest to public works is the House Transportation and Infrastructure Committee chaired by Representatives Don Young (R-AK) and James Oberstar (D-MN), ranking member.

Transportation and Infrastructure Committee members are:

Republicans:

Chairman: Don Young, (AK)

Thomas E. Petri, (WI), Sherwood L. Boehlert, (NY), Howard Coble, (NC), John J. Duncan, Jr., (TN), Wayne T. Gilchrest, (MD), John L. Mica, (FL), Peter Hoekstra (MI), Jack Quinn, (NY), Vernon J. Ehlers, (MI), Spencer Bachus, (AL), Steven C. LaTourette, (OH), Sue W. Kelly, (NY), Richard H. Baker, (LA), Robert W. Ney, (OH), Frank A. LoBiondo, (NJ), Jerry Moran, (KS), Gary Miller (CA), Jim DeMint, (SC), Doug Bereuter, (NE), Johnny Isakson, (GA), Robin Hayes, (NC), Rob Simmons, (CT), Shelley Moore Capito, (WV), Henry E. Brown, Jr., (SC), Timothy V. Johnson, (IL), Dennis R. Rehberg, (MT), Todd Russell Platts, (PA), Sam Graves, (MO), Mark R. Kennedy, (MN), Bill Shuster, (PA), John Boozman, (AR), John Sullivan (OK), Chris Chocola (IN), Bob Beauprez (CO), Michael Burgess (TX), Max Burns (GA), Steve Pearce (NM), Jim Gerlach (PA)

Democrats:

Ranking Member: James L. Oberstar, (MN)

Nick J. Rahall, II, (WV), William O. Lipinski, (IL), Peter A. DeFazio, (OR), Jerry F. Costello, (IL), Eleanor Holmes Norton, (DC), Jerrold Nadler, (NY), Robert Menendez, (NJ), Corrine Brown, (FL), Bob Filner, (CA), Eddie Bernice Johnson, (TX), Gene Taylor, (MS), Juanita Millender-McDonald, (CA), Elijah E. Cummings, (MD), Earl Blumenauer, (OR), Ellen O. Tauscher, (CA), Bill Pascrell, Jr. (NJ), Leonard L. Boswell, (IA), Tim Holden, (PA), Nick Lampson, (TX), Brian Baird, (WA), Shelley Berkley, (NV), Brad Carson, (OK), Jim Matheson, (UT), Michael M. Honda, (CA), Rick Larsen, (WA), Michael E. Capuano (MA), Anthony D. Weiner (NY), Julia Carson (IN), Joseph M. Hoeffel (PA), Mike Thompson (CA), Timothy H. Bishop (NY), Michael H. Michaud (ME), Lincoln Davis (TN)

The work of the Transportation and Infrastructure Committee is mostly done by subcommittee. There are six subcommittees their members. The subcommittees include:

- **Aviation**
- **Coast Guard and Maritime Transportation**
- **Economic Development, Public Buildings and Emergency Management**
- **Railroads**
- **Water Resources and Environment**
- **Highways and Transit**

On the Senate side the Environment and Public Works Committee has jurisdiction over public works concerns including transportation issues. Senator James Inhofe (R-OK) chairs the committee and Senator James Jeffords (I-VT) serves as the ranking member.

Senate Environment and Public Works Committee members are:

Republicans:

Chairman: James M. Inhofe (OK)

John W. Warner (VA), Christopher S. Bond (MO), George V. Voinovich (OH), Michael D. Crapo (ID), Lincoln Chafee (RI), John Cornyn, (TX), Lisa Murkowski, (AK), Craig Thomas, (WY), Wayne Allard, (CO)

Democrats:

Ranking Member: James M. Jeffords (VT)

Max Baucus (MT), Harry Reid (NV), Bob Graham (FL), Joseph I. Lieberman (CT), Barbara Boxer (CA), Ron Wyden (OR), Thomas R. Carper (DE), Hillary Rodham Clinton (NY).

The work of the Senate Environment and Public Works Committee also is done mostly by committee. There are four subcommittees under the Environment and Public Works Committee including:

- **Clean Air, Climate Change, and Nuclear Safety-** George Voinovich (R-OH), chair; *Thomas Carper (D-DE), ranking member*
- **Fisheries, Wildlife, and Drinking Water-** Michael Crapo (R-ID), chair; *Bob Graham (D-FL), ranking member*

- **Superfund, Waste Control and Risk Assessment-** Lincoln Chafee (R-RI), chair; *Barbara Boxer (D-CA)*, ranking member
- **Transportation and Infrastructure-** Christopher S. Bond (R-MO), chair; *Harry Reid (D-NV)*, ranking member

The Senate Banking, Housing and Urban Affairs committee also has jurisdiction over transportation programs. This committee will have an important role in the reauthorization of TEA-21. The committee is chaired by Senator Richard Shelby (R-AL) and Senator Paul Sarbanes (D-MD) is ranking member.

Senate Committee on Banking, Housing and Urban Affairs members are:

Republicans:

Chairman: Richard C. Shelby (AL),

Robert F. Bennett (UT), Wayne Allard (CO), Michael B. Enzi (WY), Chuck Hagel (NE), Rick Santorum (PA), Jim Bunning (KY), Mike Crapo (ID), John E. Sununu (NH), Elizabeth Dole (NC), Lincoln D. Chafee (RI)

Democrats:

Ranking Member: Paul S. Sarbanes (MD)

Christopher J. Dodd (CT), Tim Johnson (SD), Jack Reed (RI), Charles E. Schumer (NY), Evan Bayh (IN), Zell Miller (GA), Thomas R. Carper (DE), Debbie Stabenow (MI), Jon S. Corzine (NJ)

The Subcommittee for Banking, Housing and Urban Affairs that deals with public works issues is:

- **Housing and Transportation--Senator Wayne Allard (R-CO), chair; Sen. Jack Reed (D-RI), ranking member.**

Right-of-Way Management

CONGRESSIONAL STAFF BRIEFED ON NEED TO PROTECT LOCAL CONTROL OF ROW

As the 108th Congress was organizing its legislative priorities for the year, APWA joined state and local public interest organizations to brief key Congressional staff on the fiduciary responsibility local officials have to manage the public rights-of-way (ROW).

APWA communicated its policy that federal regulations and legislation need to uphold and respect the authority of local public officials to manage the public rights-of-way and to receive fair and reasonable compensation for their use.

APWA joined representatives from the National Association of Counties, the National League of Cities, the US Conference of Mayors, the National Association of Telecommunications Officers and Advisors, the National Association of Regulatory Utility Commissioners and the American Public Power Association to conduct the briefing on January 10, 2003.

Accessibility for Right-of-Way

APWA POSITION STATEMENT POSTED ON WEBSITE

The APWA Board of Directors has approved a position statement titled, *Americans with Disabilities Act (ADA) Requirements for the Public Right-of-Way*. The position statement calls for setting out guidelines and best management practices for accommodating the needs of people with disabilities. It supports maintaining local decision-making authority while holding local officials accountable to their constituents. Developed by the Engineering and Technology Committee, the statement was approved January 18, 2003 and is on APWA's website, www.apwa.net/govtaffairs.

Federal Regulations

NEW WEBSITE AVAILABLE TO TRACK FEDERAL RULES

A one-stop Federal regulatory clearinghouse that makes it easy to participate in Federal rulemaking has been launched. Developed by the US government, it will allow the public to find, review and submit comments on federal documents open for comment in the *Federal Register*. From the site, called *Regulations.gov*, it is possible to view a description of every proposed and final federal regulation currently open for comment, read the full text of the regulations and submit comments to the federal agencies responsible for the rulemaking action. The website address is <http://www.regulations.gov/>.

TRANSPORTATION

FY04 Transportation Budget

\$30 BILLION PROPOSED FOR HIGHWAYS, 20 PERCENT INCREASE FOR RURAL TRANSIT

The President's fiscal year 2004 (FY04) budget proposal for the Department of Transportation includes setting highway program funding at \$30.2 billion (\$29.3 billion obligation limitation), and \$7.2 billion for transit which includes increasing rural transit funding by 20 percent, from \$296 million to \$359 million.

Current funding for the highway program has not yet been resolved. The House of Representatives' omnibus appropriations bill funds highways at \$27.7 billion for FY03, the Senate's at \$31.8 billion. The President's budget request, in addition, would provide \$7.2 billion for programs administered by the Federal Transit Administration, the level expected for FY03.

Total funding for the Department of Transportation (US DOT) is set at \$54.3 billion in FY04, a level below last year's more than \$60 billion because of the transfer of several former DOT programs, such as the Coast Guard and the Transportation Security Administration, to new the Department of Homeland Security.

Other USDOT budget highlights related to public works infrastructure programs include:

- Redirection to the highway trust fund of \$600 million annually in ethanol tax revenue currently deposited into the federal general fund;
- A new \$1 billion Infrastructure Preservation and Maintenance initiative aimed at immediate highway needs;
- \$14 billion for the Federal Aviation Administration, including \$3.4 billion for the Airport Improvement Program, the FY03 AIR-21 mandated level;
- \$900 million for Amtrak, less than the \$1.2 billion expected in FY03;
- \$5.615 for Transit formula grants;
- \$1.534 billion for transit major capital grants.

Although the Bush Administration has not yet released its reauthorization proposal, the 2004 budget lays the groundwork for a \$247 billion, six-year reauthorization proposal, as compared to TEA-21's current level of \$218 billion. Of the proposed total, \$195 billion would fund the highway program (up from \$168 billion) over six years, and \$45 billion would fund the transit program (up from \$41 billion). *Further details on the budget are available at <http://www.dot.gov/bib2004/bibindex.html>.*

TEA-21 Reauthorization

T&I CHAIR YOUNG SUPPORTS RAISING GAS TAX IN TEA-21 REAUTHORIZATION

As House and Senate Committees prepare to draft legislation this year to reauthorize the Transportation Equity Act for the 21st Century, (TEA-21), Representative Don Young (R-AK), chair of the House Transportation and Infrastructure (T&I) Committee, announced that he supports increasing the federal motor fuel tax to finance increased federal investment in the nation's surface transportation system.

Although not yet introduced in the form of a bill, Young's proposal would fund surface transportation programs for a total of \$300 billion over six years and includes: 1. An annual two cents-per-gallon motor fuel tax increase over six years (12 cents per gallon total increase); 2. Elimination of the partial tax exemption on ethanol fuel; 3. Redirection to the Federal Highway Trust Fund of 2.5 cents-per-gallon portion of the ethanol fuel tax now deposited in the general fund; 4. Indexing motor fuel tax to the Consumer Price Index (CPI); 5. Spending down the Federal Highway Trust Fund balance; and 6. Spending the trust fund's accrued interest.

The T&I Committee will write most of the TEA-21 reauthorization legislation in the House and the Ways and Means Committee will have jurisdiction over the tax issues. Young's timeline for completion of a bill in the House of Representatives is by the August 2003 recess.

No detailed proposals have yet been presented from the Senate. Sen. Max Baucus (D-MT), ranking member of the Senate Finance Committee, which will have jurisdiction over reauthorization revenue and tax issues in the Senate, does not favor a motor fuel tax increase, but does support increased investment through other options.

Sen. James Inhofe (R-OK), the new chair of the Senate Environment and Public Works, which will write the highway title to a reauthorization bill in the Senate, also opposes a gas tax increase but has not ruled out indexing it to the CPI. Inhofe also supports capturing ethanol revenues not deposited in the highway trust fund. He said that he will push to increase states' minimum return of taxes paid to the highway trust fund from current 90.5 percent to 95 percent. Inhofe would like to see the committee mark up a bill by Memorial Day recess.

The Bush Administration opposes a motor fuel tax increase and has argued that FY03 highway funding of \$31.8 billion proposed in the Senate version of the FY02 omnibus bill, which is in a House-Senate conference committee, is an unsustainable level. (See FY04 Transportation Budget for details about the Bush Administration's planned funding targets for reauthorization of TEA-21.)

Local Officials for Transportation Coalition

LOCAL OFFICIALS URGE INCREASED INVESTMENT IN TEA-21 REAUTHORIZATION

APWA joined the National League of Cities (NLC), the National Association of Counties (NACo), the US Conference of Mayors (USCM) and seven other national organizations representing local governments to call on Congress and the Administration to provide increased investment in roads, bridges and public transportation as Congress prepares to reauthorize TEA-21, the Transportation Equity Act for the 21st Century. It expires September 30, 2003. For more TEA-21 information, visit APWA's website <http://www.apwa.govtaffairs.net>.

The national organizations are part of the Local Officials for Transportation (LOT) coalition, formed to develop and advocate policy recommendations for reauthorization. At a news conference in Washington, DC, Tarrant County Commissioner Glen Whitley, Fort Worth Mayor Kenneth L. Barr and Dallas Councilmember Sandy Greyson said that increased investment is needed to improve safety and combat congestion. The three elected officials said that the coalition's goals also entail protecting the strong gains of TEA-21, including maintaining its funding firewalls: increasing the role of local officials in planning transportation projects and funding decisions by sub-allocating resources to the regional level. The news conference was held February 10, 2003.

Coalition members include: NACo, NLC, USCM, APWA, the National Association of County Engineers, the Association of Metropolitan Planning Organizations, National Association of Regional Councils, National Association of Development Organizations, International City/County Management Association, National Association of City Transportation Officials and Public Technology, Inc.

Pipeline Safety

RULE TO REQUIRE INTEGRITY MANAGEMENT IN HIGH CONSEQUENCE AREAS

The US Department of Transportation's Research and Special Programs/Office of Pipeline Safety (RSPA/OPS) has issued a notice of proposed rulemaking to require operators to develop integrity management programs for gas transmission pipelines that, in the event of a failure, could impact high consequence areas (HCAs). The notice was published January 28, 2003 in the *Federal Register*. The deadline to submit comments is March 31, 2003.

For more information contact Mike Israni at 202-366-4571, or mike.israni@rspa.dot.gov.

General information about the RSPA/OPS programs may be obtained by accessing RSPA's internet page at <http://RSPA.dot.gov>.

Roadway Safety

BILL WOULD PROVIDE \$3 BILLION ANNUALLY FOR ROAD SAFETY INFRASTRUCTURE

Representative Jay Inslee (D-WA) has introduced legislation to provide \$3 billion annually to fund the Roadway Safety and Congestion Mitigation Improvements Act, HR 288. It would target \$2.55 billion to specific risks, such as intersections, run off the road crashes, pedestrian and bicycle safety and work zones, and would provide \$300 million for safety improvements on roads off of the federal-aid highway system.

Design-Build Contracting

FHWA ISSUES FINAL RULE FULFILLING TEA-21 REQUIREMENT

The Federal Highway Administration has issued a final rule which implements regulations to allow design-build contracting as mandated by the Transportation Equity Act for the 21st Century (TEA-21). The regulation does not require the use of design-build contracting, but allows state DOTs to use it as an optional technique in addition to traditional contracting methods. Effective January 9, 2003, the final regulations list the criteria and procedures that will be used by FHWA in approving the use of design-build contracting by state transportation departments.

For more information contact FHWA's Gerald Yakowenko, 202-366-1562, or, for legal information, contact Harold Aikens, 202-366-1373.

Highway Environmental Review

QUESTION/ANSWER GUIDANCE ON INDIRECT AND CUMULATIVE EFFECTS ISSUED

Interim guidance, presented as a question and answer document, on considering indirect and cumulative effects of transportation projects as part of the environmental review process was issued by FHWA January 31, 2003. Twelve questions are addressed which cover definitions of "direct, secondary, indirect and cumulative effects and impacts. The

guidance also provides resources including state transportation agency procedures and training opportunities. *For the guidance text go to: <http://nepa.fhwa.dot.gov/RENepa/ReNepa.nsf/home> and click the cumulative/direct impacts tab.*

Road Weather Management

NEW WEBSITE TO HELP WITH ADVERSE WEATHER RESPONSE

The Federal Highway Administration's new Road Weather Management website offers tools, resources and information to assist in managing weather-caused road problems. *The web address is: <http://www.ops.fhwa.dot.gov/weather/index.htm>.*

ENVIRONMENT

FY04 US EPA Budget

PROPOSED BUDGET WOULD CUT FUNDING FOR CLEAN WATER INFRASTRUCTURE

President Bush has proposed a 2004 fiscal year budget for the US Environmental Protection Agency (US EPA) at \$7.63 billion, a decline from \$7.7 billion the Administration sought in FY03 for which a request is still pending in Congress. EPA received \$7.9 billion in fiscal 2002. The biggest cut would be to the clean water state revolving fund. US EPA Administrator Whitman said the agency would see an increase of about \$280 million to about \$4.25 billion for its core operating programs, an increase from the \$4.1 billion requested in FY03. The core programs refer to the Agency's priorities for the year-- clean air, clean and safe water, land and enforcement activities. Specific allocations include:

- \$7.7 million for the President's Clean Air program- a plan to eliminate emissions of sulfur dioxide, nitrogen oxides, and mercury from power plants by 70 percent, named EPA's top priority;
- \$850 million for Clean Water State Revolving Loan Fund, down about \$360 million from the FY03 request;
- \$850 million for Drinking Water State Revolving Loan, same as FY03 request;
- EPA will extend its commitment to the Clean Water program from 2005 to 2011, boosting the amount of money in the SRF by about \$800 million to \$2.8 billion in coming years;
- \$200 million for Clean Water Section 106 grants, an increase from FY03 request of \$180 million;
- \$238 million for nonpoint source funding under Section 319 of the Clean Water Act;
- \$20 million for watershed program, an increase of \$15 million from the FY03 request;
- \$210 million for the Brownfields program; an increase of \$10 million from the amount requested in FY03;
- \$21 million for enforcement funding;
- \$3.12 billion for state and tribal grants for FY04.

For further EPA budget information go to: <http://www.epa.gov/ocfo/budget/2004/2004bib.pdf>

Water Security

EPA RELEASES SECURITY PROTOCOLS FOR VULNERABILITY ASSESSMENTS

US EPA has developed the *Protocol to Secure Vulnerability Assessments Submitted by Community Water Systems to EPA*. The document is a list of strict measures developed to ensure the security of vulnerability assessments that drinking water utilities must submit to the agency under a new bioterrorism law. The protocol includes keeping assessments under lock and key and only attainable by individuals designated by the Administrator.

The Protocol was required by the Public Health Security and Bioterrorism Preparedness and Response Act of 2002, signed by the President on June 12, 2003. Title IV of the law amends the Safe Drinking Water Act to require all utilities serving more than 3,300 people to assess the vulnerability of their systems to terrorism and other harmful acts and submit their assessments to the US EPA. Six months later, utilities are required to prepare emergency response plans.

Water Security Information

WATER INFORMATION AND ANALYSIS CENTER LAUNCHED

The Water Information Sharing and Analysis Center, or WaterISAC, has been launched to provide centralized security information and terrorist threat alerts to America's drinking water and wastewater utilities. All U.S. drinking water and wastewater systems are eligible to subscribe to the WaterISAC.

The WaterISAC was developed by utility managers for utility managers through Presidential direction and Executive Order 13231. A secure Web-based environment, the WaterISAC specific products and services include:

- Alerts on potential terrorist activity.
- Information on water security
- Databases of chemical, biological and radiological agents.
- Notification of cyber vulnerabilities and technical fixes.
- Vulnerability assessment tools and resources.
- Secure electronic bulletin boards and chat rooms on security topics.

Analysts for the WaterISAC have government security clearances and operate under strict protocols. The computer servers for the WaterISAC's secure portal reside in a protected, government-approved facility. *Information on subscribing to the WaterISAC is available online at www.WaterISAC.org.*

Water Pollution

US EPA PROPOSES TO WITHDRAW MAJOR CHANGES TO TMDL

The U.S. Environmental Protection Agency (EPA) has announced it is proposing to withdraw the July 2000 final rule which revised EPA's Total Maximum Daily Load (TMDL) program under the Clean Water Act. EPA has claimed the rule to be "unworkable." and its schedules for completing plans, requirement of implementation plans and emphasis on nonpoint sources of pollution were problematic for agriculture, state and environmental interests. The proposal to remove the 2000 TMDL rule is expected to generate comments from environmental groups who supported it.

Implementation of the 2000 TMDL rule was barred by Congress. The Bush Administration pulled the rule back for 18 months and considered significant changes. Proposed December 20, 2002, the withdrawal rule must become final before April or the 2000 regulation will become effective. The current TMDL program continues to function.

EPA officials are now working on a regulation known as the Watershed Rule, intended as an information-based approach to watershed planning as a way to address impaired waters. The Watershed Rule would have an extensive comment period and could take "a couple of years" before it would be made final.

Water

US EPA SEEKS TO CLEAR UP ARSENIC RULE CONFUSION

To avoid confusion in its implementation, US EPA is proposing to clarify the text of the standard for arsenic in drinking water. The proposed change, according to a notice published December 23 in the *Federal Register*, would alter the reading from 0.01mg/L to 0.010 milligrams per liter.

When EPA lowered the arsenic standard in January 2001 from 50 parts per billion to 10 parts per billion, the standard was expressed as 0.011mg/L. State drinking water administrators insisted on the change. There was concern that state laws adopting the federal law might allow rounding of the standard so the effective standard would be 0.014 mg/L, or 14 ppb, according to EPA sources. The compliance date for the new standard is January 23, 2006. *Contact Richard Reding at 202-564-4656 for additional information.*

Water Infrastructure

CLEAN WATER INFRASTRUCTURE FINANCING ACT INTRODUCED IN HOUSE

Senator George V. Voinovich (R-OH) has introduced the Clean Water Infrastructure Financing Act of 2003 (S. 170). The legislation authorizes \$15 billion over five years for the clean water state revolving fund and was introduced January 16, 2003. Nearly identical to legislation that he introduced in 2001, the act would authorize \$3 billion per fiscal year from fiscal 2003 through fiscal 2007 for the state revolving funds. It provides additional technical assistance to small communities--those less than 20,000 in population and includes a grant program to disadvantaged communities that may not be able to repay their loans.

Wetlands

EPA RELEASES NATIONAL WETLANDS MITIGATION ACT, "NO NET LOSS" A GOAL

To address the problem of the nation's decreasing wetlands, the Bush Administration has adopted a new plan and guidance for replacing swamps and bogs that have been filled or drained to make way for highway, housing or other projects. US EPA worked with the Departments of Agriculture, Commerce, Interior and Transportation, and the US Army Corps of Engineers to prepare the action plan and new guidance. The guidance was released December 26, 2002.

"These actions, affirm this administration's commitment to the goal of no net loss of America's wetlands and its support for protecting our nation's watersheds," EPA Administrator Christine Whitman said.

The National Wetlands Mitigation Act, includes the requirement for a regulatory guidance letter, crafted with input from federal agencies that play a role in wetlands protection. Copies of the Regulatory Guidance Letter are available: www.epa.gov/owow/wetlands. *For further details, contact David Hewitt, US Army Corps of Engineers, 202-761-0289.*

RURAL

Transportation Planning

RURAL LOCAL OFFICIALS ENSURED ROLE IN STATE PROCESS

A final rule specifying a role for rural local officials in the statewide transportation planning process has been issued by the US Department of Transportation's Federal Highway Administration (FHWA) and the Federal Transit Administration (FTA). Additionally, the rule requires that states create and "document" a process for consultation and

this is to be “separate and discrete” from the public involvement process. Furthermore, it provides definitions for three terms that have been contentious through the nearly three years of activities surrounding the development of a final rule. The definitions follow:

- CONSULTATION; “Consultation means that one party confers with another identified party in accordance with an established process and, prior to taking action(s) considers that party’s views and periodically informs that party about action(s) taken.”
- NON-METROPOLITAN AREA: “Non-metropolitan area means the geographic area outside designated metropolitan planning areas,” as designated in earlier transportation laws.
- NON-METROPOLITAN LOCAL OFFICIAL: “Non-metropolitan local official means the elected or appointed officials of general purpose local government, in non-metropolitan areas, with jurisdiction/responsibility for transportation.”

The final rule reflects a compromise proposed by the National Association of Counties (NACo), National Association of Development Organizations (NADO) and the American Association of State Highway and Transportation Officials (AASHTO). APWA has worked closely with NACo and NADO to secure a clear role for local officials in transportation planning. Spearheaded by APWA’s Small Cities/Rural Communities Forum, many comments, letters, and personal meetings supported rural, local official involvement. Go to www.fhwa.dot.gov/pressroom/fhwa0301.htm for a copy of the US DOT press release which includes comments by Administrators Mary Peters (FHWA) and Jennifer L. Dorn (FTA); follow link to the January 23, 2002 “Federal Register” for a copy of the final rule and its background.

Rural Budget Proposals

USDA WINS SOME AND LOSES SOME

President Bush’s FY04 budget proposes \$12 billion for USDA rural development loan and grant programs, a \$1.4 billion increase over the 2003 request. However, water and sewer grants are cut nearly \$250 million from a 2003 request of \$346 million. To make up the difference, the direct loan program will increase from \$814 million to \$1.05 billion.

The Rural Community Advancement Program (RCAP) is budgeted at \$477.86 million compared to receiving a total of \$806 million in 2002 and a request for \$791 million for 2003. Community facility grants are down from \$26 million in 2002 to \$17 million in the Bush request. However, the community facility loan program would remain at \$250 million.

The Administration’s proposal would cut the \$1.5 billion authorized in the new Farm Bill for deployment of broadband technology to \$196 million in broadband treasury rate loans and \$2 million in broadband grants.

EMERGENCY MANAGEMENT/DISASTER MITIGATION

National Citizens Corps

APWA BECOMES CHARTER MEMBER OF NATIONAL CITIZEN CORPS COUNCIL

As APWA’s representative, Past President Richard Ridings participated in a White House meeting December 4, 2002, where the Federal Emergency Management Agency announced the formation of the National Citizen Corps Council. Citizen Corps’ mission is to make communities safer, stronger and better prepared to respond to threats of terrorism, crime, public health issues, and disasters of all kinds.

APWA is a charter member of the Council which brings together national leaders from first responder groups, emergency management agencies, volunteer service organizations, state and local governments, and the private sector to engage citizens in homeland security and promote community and family safety practices across the country.

“APWA is proud to be a member of this new National Citizen Corps Council to promote citizen preparedness and citizen engagement in homeland security efforts,” said APWA President Marty Manning. The Citizen Corps is a component of the USA Freedom Corps. For more information go to www.citizen corps.gov.

FY04 Homeland Security Budget

FUNDING FOR NEW DEPARTMENT’S FUNCTIONS RISE BY 64 PERCENT SINCE FY02

Funding proposed for the new Department of Homeland Security (DHS) FY04 budget totals \$36.2 billion, a 7.4 percent increase over proposed funding in fiscal year 2003. The total spending represents an overall increase of 64 percent, or \$14.1 billion over FY02. Although DHS did not exist in FY02, the figure is based on spending by various agencies and offices that have since moved to DHS. The department’s focus is on reducing the nation’s vulnerability to terrorism and minimizing damage.

The Department's budget requests \$5.9 billion for Emergency Preparedness and Response, an increase of 16 percent (\$838 million) over FY2003. Other priorities in the Emergency Preparedness and Response division include:

- \$3.5 billion for the First Responder program to provide new equipment and training to states and localities to improve their preparation in the event of a terrorist attack. State and local jurisdictions would have discretion regarding how the money should be spent and would be able to tailor spending to meet local needs, the same level as proposed in FY03;
- \$200 million for flood map modernization; a decrease from FY03 request of \$300 million.
- \$300 million would be dedicated to a new competitive grant program for pre-disaster hazard mitigation program; a decrease from FY03's request of \$320 million.
- \$1.876 billion for National Flood Insurance Fund, an increase from FY03 request of \$1.789.

For more Homeland Security information visit: <http://www.dhs.gov/dhspublic/display?theme=87&content=424>.

Contributors to this month's Washington Report were: Beth Denniston, Jim Fahey and Heather McTavish.
The Washington Report is edited by Beth Denniston