

To: The Honorable Vince Tutiakoff Sr.
The Unalaska City Council
Chris Hladick, Interim City Manager
J.R. Pearson, Asst. City Manager

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

Re: Washington Update

Date: August 3, 2022

1. FY 2023 Federal Budget/Appropriations: The appropriations process has been moving gradually, with all the appropriation bills through Committee in the House, with several passing as a group by the full House last month. The Senate Appropriations Committee released its bills in draft form at the end of the July. They include \$1.6 billion in funding (\$850 in defense spending, \$653 billion in non-defense). These figures represent an 8.7 percent and 10.1 percent increase, respectively, above FY 2022 levels. There are still differences between the Democrats and Republicans on increases for defense and non-defense spending. We are likely to see passage of a short-term Continuing Resolution in late September to keep the Federal government operating past the November election. Once the parties reach agreement on “topline” spending, there will most likely be consideration of a final Omnibus Appropriations Bill, considered in either a post-election Lame Duck session, or at the start of the new Congress in the first quarter of 2023. This has become standard operating procedure.

The draft Senate Energy & Water Appropriations Bill includes \$25.6 million in Army Corps funding for dredging of the entrance channel to Dutch Harbor. This amount covers almost the full Federal share of dredging cost of the of the project as authorized in the Water Resources Development Act of 2020 (\$26.2 million Federal cost share). There is also \$2.5 million for upgrades to the City’s electrical grid through the Department of Energy. These requests were submitted to the Appropriations Committee by Senator Murkowski.

2. The Infrastructure Investment and Jobs Act/Bipartisan Infrastructure Law (BIL) Implementation: The Department of Transportation, along with other relevant agencies, continues to roll out grant opportunities in a number of areas funded in the BIL. Some of the more recent opportunities and awards are highlighted below. In some programs, funds are being made available to the States for further distribution to local governments and projects, while others are available for direct applications from localities. Should the community submit an application for funding, please keep us informed as we can inquire as to whether the Alaska Senators will submit a letter of support to the agency.

- **Rural Ferry Funding:** As part of implementing its requirements and funding under the BIL, DOT’s Federal Transit Administration has announced \$200 million in grant application availability for States seeking both capital and operating assistance for ferry service that operated a regular schedule at any time during the five-year period ending

March 1, 2020 and served not less than two rural areas located more than 50 sailing miles apart. An additional \$800 million will be available over the next 4 years.

- **PROTECT Formula Grants:** DOT has announced the distribution to the States \$1.4 billion in funds from this new program to help make surface transportation more resilient to natural hazards, including climate change, sea level rise, flooding, extreme weather events, and other natural disasters through support of planning activities, resilience improvements, community resilience and evacuation routes, and at-risk coastal infrastructure. Project decisions will be made by the States. An additional \$5.9 billion will be available over the next 4 years.
- **Airport Terminals Program:** DOT has announced \$1 billion in FY 2022 grant awards for airport terminal upgrades from this program nationally, with one award in AK (\$2.4 million for Ted Stevens International Airport). \$4 billion in funding will be spent over the next 4 years. Rural air terminals are eligible to apply provided they are eligible to receive FAA Airport Improvement Program funding.
- **Bridge Investment Program:** DOT has announced a grant opportunity for a new program that focuses on funding improvement or replacement of existing bridges to reduce the overall number of bridges in poor or fair condition. \$2.5 billion is available this year, with an additional \$10 billion over the next 4 years. Local governments are eligible to apply for this competitive funding. The deadline for bridge construction projects is on Sept. 8, with details at the link. A separate formula bridge program to the States has already been awarded by DOT, with the State of Alaska receiving \$45 million this year. <https://www.fhwa.dot.gov/bridge/bip/qa.cfm>
- **Safe Streets For All:** This program is focused on transportation projects that will improve vehicle, pedestrian and bicycle safety. Local governments can apply directly, with applications due September 15. Up to \$1 billion is available this year, with another \$4 billion over the next 4 years. <https://www.transportation.gov/grants/SS4>

3. Arctic Development Legislation: Senator Murkowski, along with Senator Angus King (I-ME), have introduced S. 4736, the Arctic Commitment Act, legislation to further advance Arctic development for U.S. trade, national security, shipping and research interests. It includes a reporting requirement for both the Coast Guard and Navy to examine the feasibility of establishing a permanent presence at Unalaska (among other locations) along with a cost estimate. The bill has been referred to the Senate Commerce, Science & Transportation Committee where it awaits further consideration. Bill summary and text can be found at the link -- <https://www.murkowski.senate.gov/press/release/murkowski-introduces-comprehensive-arctic-bill>

4. PILT: The Department of Interior released PILT payments for FY 2022 in June. Both the House and Senate Interior Appropriations Bills fully fund PILT for FY 2023.

5. Build Back Better Bill 3.0 – Port Emissions Grants: Now titled the Inflation Reduction Act, the Senate Democratic Leadership has reached an agreement with Senator Joe

Manchin (D-WV) on clean energy, healthcare, prescription drug reform, minimum corporate tax and deficit reduction legislation. The bill will be considered under reconciliation procedures to avoid a Senate filibuster but still must receive support from all 50 Democrats and almost all Democrats in the House in order to pass. It is not expected to receive any Republican votes. Included in the measure is \$3 billion for a new EPA grant program to reduce port emissions. This program will present funding opportunities for Alaska coastal communities with cruise ship and cargo vessel visitation that are interested in setting up plug in power facilities to reduce vessel emissions while in port. A pair of summaries of the 745 page bill are below.

https://www.democrats.senate.gov/imo/media/doc/summary_closing_tax_loopholes_in_the_inflation_reduction_act_of_2022.pdf?utm_source=substack&utm_medium=email

https://www.democrats.senate.gov/imo/media/doc/summary_of_the_energy_security_and_climate_change_investments_in_the_inflation_reduction_act_of_2022.pdf?utm_source=substack&utm_medium=email

6. Alaska Broadband Summit: Senator Sullivan is holding a broadband summit in Anchorage on August 9 to discuss funding opportunities and planning for broadband deployment and upgrades in the State. Attendance can be in person or virtual and is free. USDA, NTIA and FCC broadband officials will be in attendance. Details and registration at the link.

<https://www.eventbrite.com/e/alaska-broadband-summit-workshop-tickets-381046910567>

7. COVID Relief – American Rescue Plan (ARP): The House Budget Committee has issued a State-by-State analysis of the funds provided in the main initiatives from the ARP. For Alaska, they include -- \$1.4 billion to State and local governments; \$358.8 million for AK K-12 schools and \$42.3 million for its colleges and universities; \$880 million in economic impact payments to 355,339 Alaskans; and \$94.7 million in aid to 385 AK restaurants from a total of 937 applications to the Restaurant Revitalization Fund.

8. Fisheries & Oceans

- **Fishery Disaster Assistance:** NOAA has allocated a little more than \$131 million to recently declared Alaska fishery disasters. The next step will be for ADF&G to develop expenditure plans. The fisheries receiving funding are—
 - Upper Cook Inlet East Side Set Net (2018) and Upper Cook Inlet salmon fisheries (2020)--\$9,414,087
 - Copper River and Prince William Sound salmon fisheries (2018 and 2020)--\$34,360,624
 - Eastern Bering Sea Tanner crab (2019/2020)--\$12,948,148
 - Pacific cod in the Gulf of Alaska (2020)--\$17,790,330
 - Alaska Norton Sound, Yukon River, Chignik, Kuskokwim River, and Southeast Alaska salmon fisheries (2020 and 2021)--\$55,984,834

These are pending Alaska fisheries disaster requests under review by the Secretary of Commerce.

- Alaska Kuskokwim River Salmon Fishery, 2021
- Alaska Norton Sound Red King Crab Fisheries, 2020 and 2021
- Alaska Norton Sound Chum & Coho Salmon Fisheries, 2021
- Alaska Bering Sea Crab Fisheries, 2021/2022
- Alaska Chignik Salmon Fishery, 2021

The House and the Senate are still working on a final version of legislation to reform the national Federal fisheries disaster process, including expediting the multiple steps in the relief process.

- **Alaska Salmon Research Task Force:** The House has passed H.R. 6651, the Alaska Salmon Task Force Act. This was Representative Don Young's (R-AK) final legislative initiative and passed the House after his death. Senator Dan Sullivan (R-AK) was successful in moving the companion measure, S. 3429, out of the Senate Commerce Committee in May. The bill is intended to prioritize research needs for Pacific salmon in Alaska; create a coordinated salmon research strategy; and promote collaboration and coordination of Pacific salmon conservation efforts in Alaska. The Task Force would be comprised of representatives from NOAA, the North Pacific Council, the U.S. Section of the Pacific Salmon Commission, the State of Alaska, subsistence users, harvesters, processors, charter and recreational users, prohibited species salmon bycatch users, hatcheries, and scientists with specific expertise in Pacific Salmon.
- **Pribilof National Marine Sanctuary Nomination:** NOAA's Office of National Marine Sanctuaries has issued a notice in the Federal Register adding the proposed Alagum Kanuux (Heart of the Ocean) national marine sanctuary nomination to the inventory of acceptable nominations. The NOAA action does not create a new national marine sanctuary, but it does make the proposal eligible for consideration in the future. The St. Paul Tribal Government originally requested a sanctuary designation within a 100 nautical mile circular boundary around St. Paul and St. George Island. This was subsequently amended to drop specific boundary recommendations in favor of future discussions between St. Paul and St. George on future boundaries and co-management arrangements. The Heart of the Ocean proposal is now part of the inventory of potential new national marine sanctuaries.
- **NOAA Equity and Environmental Justice Strategy:** NOAA has issued its draft Equity and Environmental Justice Strategy to guide the agency's actions in promoting these concepts. The stated goals are to prioritize identification, equitable treatment, and meaningful involvement of underserved communities; provide equitable delivery of services; and prioritize equity and environmental justice in NOAA's mandated and mission work. The agency has requested public comments on the draft strategy. Comments are due August 19.

- Kuskokwim River Subsistence Lawsuit:** The Federal Government has sued the State of Alaska over conflicting interpretations of federal and state authority to regulate subsistence salmon on the Yukon River. The Federal Government’s position is that the Alaska National Interest Lands Act (“ANILCA”) provides only for subsistence use by rural residents on the river within the boundaries of the Yukon Delta National Wildlife Refuge. The State’s position is that the Alaska constitution requires the State to allow for subsistence by all residents of the State, not just rural subsistence users. The Federal Government is seeking an injunction to limit the subsistence fishery to rural residents pursuant to its interpretation of ANILCA.
- IUU Fishing and Forced Labor:** On June 27 the White House issued a National Security Memorandum to combat Illegal, Unreported, and Unregulated Fishing (“IUU”), including an expansion of U.S. policy to address forced labor in the seafood supply chain. The Memorandum provides specific instructions to multiple Federal Departments on actions to be taken. NOAA is to seek resources to post law enforcement officials to areas which would aid regional efforts to combat IUU fishing. NOAA has been instructed to go forward with a rulemaking by the end of 2022 to expand the Seafood Import Monitoring Program to include additional species. The departments have also been instructed to evaluate existing trade tools and statutory authorities to combat forced labor in the seafood supply chain.
- Fish Passage Funding:** The Bipartisan Infrastructure Law provided significant Federal funding to improve fish passage in the Nation’s streams, rivers and other waterways. From its amount of \$200 million, the Fish & Wildlife Service National Fish Passage Program has announced the award this year of \$38 million to 40 projects in 23 States and Puerto Rico, including 13 projects in AK, ID, OR and WA. Separately, NOAA has issued Notices of Funding Availability for grant applications for \$87 million in fish passage funding, with \$12 million of that amount reserved for Tribes. Grant awards are expected to range from \$2 million to \$5 million and will be administered by the Community-based Restoration Program within the NOAA Office of Habitat Conservation with a focus on improved passage for ESA-listed and NOAA Fisheries-managed species.
- Alaska Seafood Buy:** The USDA has announced a \$52 million buy in Alaska groundfish products for its Section 32 food assistance programs. Section 32 purchases of Alaska seafood products have grown in recent years as they have shown to be both popular and nutritious in school lunch, emergency food assistance and other hunger programs across the U.S.
- Coast Guard & Magnuson-Stevens Act (MSA) Reauthorization:** There have been no significant new developments since our last report. The Senate Coast Guard Bill is expected to be introduced in September. Rep. Jared Huffman (D-CA), the lead House sponsor of MSA reauthorization has withheld further legislative action on the bill until he has an opportunity to engage with the new Representative elected by Alaskan voters later this month.