

APWA *Washington* REPORT

December 2004

TRANSPORTATION

TEA21 REAUTHORIZATION

EARLY 2005 START PLANNED FOR MOVING NEW TRANSPORTATION BILLS

Congress concluded two short post-election lame duck sessions without clearing the stalled six-year transportation reauthorization bill (HR 3550), leaving the work of reauthorizing the expired Transportation Equity Act for the 21st Century (TEA-21) to the 109th Congress, which will convene in January.

Beginning early in 2005, Senate Environment and Public Works Committee Chair James Inhofe (R-OK) and House Transportation and Infrastructure Committee Chair Don Young (R-AK) plan to reintroduce their bills and have them marked up in Committee in early February. No timeline has been presented for when floor votes might be expected.

Inhofe plans to reintroduce the Senate-passed SAFETEA bill with minor changes, which could mean a Senate bill funded at \$318 billion. House Transportation and Infrastructure Committee ranking member James Oberstar (D-MN) said he believes the House could move a \$306 billion bill, based on Highway Trust Fund revenue growth. The House-passed bill, TEA-LU, authorized \$284 billion. Both bills passed in the House and Senate earlier this year authorized transportation programs for six years. The number of years the new bills would cover is not clear.

US Department of Transportation Secretary Norman Mineta, who has accepted the President's invitation to stay on as DOT Secretary in his second term, was asked if the Administration would support a funding level higher than the \$256 billion called for in its bill. He responded by reiterating the Administration's previous conditions for reauthorization: that proposals not increase taxes, rely on bonding or draw from the general fund. The Administration is expected to resubmit its reauthorization proposal early next year without substantive changes.

Federal highway, transit and safety programs are currently operating under a sixth temporary funding extension, signed into law September 30, 2004. The extension authorizes \$24.5 billion for highways and bridges and \$5.2 billion for transit until May 31, 2005.

Because legislation cannot be carried from one Congress to the next, new bills have to be introduced and passed again by each chamber and reconciled before the end of May 2005 to avoid the need for a seventh extension.

TEA-21 expired more than one year ago on September 30, 2003. APWA advocates passage of an adequately-funded multi-year surface transportation bill. See APWA's reauthorization policies and priorities at: www.apwa.net/advocacy

Capitol Hill

SENATOR REID STEPS DOWN FROM ENVIRONMENT AND PUBLIC WORKS COMMITTEE

Senator Harry Reid (D-NV), who will be the new Senate Minority Leader when the 109th Congress convenes in January, announced that he will step down from the Senate Environment and Public Works (EPW) Committee. His departure leaves a vacancy in the ranking member position on the Committee's Transportation and Infrastructure Subcommittee. Sen. Max Baucus (D-MT) is next in line for the position.

INSIDE YOU'LL FIND...

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Reid's announcement creates three Democratic vacancies on the Committee. Senators Ron Wyden (D-OR) is moving to a different committee and Bob Graham (D-FL) retired this year from the Senate. Two vacancies will be filled by Senators Frank Lautenberg (D-NJ) and Barack Obama (D-IL).

The election outcome, in which Republicans increased their margin in the Senate, could result in a change in the committee ratio from 10 Republicans and 9 Democrats to 10 Republicans and 8 Democrats in the new Congress.

Senator James Jeffords (I-VT) will remain the Senate EPW ranking member. Senators Baucus, Joe Lieberman (D-CT), Barbara Boxer (D-CA), Tom Carper (D-DE) and Hillary Rodham Clinton (D-NY) will return as minority members.

Republicans have not yet announced their committee assignments, but few changes are expected. Sen. James Inhofe (R-OK) will return as the committee's chairman.

Cable Modem Fees

HIGH COURT RULING MEANS LOSS OF LOCAL GOVERNMENT FRANCHISE REVENUES

The United States Supreme Court refused to hear arguments by local government organizations regarding the regulatory classification of cable modem service, a decision that will affect local governments' ability to raise revenues through cable franchise fees.

Local governments had asked the high court to review a lower court decision that cable modem service was not subject to cable franchise fees. Such fees generate about \$470 million annually for local public services. The Supreme Court announced its decision December 6, 2004.

The issue stems from an earlier Federal Communications Commission (FCC) declaratory ruling that cable modem service is an information service, not a telecommunications or cable service and therefore not subject to local franchise fees.

In October, the National League of Cities, the U.S. Conference of Mayors, the National Association of Counties, the International Municipal Lawyers Association and the National Association of Telecommunications Officers and Advisors filed a petition for review before the Supreme Court in what is known as the 'Brand X' case. The groups argued that the FCC action deprived local governments of their right to require cable operators to pay adequately for use of public property for private gain.

In October 2003 the U.S. Court of Appeals for the Ninth Circuit ruled that cable modem service has components of both telecommunications service and information service, but that it is not a cable service.

Retroreflectivity

COMMENT DEADLINE EXTENDED FOR PROPOSED SIGN RETROREFLECTIVITY RULE

The Federal Highway Administration (FHWA) has extended to February 1, 2005 the comment period for a proposed rule on maintaining sign retroreflectivity. The notice of proposed amendments (NPA) to the Manual on Uniform Traffic Control Devices was published in the *Federal Register* on July 30, 2004. The deadline was extended to allow more time for the public to comment.

FHWA research led to the development of proposed minimum maintained levels of traffic sign retroreflectivity and a complement of maintenance methods for implementing the levels. The NPA for maintaining traffic sign retroreflectivity proposes guidance for evaluating and maintaining traffic sign retroreflectivity. The methods proposed would allow agencies options for evaluating and managing their signs.

The existing MUTCD requires that traffic signs be illuminated or retroreflective. However, until recently, little information was available about the levels of retroreflectivity necessary to meet the needs of drivers and thereby define the useful life of signs. The NPA proposes a seven-year compliance period for regulatory, warning, and post mounted guide signs and a 10-year compliance period for overhead guide signs and street name signs.

More information is available on the MUTCD website, <http://mutcd.fhwa.dot.gov>, or by contacting Peter J. Hatzi, FHWA Office of Safety Design 202-366-8036. Comments may be sent to the U.S. Department of Transportation, APWA Washington Report, December 2004

Dockets Management Facility, Room PL-401, 400 Seventh Street, SW., Washington, DC 20590, or submitted electronically at <http://dmses.dot.gov/submit> or faxed to 202-493-2251. In addition, comments may be submitted via the Federal eRulemaking Portal at <http://www.regulations.gov>

Rural Development

APWA PRESIDENT DISCUSSES RURAL INFRASTRUCTURE WITH USDA OFFICIAL

APWA President Tom Trice met with US Department of Agriculture (USDA) Rural Development Deputy Under Secretary Tim Ryan to discuss ways APWA and USDA can work together to pursue shared goals of better serving rural communities.

The meeting held on December 9, 2004, provided an opportunity to discuss areas where APWA, its Small Cities/Rural Communities Forum and USDA can collaborate and work together through information sharing and program coordination. More than half of APWA's members live and work in small and rural communities.

Recently, outgoing Agriculture Secretary Ann Veneman announced the formation of a Rural Development Coordinating Committee, which will bring together federal agency officials and stakeholders from the public and private sector to provide input on the formation of a national rural strategy. The committee will incorporate the goals and vision of state, local, federal, non-profit and private for profit sectors into one overarching national rural strategy.

APWA's Small Cities/Rural Communities Forum is a network of APWA members established to share information, implement best practices and solve problems specifically related to rural America.

Intelligent Transportation Systems

FTA AND APTA COSPONSOR INTERNATIONAL BEST PRACTICES WORKSHOP

The Federal Transit Administration and the American Public Transportation Association are cosponsoring an international best practices workshop on how common standards improve the effectiveness of intelligent transportation systems (ITS) and can qualify ITS operators for federal funds in support of their efforts.

The importance of standards in improving the cost efficiency, performance and safety of mass transit is now widely recognized. This two-day workshop will bring together transit managers, planners and suppliers, federal officials and industry representatives and will feature these topics:

- Electronic Fare Collection
- Incident Management
- Intersection Priority
- Traffic Management
- Passenger Information Systems
- Worldwide Transit Standards Development

The inter-disciplinary workshop will include opportunities to learn about federal programs and funding sources. The subsidized registration fee of \$75 includes lunch, refreshments, breakfast and a reception. The workshop will be held January 27 and 28, 2005, at the Hyatt Regency Orlando International Airport, Orlando, FL. For more information visit: http://www.apta.com/conferences_calendar/consensus.

ENVIRONMENT

Clean Water Celebration

US EPA TO CELEBRATE THE 30TH ANNIVERSARY OF SAFE DRINKING WATER ACT

U.S. Environmental Protection Agency (EPA) Assistant Administrator for Water Benjamin H. Grumbles, observed 30 years of progress under the Safe Drinking Water Act at the Clayton County, Georgia Water Authority on Dec. 16, 2004. Grumbles visited the Clayton County Water Authority to observe the innovative technology being used there to make drinking water safer for the community.

The Clayton County Water Authority uses innovation that goes beyond regulatory requirements to insuring that their customers have access to safe drinking water. In addition to conventional treatment, the Authority uses ultraviolet
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disinfection at all of their treatment plants to provide greater removal of microbial pathogens that can cause gastrointestinal illness.

The Safe Drinking Water Act, signed Dec. 16, 1974, governs a mandatory national program to protect public health through drinking water safety. In the United States, more than 53,000 community water systems test for the presence of up to 90 contaminants that are regulated in drinking water. In the last 30 years, the percentage of individuals and communities receiving safe, clean water that meets public health standards has increased significantly.

For more information visit <http://www.epa.gov/region04/oeapages/releases.htm>

Drinking Water/Wastewater Security

GUIDANCE DOCUMENTS AVAILABLE TO HELP REDUCE VULNERABILITY TO THREATS

Through EPA grant funding, the Interim Voluntary Water Infrastructure Security Enhancement Guidance Documents were released on December 9, 2004.

The guidance documents are intended to assist drinking water and wastewater utilities in reducing the vulnerabilities of their systems to man-made threats through the design, construction, operation and maintenance of both new and existing systems of all sizes. These interim documents will be the basis for the development of voluntary consensus standards and published in late 2006. Training materials for each of the guidance documents are currently being developed and will be available in Spring 2005.

Additional information and links to the documents can be found under the "What's New" section of the Water Security page at www.epa.gov/safewater/watersecurity.

EPA Administrator Vacancy

EPA ADMINISTRATOR LEAVITT NOMINATED FOR HEALTH AND HUMAN SERVICES President Bush December 13, 2004, nominated EPA Administrator and former Utah Governor Mike Leavitt to be secretary of the Department of Health and Human Services (HHS). Leavitt only served as EPA Administrator for one year.

Possible candidates for EPA Administrator include, David Struhs, current Vice President of Environmental Affairs at International Paper, and former Secretary of the Florida Department of Environmental Protection, and also former commissioner of the Massachusetts Department of Environmental Protection; Steve Johnson, the current deputy administrator at EPA, and James Connaughton, director of the White House Council on Environmental Quality.

During Leavitt's short tenure at EPA, he advocated the Bush's administration's message to reduce power plant emissions

Sewage Blending

EPA CLOSE TO RELEASING FINAL BLENDING GUIDANCE

On Thursday, December 9, 2004, *The Washington Post* reported that the Environmental Protection Agency (EPA) is close to issuing a final guidance on blending. EPA officials claim they have not made a final decision but agency staff has reportedly begun to brief senior political appointees on the plan.

Blending would allow authorities to release a blend of fully treated and partially treated sewage during peak flows. The proposal was first released in November 2003. APWA submitted comments supporting the pending guidance on blending in February 2004. Those comments are available here:

<http://www.apwa.net/documents/advocacy/Submitted%20Documents/blending%20FINAL.doc>

To see *The Washington Post* article, please click here: <http://www.washingtonpost.com/wp-dyn/articles/A49443-2004Dec8.html> (free registration may be required) *Continue to check the APWA website for additional information.*

Water and Wastewater Infrastructure Investment

MORE THAN DOUBLE FEDERAL FUNDS SOUGHT IN BILL DRAFTED BY WATER GROUP

The Water Infrastructure Network (WIN) has drafted legislation that will more than double federal funding to upgrade or overhaul aging water and sewer systems by way of a 5 cent tax on bottled beverages, including water and soft drinks.

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WIN's "discussion draft" bill aims to raise \$5 billion annually for two trust funds administered under the Clean Water Act and Safe Drinking Water Act. Wastewater plants would receive \$3 billion for upgrades, while drinking water plants would get \$2 billion. The combination of the trust funds and the increased State Revolving Loan Funds (SRF) would raise total water infrastructure spending to \$9 billion each year or \$45 billion from 2006-2010.

Rationale for the bottled beverage tax is that beverage manufacturers often use municipally provided water to make drinks that consumers ultimately release as billions of gallons of wastewater. Producers and consumers each place a significant burden on water and sewer systems.

The draft bill creates several new programs to address persistent problems, including grant programs to meet a wide range of water pollution and drinking water system needs; improvements in technology, management, and research; greater assistance to States; increased attention to fisheries habitat and nonpoint source pollution; and greater funding for critical regional programs.

The Trust Fund Act was put forth in response to the overwhelming financial needs of local wastewater and water utilities, the lack of available federal funds in the U.S. general treasury to fund existing clean water programs, and the stagnation of further water quality progress in America. The draft bill would offset the steady erosion of the federal government's commitment to clean water in America as evidenced most recently by Congressional passage November 20, 2004 of a 15 percent cut to EPA's clean water state revolving fund program in the omnibus appropriations bill.

The proposed legislation takes its cue from existing laws passed by Congress that established trust funds supported by dedicated taxes for other critical national infrastructure sectors. These laws support the nation's highways, airports and harbors through trust funds.

For additional information or a copy of the draft legislation, contact Heather Doucet in APWA's Washington Office at hdoucet@apwa.net or 202.218.6732.

Fuel Additive Briefing

APWA HOLDS CONGRESSIONAL BRIEFING ON MTBE CONTAMINATION

APWA member Craig Perkins, Environment and Public Works Director for the City of Santa Monica, CA briefed Congressional staff December 10, 2004, on his city's MTBE Contamination and Restoration of its Public Water System. Staffers from the Senate Committee on Energy and Natural Resources, as well as the House Science Committee were present.

Throughout the past year, Congress debated the energy bill and the inclusion of a "liability waiver" for manufacturers of methyl tertiary butyl ether (MTBE). MTBE was ultimately blamed for the bill's Congressional deadlock. The MTBE liability provision would grant a liability exemption to manufacturers of the controversial fuel additive. APWA opposed the inclusion of the waiver because the responsibility would shift the cleanup burden from MTBE manufacturing companies to local communities, public water systems and the rate-paying public.

The liability waiver would also retroactively block hundreds of communities' legitimate suits that have already been filed, leaving communities with a \$29 billion unfunded mandate from Congress.

Perkins recounted his firsthand experiences with the harmful effects of MTBE. In late 1995 and early 1996, Santa Monica, CA first became aware of the fuel additive and contaminant MTBE present in the city's drinking water wells. Between February and October of 1996, Santa Monica shut down seven of the City's eleven water wells, representing 71% of the local water well production and supplied about one half of Santa Monica's total daily water demand. As a result of the contamination, in June of 1996, the Santa Monica City Council approved a 25% emergency MTBE surcharge on every water customer to pay for the additional \$3.25 in annual costs for the purchase of outside water to replace the lost well production. These surcharge revenues did not cover the City's legal and technical analysis costs.

Craig has been featured on the CBS newsmagazine, 60 Minutes and has testified before the Senate Committee on Environment and Public Works, the Subcommittee on Clean Air, Climate Change, and Nuclear Safety and the House Energy and Commerce Committee. If your community has been contaminated by MTBE, please share your story with Heather Doucet in APWA's Washington Office at hdoucet@apwa.net or 202-218-6732.

Water Security Conference

REGIONAL CONFERENCES ON WATER UTILITIES EMERGENCY RESPONSE PLANNED

The Water Environment Federation, through funding from the U.S. Environmental Protection Agency (EPA) and the Agency's Office of Research and Development, will host three regional water sector stakeholder conferences in 2005.

The first conference will be held March 15-17, 2005 at the Phoenix Marriott Mesa. Additional conferences will be held in the East in May 2005 and in the Midwest in July 2005. The primary purpose of these conferences is to provide water and wastewater (water sector) utilities a format to communicate their experiences on the process of conducting a vulnerability assessment and updating an emergency response plan.

Additionally, the utilities, along with other appropriate stakeholders, will be given an opportunity to identify current and future needs within the water sector regarding vulnerability assessments, emergency response plans, the enhancement implementation process, and related research.

Contact Heather Doucet in APWA's Washington Office at hdoucet@apwa.net for a copy of the concept paper and draft agenda.

EMERGENCY MANAGEMENT/DISASTER MITIGATION

Intelligence Reform

NEW BILL CREATES CABINET POST TO OVERSEE INTELLIGENCE AGENCIES

Congress has passed the National Intelligence Reorganization Act (S. 2845) to implement recommendations from the 9-11 Commission and it was signed into law by the President December 17, 2004.

The bill creates a new Cabinet level post to oversee the nation's 15 separate intelligence agencies. The bill left out the Commission's recommendation to consolidate Congressional oversight on homeland security issues to one Committee—an extremely contentious issue that would have stopped the bill (although the Senate considered a reorganization plan in October, few Committee Chairmen could agree on the consolidation of power into one Committee).

Legislators demanded language that would protect the "military chain of command" but finally empowered the new director to develop and determine budget levels for national intelligence programs. Counter to the Commission's recommendations that budget levels be made public, Congress, the Administration and Pentagon left the information classified to prevent hints about US intelligence priorities to enemies.

House leadership is working on a plan to reorganize oversight of homeland security responsibilities in the 109th Congress. Plans to make the Select Committee on Homeland Security a permanent committee and to consolidate security oversight have met with significant challenges by chairs whose committee's could lose jurisdiction under such realignment. Chair of the powerful Transportation and Infrastructure Committee (T&I) Don Young (which oversees aviation security and the Coast Guard) and Judiciary Chair F. James Sensenbrenner (which oversees immigration and border security) both oppose giving Representative Christopher Cox's (R-CA) Select Committee additional jurisdiction—particularly if that jurisdiction is taken from them.

APWA has heard that the House is also considering taking jurisdiction away from T&I's Subcommittee on Economic Development, Public Buildings, and Emergency Management. This would come as a blow to advocates for an "all-hazards" approach to our nation's response to terrorist attack or any other disaster. The Subcommittee staunchly defended the all-hazards approach to response when considering H.R. 3266, Homeland Security Committee Chair Cox's bill, The Faster and Smarter Funding for First Responders.

Homeland Security Leadership

RIDGE, MENCER AND LOY TO LEAVE DEPARTMENT OF HOMELAND SECURITY

After Department of Homeland Security (DHS) Secretary Tom Ridge's resignation in late November for personal and family matters (he will remain with the Department until February 1, 2005), some other significant departures from the Department followed. They are:

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C. Suzanne Mencer, director of the Office of State and Local Government Coordination and Preparedness submitted her resignation effective January 31, 2005, also citing personal and family matters. Mencer has overseen billions in first responder funding and has involved state and local groups in the review and input phases of DHS efforts to implement the President's directives and Congressional legislation.

Admiral James Loy, the number two man at DHS has also submitted his resignation effective March 1, 2005 or until a successor is announced. Loy joined DHS from the Transportation Security Administration where he headed the agency from 2002 to December 2003 until he joined DHS.

Flood Mapping

MULTI-YEAR PLAN OUTLINED BY FEMA

The Federal Emergency Management Agency (FEMA) has released its Multi-Year Flood Hazard Identification Plan (MHIP), the first-ever national look at how FEMA and its partners will move forward with updating flood maps.

Developed in cooperation with states, locals, regional entities, and other partners, MHIP outlines a national five-year schedule and budget for conducting flood studies and providing reliable digital flood hazard data and maps to support the National Flood Insurance Program (NFIP). APWA has participated in its development through the Flood Mapping Coalition.

FEMA, through its all-hazards mission to "Lead America to prepare for, prevent, respond to, and recover from disasters" supports the strategic goals of the Department of Homeland Security. FEMA's Mitigation Program, through managing the NFIP, specifically supports the Department's strategic goal for Protection, as identified in the U.S. Department of Homeland Security Strategic Plan issued in 2004, which includes strengthening nationwide preparedness and mitigation against natural disasters.

APWA members may be particularly interested in Section 7 of the MHIP, a refined mapping standard that defines levels of flood hazard study commensurate with levels of flood risk.

The MHIP is available on FEMA's Flood Hazard Mapping Website at www.fema.gov/fhm/mh_main.shtm. FEMA welcomes input and comments on the plan. *Please contact Kristina Tanasichuk in APWA's Washington Office at ktanasichuk@apwa.net or 202-218-6734; your FEMA Regional office, or provide comments through the Flood Hazard Mapping Website posting site above.*

Public Transportation Protection

TRANSIT NETWORKS, TUNNELS TO GET SECURITY IMPROVEMENT GRANTS

A bill, the Public Transportation Terrorism Prevention Act of 2004 (S. 2884), has passed the Senate and would authorize \$2.37 billion in DHS grants for capital security improvements to public transportation networks as well as systems for tunnel and perimeter protection.

Detection equipment for chemical, biological, radiological, and explosive material will also be implemented along with GPS or automated vehicle locator systems; fire suppression; decontamination; and other emergency response equipment.

Additionally, the bill also would authorize \$534 million for FY05, \$333 million for FY06, and \$133 million for FY07 to pay for increased security operating expenses such as training, drills, and public awareness. Additionally, the bill directs DHS and the DOT to draw up a memorandum of understanding clearly delineating the departments' transit security responsibilities.

A companion bill, the Public Transportation Terrorism Prevention and Response Act of 2004 (H.R. 5082) has passed the House Transportation Committee.

This bill also requires the transit security memorandum of understanding between DHS and DOT. The Capital grants in this bill would be disbursed by DOT's federal Transit Administration: \$775 million in FY05, \$825 million in FY06, and \$880 million in FY07. DOT would also have to develop guidelines for a public transit employee security training program.

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Windstorm Damage

REDUCING DAMAGE FROM WINDSTORMS SUBJECT OF AUTHORIZATION

The National Windstorm Impact Reduction Act of 2004 (H.R. 3980), a bill authorizing \$22.5 million in FY06 and \$25 million in FY07 to FEMA, the National Science Foundation, National Institute of Standards and Technology and the National Oceanic and Atmospheric Administration to develop cost effective measures to reduce the damage done by windstorms has passed the House.

Interoperability Project

EMERGENCY DATA EXCHANGE DEBUTED; MAY SET STANDARD FOR RESPONSE

A consortium of first responders and representatives from private industry and academia gathered the last week of October to demonstrate the Emergency Data Exchange Language (EDXL) with the goal of getting "the right information into the right hands at the right time."

DHS is coordinating the EDXL Project, which is bringing together key emergency interoperability organizations to create data specifications that will allow emergency responders to share information with each other. These organizations are the Emergency Interoperability Consortium (ECI), the Institute of Electrical and Electronics Engineers (IEEE), and the ComCARE Alliance. The EDXL project is part of DHS's effort to create a National Incident Management System where responders at all levels can communicate and work effectively during any future natural or manmade disasters.

Explosives Detection

TSA TESTS TECHNOLOGY FOR DETECTING EXPLOSIVES IN VEHICLES ON FERRIES

The Transportation Security Administration (TSA) recently teamed up with the U.S. Coast Guard and Delaware River and Bay Authority to test an explosives detection system on vehicles boarding the Cape May-Lewes Ferry that runs between the Delaware and New Jersey Coasts.

The thirty-day pilot called the "Secure Automobile Inspection Lanes Program" uses a method called "Z backscatter," developed by American Science and Engineering Inc. A regular looking unmarked van containing the detection system will slowly drive by vehicles to detect if they are hiding any explosive materials. "Z backscatter" technology is reported to be far superior to regular X-ray images because it produces a crisp and clear image unlike the fuzzy images produced by X-rays. TSA stresses that the entire process takes less than one minute per vehicle, and travelers will not be delayed or miss their ferry.

Homeland Security Grants

RECIPIENTS OF STATE AND LOCAL FIRST RESPONDERS GRANTS ANNOUNCED

Secretary of Homeland Security Tom Ridge announced the recipients of \$1.66 billion in grants to states and an additional \$855 million in grants to urban areas to fund first responders and support state and local resources necessary to prevent, respond and recover from acts of terrorism and other disasters.

Totaling over \$2.5 billion in direct assistance to state and local governments for their preparedness and planning needs, the Department will distribute more funds to state and local jurisdictions with further awards in port security, mass transit security and assistance to fire fighters. For a breakdown of recipients by program (Urban Area Security Initiative and Homeland Security Grant Program) go to <http://www.apwa.net/Documents/Advocacy/FY05GrantRecipients.pdf> Under the state Homeland Security Grant Program, each state, territory and the District of Columbia receives a portion of the \$1.66 billion in grants based on a formula consisting of a baseline amount plus the population of the state or territory. The funding is used for equipment, training, planning and exercises.

The Urban Area Security Initiative (UASI) provides additional resources to those areas with greater security needs by allocating \$855 million in a formula that considers a number of factors including population and population density; critical infrastructure; threat information; formal mutual aid cooperation; and law enforcement investigations and enforcement activity.

The recipients of this round of FY'05 Homeland Security grants will benefit from new measures recently adopted
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following recommendations from a task force convened by Secretary Ridge to expedite the flow of funds. State and local governments may now have up to 120 days to draw down funds in advance of purchase and investments, as compared to the three to five days allowed previously, so that even small localities have the buying power to purchase expensive or back ordered equipment.

The Department of Homeland Security also has hosted training seminars and coordination calls with states and urban areas to ensure that they are coordinating to prevent delays in the funding flow. Combined with a streamlined online application process, these statutory and educational measures will help Homeland Security funds flow as fast as possible to the hands that need them.

For more information contact Kristina Tanasichuk in APWAs Washington Office at ktanasichuk@apwa.net or 202-218-6734. Go to: http://www.apwa.net/documents/advocacy/FY05ODP_all_FR_grants.pdf for the grant application materials. Applicants have 45 days to submit applications for funding.

Taxing Mitigation Assistance

APWA SUPPORTS TAX EXEMPTION FOR FEDERAL ASSISTANCE TO DISASTER VICTIMS

APWA has urged Congress to reauthorize the Predisaster Mitigation Program and to approve legislation that would prevent the taxation of federal assistance given to disaster victims for mitigation activities. In late November 2004, APWA and other members of the Stafford Act coalition sent letters to Congress urging them to address both issues before recess. Both the House and Senate approved legislation to reauthorize the PDM program, but it stalled in Congress. Without the reauthorization, FEMA would not be able to award state and local officials the funds. To review the letter go to http://www.apwa.net/documents/advocacy/stafford_act_final_pdm_1104_letter.pdf

On the taxation issue, the IRS issued a ruling June 29 that would make federal disaster assistance for mitigation activities taxable as income when used to reduce private property damage. APWA is opposed to taxing such federal assistance and joined others in the coalition to send a letter supporting Senator Kit Bond (R-MO) and Representative Mark Foley's (R-FL) legislation, S. 2886 and H.R. 5206 respectively, that would state clearly that such funds are not subject to taxation. Go to http://www.apwa.net/documents/advocacy/stafford_act_draft_IRS_ltr_FINAL.pdf to view the letter.

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