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FEDERAL UPDATE

Stimulus Package Roils Senate in Debate Over Spending Priorities

The Senate began debating its version of the economic stimulus package this week, which took a decidedly more partisan flavor as GOP Senators took the Obama administration and the House to task over spending priorities and the overall size and cost of the package (\$900 billion). Senators Tom Coburn (R-OK) and Lamar Alexander (R-TN) led the GOP charge on the Senate floor calling for a revised stimulus plan that addresses the housing crisis first. In addition, a moderate group of GOP Senators, led by Senators Ben Nelson (D-NE) and Susan Collins (R-ME), have proposed spending cuts to the stimulus package which unfortunately include \$55 million for State and Tribal Historic Preservation Offices for historic rehabilitation projects. Senator Jeff Bingaman (D-NM) had included the State and Tribal funding provision in the Senate Appropriations Committee mark up of the stimulus bill last week.

The GOP moderates, led by Nelson and Collins, hope to trim at least \$100 billion off the price of the stimulus but it is unclear if the Obama administration or the House leadership will agree to such cuts. In addition, the House Blue Dog Coalition, a group of fiscally-conservative Democratic House members, has expressed its opposition to the "wasteful spending" contained within the stimulus in a letter to House Speaker Nancy Pelosi (D-CA) and Majority Leader Steny Hoyer (D-MD). Finally, Sen. Olympia Snowe (R-ME) announced that she was working with the Senate leadership on making changes to the tax portion of the stimulus bill that could cut tens of billions of dollars from the cost of the package. It was unclear at press time what tax provisions would be cut, but reductions in both the spending and tax sides of the package will be necessary to preserve the 60-40 ratio of spending to tax cuts that President Obama has endorsed.

Housing Amendments

Several housing amendments to the stimulus bill were proposed that could help stimulate rehabilitation of existing (including historic) residences and accelerate the use of low-income housing credits (which are often used in tandem with historic rehab credits).

The Senate passed the Isakson amendment on Wednesday to increase the homebuyers' tax credit to \$15,000 (up from \$7,500). Offered by Sen. Johnny Isakson (R-GA), the amendment could be a significant boost to stimulate home buying which, in turn, could benefit related industries (home renovation, repair, weatherization, etc.) for existing residences. Another housing-related proposal offered by Sen. John Ensign (R-NV) would have the government guarantee an interest rate of 4 percent for refinanced mortgages of \$750,000 or less. However, the Senate rejected the Ensign amendment 35-62 on Thursday.

In addition, Sen. Maria Cantwell (D-WA) is sponsoring an amendment that

Incentives for
Using Low-
Income Housing
Tax Credits
Proposed in
Cantwell
Amendment

would allow syndicators of the low-income housing tax credits to use the majority of them over three years, instead of being spread out over 10 years under current law. The Senate package also permits companies to use the affordable-housing credits to offset profits earned in the past five years, instead of in a single year as under current law. The House stimulus package aims at bolstering the financing of low-income housing by giving cash infusions to state agencies that administer the tax credits. The Cantwell amendment was still pending at press time.

Barasso
Amendment
Threatened to
Gut NEPA
Environmental
Review and
Adversely Impact
Historic and
Cultural
Resources

NEPA Amendments

Senator John Barasso (R-WY) offered an amendment to the stimulus package supported by an industry coalition to the Senate stimulus package that streamlines the National Environmental Policy Act (NEPA) review process for projects funded by the economic stimulus bill. The amendment could adversely affect a wide range of historic and cultural resources that are protected under NEPA during federal agency environmental assessments by placing a deadline of 270 days from the date of enactment of the Act for completion of all NEPA reviews for covered projects. If review is not completed within the deadline, the project is considered to have "no significant impact" and work will be allowed go forward. If enacted, the amendment would serve as an incentive for agencies to delay completion of NEPA analysis and environmental assessments and would essentially amount to a waiver of NEPA provisions.

Fortunately, the Senate rejected Barasso's amendment on a voice vote and instead adopted a modified amendment proposed by Senator Barbara Boxer (D-CA) requiring that adequate resources within the stimulus be devoted to ensuring that applicable reviews under NEPA "are completed on an expeditious basis and that the shortest existing applicable process" under NEPA be used. Boxer's amendment also requires the Obama administration to report to the Senate Environment and Public Works and the House Natural Resources Committee every 90 days until Sept. 30, 2011, on the status and progress of stimulus projects with respect to NEPA requirements.

Possible Conference Action Next Week

Majority Leader Reid said that he wants the Senate to pass the bill by the end of the week and stated that Democrats are willing to agree to a 60-vote requirement for passage, meaning the bill would need at least some Republican support to pass. Reid added that Democrats want to hold a formal conference with the House next week but may abandon that plan and negotiate behind the scenes with the House leadership to iron out any differences in the bill to meet their goal of getting the bill done by the Presidents Day recess (February 16-20). Much will depend on whether Reid can get the bill passed in the Senate first over the objections of GOP Senators who oppose the high price tag of the package. In addition, hundreds of amendments have been filed in the Senate and it is unclear how many

Climate Change
Bill in Senate Set
for Introduction
at Year's End but
House Bill Due
before Memorial
Day

Senators will forgo an opportunity have a vote on their particular amendment in exchange for a speedy vote on passage.

Preservation advocates can make use of our stimulus tracker at <http://www.preservationnation.org/take-action/advocacy-center/platform/stimulus-tracker.html> on [preservationnation.org](http://www.preservationnation.org) to see daily updates of the stimulus package's progress through the legislative process.

Climate Change Bill Due in the Senate at Year's End

Senate Environment and Public Works Committee chair Barbara Boxer (D-CA) said she wants to bring a committee-approved climate change bill to international climate talks in Copenhagen in December and plans to "have a bill as soon as possible out of our committee, before the end of this year." Although she hopes to move quickly, Boxer also said she needs time to make sure the bill has wide support before introducing it in the Senate. Boxer brought up a climate-change/cap and trade bill on the floor last summer but it did not have the 60 votes required to overcome a Senate filibuster.

On the other hand, House Energy and Commerce chairman Henry Waxman (D-CA) said he wants his committee to approve a climate-change bill before Memorial Day. House Speaker Nancy Pelosi (D-CA) recently told *The San Francisco Chronicle* that she hopes to hold a floor vote before December on the House version of the climate change bill.

The National Trust is closely monitoring both climate change and comprehensive energy bills proposed in the 11th Congress for opportunities to incentivize the greening of older and historic buildings and homes.

Fossil Collecting Provision Threatens to Derail Omnibus Lands Package with Key Preservation Authorization Bills

SAT, Preserve
America and
Conservation
System Bills Face
Latest Hurdle as
Part of Omnibus
Lands Package in
the House

The "Omnibus Public Lands Act of 2009" (S. 22), which contains key historic preservation bills such as the Save America's Treasures (SAT), Preserve America (PA) and National Landscape Conservation System (NLCS) authorization bills, is scheduled for a House vote next Wednesday. However, Rep. Jeb Hensarling (R-TX) has raised objections to language in the omnibus that would impose criminal and civil penalties on people who take fossils from federal lands. Hensarling's opposition to the fossil-collection provision is so strong that he is actively rallying opposition to the bill, despite his claims that he's "only asking that this section be stripped out" because of its impact on casual fossil collectors. However, supporters of the lands package say these worries are misguided and the bill already has exemptions for casual collecting. But this is one of several provisions that have left the Republican caucus divided on whether to support the bill — although some GOP members

support it because of projects that would benefit their districts.

S. 22 is the most sweeping piece of conservation legislation in 15 years and includes three new national parks; two million acres of wilderness in nine states; a formal authorization of the Bureau of Land Management's National Landscape Conservation System; three new national conservation areas; one new national monument; increases in the size of 12 national historic parks; and, 12 new national heritage areas.

FY'09 Omnibus Spending Bills on Hold Until After Presidents Day Recess

The consideration of the nine remaining FY'09 appropriations bills (including the Interior Appropriations bill) left over from the 110th Congress has been delayed until after the President's Day Recess because of the legislative work devoted to formulating and passing a stimulus package. Congress cleared the omnibus appropriations bill (PL 110-329) late last year to keep most of the government operating at fiscal 2008 spending levels through March 6th. The remaining nine spending bills for FY'09 total \$410 billion.

The Historic Preservation Fund (HPF), contained within the Interior Bill, is funded at FY'08 level of \$70.385 million in the omnibus, although the House had approved \$82 million for the HPF in mark up last year. It is unclear if appropriators will be willing or have time to revise any spending levels within the remaining nine bills for FY'09 given all of the additional spending need to address the financial crisis through the stimulus bill presently working its way through the Senate.

Interior and HPF
Funding May Be
Held at FY'08
Spending Levels
in FY'09 Omnibus
Package

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