

To: The Honorable Vince Tutiakoff Sr.
The Unalaska City Council
Erin Reinders, City Manager

From: Brad Gilman, Rick Marks, & Sebastian O’Kelly

Re: Washington Update

Date: December 20, 2021

1. FY 2022 Federal Budget/Appropriations: Congress has adjourned for the holidays, passing another Continuing Resolution to keep the Federal government operating until Feb. 18. The goal will be to pass an Omnibus Approps Bill (or bundle the bills into a few “mini-buses”) at that time. Differences on top-level spending for defense and non-defense programs must still be negotiated as well as the particulars of the individual appropriations bills. While it is not ideal to pass appropriations bills this far into the fiscal year, it is not unprecedented. Still pending is the \$2.6 million in project funding to the Qawalangin Tribe for the Makushin geothermal project.

We can work off the City’s fall Federal priorities memo/list to develop the community project requests for the FY 2023 appropriations process shortly after the New Year. We will work with you to develop the final project list, prepare the necessary materials and letters, and submit the required paperwork in the latter part of the first quarter of 2022.

2. Bipartisan Public Infrastructure Investment Legislation (“The Infrastructure Investment and Jobs Act”): This legislation is now law. It includes almost \$550 billion in new spending above projected existing program spending over the next 5 years. All three Members of Alaska’s Congressional Delegation supported the bill. Our second quarter report also includes summary information that is still relevant given that the House passed the Senate bill without change. We also have a detailed 100 plus page summary that can be sent on request.

Rollout of the funding is expected to come from one of three methods.

- **Existing Federal-State Formula Funding Programs** – These funds will move the most quickly as they follow existing funding streams and processes that are already in law. They are typically per capita or population-based formulas and relatively easy for Federal agencies to calculate funding allocations. The Dept of Transportation has announced the State allocations of traditional Federal surface transportation formula funding in FY 2022 along with some of the new transportation formula programs, with the State of Alaska to receive a total of \$664 million for FY 2022 (details can be found [here](#)). The FAA has made its FY 2022 grant allocations for airport infrastructure as well (see section later in the memo). The EPA has done the same for State funding allocation increases for the Clean Water and Drinking Water Revolving Funds administered by Alaska DEC.
- **Existing Federal To Local Competitive Grants** – This category includes current grant programs where project decisions are made by Federal agencies through a competitive

grants process that local governments are eligible to apply for. Two such examples include RAISE (formerly BUILD/TIGER) and MARAD's Port Infrastructure Development Program (PIDP). Both programs will receive major funding increases (2.5X to 3X over FY 2021 funding levels) starting in FY 2022. Notices Of Financial Assistance application procedures should come out in the 1st or 2nd quarter of 2022 for these and other existing Federal grant programs that saw expanded funding under the infrastructure bill. We will monitor and report accordingly.

- **New Federal Grant Programs** – This would include new programs for State broadband connectivity grants, rural ferry operating grants, electrical grid resiliency and rural surface transportation grants, among others. Some of the funding will be based on a population-based or other similar formula. Other funding will be awarded through a Federally-run competitive grant application process where local governments will be eligible to apply. Many of these new programs will take some time to roll-out as the Federal government will have to develop program criteria, hire/redeploy staff, and possibly go through a public notice and comment period and other review processes that new programs typically go through. Of the three categories, these initiatives will take the longest to develop. We will monitor and report as they progress.

3. Dept of Transportation ROUTES Initiative: If you have not already done so, we would encourage signing up for the Department's Rural Opportunities to Use Transportation for Economic Success (ROUTES) initiative through this [link](#). It is free. Registering enables participation in DOT webinars on rural transportation grant opportunities and application procedures. Registering also includes email notifications of such opportunities, including implementation of the transportation elements of the infrastructure bill such as the new \$2 billion (over 5 years) rural surface transportation grant program.

4. The Infrastructure Investment and Jobs Act – Airport Funding: The bill provided the FAA \$15 billion for airport infrastructure over 5 years. The money can be invested in runways, taxiways, safety and sustainability projects, as well as terminal, airport-transit connections and roadway projects. The FAA has announced FY 2022 funding allocations totaling \$2.9 billion nationally. Alaska community airports will receive \$80 million this year. This includes \$1,017,317 for Unalaska Airport.

5. Economic Development Administration (EDA): The EDA has made Phase 1 planning grant awards to 60 applicants across the nation as part of the American Rescue Plan Act Regional Challenge Grant Awards. There were two awards in Alaska – one to the Southeast Conference for a regional mariculture initiative (oysters, kelp, red king crab, geoducks and sea cucumbers). Although the Conference is based in Southeast, the project funding encompasses other coastal regions in the State, including Southwest, Prince William Sound and the Kenai Peninsula. The second award was to Spruce Root, a coalition of Southeast groups that will focus on development of sustainable forest products and micro-timber harvest in the Tongass. Both organizations will qualify for submission of Phase 2 grant proposals, with 20-30 final awards that will range between \$25 million to \$100 million per grant.

The EDA has also announced a \$500 million grant opportunity – Good Jobs Challenge -- with a focus on job training initiatives for underserved populations. Applications are due Jan. 26 with details [here](#).

Lastly, the EDA has announced the opening for grant applications to its Economic Adjustment Assistance Program. Applications are received and reviewed on a rolling basis but must be submitted no later than March 31, 2022. Details are [here](#).

6. WOTUS: As noted in our last report, the Biden Administration issued a notice in June announcing plans to rescind the Trump Administration changes to the “Waters of the U.S.” definition and revisit associated regulations. The EPA and Army Corps issued a proposed rule for public comment on December 7th which is open until Feb. 7th. The agencies are seeking to put back in place the pre-2015 WOTUS regulatory regime, but NACO and other local government associations remain concerned that local infrastructure and water projects will be fully covered under the proposed rule’s Federal permitting requirements and limits. Virtual hearings will be held in mid-January, with registration details at this [link](#).

7. Indian Boarding Schools Commission Legislation: Senator Warren (D-MA) has introduced S. 2907 -- the Truth and Healing Commission on Indian Boarding Schools Act. The bill establishes a Truth and Healing Commission on Indian Boarding School Policies made up of 10 members. The Commission’s primary duties are to develop recommendations on actions that the Federal Government can take to redress the historical and intergenerational trauma inflicted by the Indian Boarding School Policies, including developing recommendations on ways to protect unmarked graves and accompanying land protections; to support repatriation and identify the Tribal nations from which children were taken; and to stop the continued removal of American Indian, Alaska Native, and Native Hawaiian children from their families and reservations under modern-day assimilation practices. The bill has been referred to the Committee on Indian Affairs and awaits further consideration. Senator Murkowski is a cosponsor.

8. Build Back Better Bill (BBB): After passing the House, the BBB bill has stalled in the Senate. Senator Manchin (D-WV) opposes the legislation in its current form and has criticized its total cost, lack of out-year budgetary offsets, and a few of its specific provisions concerning paid parental leave and climate change. Senator Sinema (D-AZ) has receded into the background in terms of her earlier criticism of the bill but whose support also remains uncertain. Without all 50 Democrats supporting the bill, it cannot pass the evenly-divided Senate (the Vice President casts the tie-breaker in a 50-50 vote). All Republicans oppose the bill. The bill’s consideration will be pushed into 2022 and will not pass the Senate without major changes.

9. Fisheries & Oceans

- **COVID Fisheries Disaster Relief – CARES Act:** After lengthy delays, checks to impacted Alaska businesses and fishermen started going out this week.
- **COVID Fisheries Disaster Relief – Consolidated Appropriations Act of 2021:** Alaska has been allocated \$40 million by NOAA for the relief appropriated in this bill.

Separately, \$30 million was allocated to Federally Recognized Tribes in coastal States. The Alaska Dept of Fish & Game is developing its expenditure spend plan (expected in early-mid 2022) which will be built largely on the first spend plan under the CARES Act, with some slight modifications to clarify some of the AK/WA fishermen residency issues. The plan will factor in assistance from the CARES Act, with a restriction that the combined relief does not allow a recipient to be “made more than whole” relative to their pre-COVID revenues.

- **USDA COVID Assistance To Seafood Processors:** The States submitted their applications to USDA at the end of November for reimbursement to seafood processors for the cost of COVID worker safety measures. The USDA is expected to grant funding to the States in the 1st or 2nd quarter of 2022.
- **Magnuson-Stevens Act (MSA) Reauthorization Hearing:** On November 16th the House WOW Subcommittee held a hearing on H.R. 4690, the Sustaining America’s Fisheries for the Future Act of 2021 (“SAFFTFA”) -- introduced by Chairman Jared Huffman (CA-D-2nd) and Rep. Young’s MSA bill – HR 59, Strengthening Fishing Communities and Increasing Flexibility in Fisheries Management Act. Both Chairman Huffman and Rep. Young have pledged to work together to produce a compromise bill. Issues where the most significant differences exist include – additional bycatch limits, new ecosystem-based management requirements for forage fish; and greater consideration of climate change in fishery management decision-making. House Committee mark up of the bill is likely in early 2022. The Senate has thus far shown little interest in developing a MSA counterpart bill.
- **Build Back Better (BBB) Legislation – Fisheries Provisions.** The House-passed version of the BBB bill includes funding for a number of fisheries and fisheries-related programs. The funding included is as follows (total numbers in some of bullets reflects funding spread over multiple years).
 - \$400 million for NOAA grants to States & tribes for hatchery investments
 - \$19.6 million for BIA hatchery investments
 - \$1 billion for NOAA for Pacific salmon recovery & restoration (this is not PCSRF)
 - \$500 million to NOAA for fishery and marine mammal stock assessments, research, surveys.
 - \$300 million for NOAA facilities construction
 - \$100 million for National Marine Sanctuary facilities construction
 - \$2 million for the Seafood Import Monitoring Program
 - \$20 million for NOAA permitting improvements
 - \$6 billion for NOAA coastal resiliency, habitat and coastal community protection (including fisheries). No cost-share required.
 - \$180 million to USFWS for Endangered Species Act recovery plans..
- **NMFS COVID Economic Impact Study On Fishing Industry:** NMFS has completed a study which has showed that COVID has had a harmful economic impact on the fishing

industry. The study compared 2020 economic data versus an annual average of the previous 5 years (2015 to 2019). Commercial fishing landings revenue declined 22 percent in 2020, with all regions experiencing a significant decline. The recreational fishing charterboat sector industry saw a decline of more than 17 percent in trips nationwide from the previous 5-year annual average. In Alaska, charterboat bookings were down almost 50 percent while landings revenues fell 26 percent. Alaska's commercial salmon fishery was particularly hard-hit, with revenues off by 41 percent.

- **30 By 30 Initiative:** The public comment period has closed on the Biden Administration's initiative to conserve at least 30 percent of U.S. land and water by 2030. For its part, NOAA was seeking public input on how it should, using its existing authorities, conserve and restore America's ocean, coasts, and Great Lakes. We are likely to see proposed implementing regulations emerge next year.
- **Fisheries Disaster Reform Legislation:** Legislation to reform the Federal fisheries disaster process -- S. 2923, the Fishery Resource Disasters Improvement Act -- passed the Senate at the end of Sept. It includes provisions that qualify local government loss of raw fish tax revenues as eligible for reimbursement from Federal fisheries disaster relief funds. The bill awaits House consideration.
- **Blue Carbon:** Senator Murkowski has introduced S. 3245, Blue Carbon for Our Planet Act, that would create an Interagency Working Group On Coastal Blue Carbon. Among other responsibilities, the Group would oversee the development of a national map and inventory of coastal blue carbon ecosystems as well as establish national conservation and restoration priorities for coastal blue carbon ecosystems, culminating in a report to Congress and development of a strategic plan for blue carbon ecosystem research and development.
- **Saltonstall-Kennedy Grants:** There have been no advances with this bill since our last report. S. 497, the American Fisheries Advisory Committee Act, legislation introduced by Senator Sullivan (R-AK) and Commerce Committee Chairwoman Cantwell (D-WA) that would reform the national S-K grant program. The bill would create an advisory committee to guide the grant program's goals and objectives going forward. Senator Murkowski is a cosponsor. Rep. Young is the author of the House counterpart bill.
- **Sea Otters:** As reported previously, the USFWS has issued a paper based on roundtable meeting it held in Juneau in late 2019 on the growth of sea otter populations in Southeast Alaska. The report concludes that sea otter recovery in the region has been "wildly successful." Suggested recommendations to address the growing population included more funding for artisan training and marketing of Native handicrafts as well as use of co-management agreements with Southeast AK tribal groups such as the Prince of Wales tribal sea otter commission. The link to the AK report can be found here --

https://www.fws.gov/alaska/sites/default/files/2020-10/SSOSW_REPORT_FINAL_508_0.pdf

Separately, a Congressional-required USFWS study (due December 2021) is currently examining reintroduction of sea otters in Washington, Oregon, and California. On August 5, 2021 an ad hoc coalition of 24 ocean-based regional stakeholder associations, including commercial fishing, shellfish aquaculture, and maritime interests, submitted a detailed comment letter to the Agency, expressing both concerns over the impacts of reintroduction and the need for a fair, transparent and comprehensive report to Congress.

- **Prescott Grants:** There have been no advances with this bill since our last report. S. 1289, the Marine Mammal Research and Response Act would amend the Marine Mammal Protection Act of 1972 to reauthorize and modify the John H. Prescott Marine Mammal Rescue Assistance Grant Program. The bill would require enhanced data collection on stranded marine mammals; require closer coordination between funded marine mammal stranding network participants and NOAA; authorize larger grants to network participants; and increase public access to stranding data.
- **Pacific Coastal Salmon Recovery Fund (PCSRF):** This program typically provides \$65 million annually via formula to the West Coast States for salmon recovery and habitat restoration activities. The Infrastructure Investment and Jobs Act included a funding supplement to bring this program to an annual funding level of \$100 million for the next 5 years.