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Federal

Climate Change Task Force Created

On January 24th, Representative Henry Waxman (D-CA) and Senator Sheldon Whitehouse (D-RI) announced the formation of a bicameral task force on climate change.

As part of their announcement they released a letter, also signed by Representative Ed Markey (D-MA), urging the President to develop “as expeditiously as possible” a “comprehensive climate change plan” focusing on: achieving greenhouse gas emission reductions of 17% below 2005 levels by 2020 through federal regulations; increased investment in clean-energy technology; and developing an adaptation strategy.

Additional information and links to video of the announcement can be found here:

- [Rep. Waxman press release](#)
- [Sen. Whitehouse press release](#)

Cyber Security Legislation Introduced

On January 22, Senators Rockefeller (D-WV), Carper (D-DE), Feinstein (D-CA), Levin (D-MI), Mikulski (D-MD), Whitehouse (D-RI), and Coons (D-DE) laid the opening groundwork for legislative action on cybersecurity in the 113th Congress. The group introduced placeholder legislation entitled “Cybersecurity and American Cyber Competitiveness Act of 2013.” The language is “sense of Congress”

legislation that outlines goals to pursue, but does not provide specific policy recommendations. Some of the relevant concepts put forth include:

- Enhancing the security and resiliency of public and private information networks against cyber attack
- Creating a workable public-private cybersecurity information sharing regime to protect the nation's critical infrastructure
- Promoting cybersecurity research and development, and related workforce training
- Protecting civil liberties in the context of any cybersecurity regime
- Working with the international community to prevent cybercrime

The legislation reaffirms broadly accepted goals for cybersecurity policy. Notably absent in this legislation are details on how to achieve these policy goals. In particular, there is no discussion of prescriptive government cybersecurity regulation, or liability and information protections necessary to create a workable public-private cybersecurity information sharing regime – issues that escaped consensus in the 112th Congress.

Bill text can be found [here](#).

DOE Inspector General releases Smart Grid Audit

The Department of Energy's (DOE) Inspector General (IG) has issued a report on smart grid stimulus funding, of which Con Edison has been a recipient. The DOE IG found little questionable spending within the \$4.5 billion program. The DOE inspected 11 projects totaling \$279 million, about \$12.3 million of which the agency's IG identified as "questionable spending." Inspectors said DOE's documentation was unclear in places and there was a danger of funding projects through overlapping agency offices. By the time the report was released, the DOE had recovered more than half the money. The report also includes a series of recommendations, all of which can be found [here](#).

Tax Reform Bill Introduced

Marking the official opening on the 2013 tax reform debate, House Ways and Means Committee Chairman Dave Camp (R-MI) released his draft proposal on financial products tax reform. The proposal outlines changes with the goal of providing greater simplicity and uniformity. On the release Camp stated, "The U.S. is a leader in the financial world, but our broken and antiquated tax code has failed to keep up with the rapid pace of financial innovation on Wall Street. The lack of consistent and comprehensive tax policy has also contributed to some corporate scandals and the recent financial crisis that devastated our economy and threatened our standing in the global community. Updating these tax rules to reflect modern developments in financial products will make the code simpler, fairer and more transparent for taxpayers; and it will also help to minimize the potential for abuse that has occurred in the past."

Specifically, the discussion draft includes six proposals to:

- Provide Uniform Tax Treatment of Financial Derivatives
- Simplify Business Hedging Tax Rules
- Eliminate "Phantom" Tax Resulting from Debt Restructurings

- Harmonize the Tax Treatment of Bonds Traded at a Discount or Premium on the Secondary Market
- Increase the Accuracy of Determining Gains and Losses on Sales of Securities
- Prevent the Harvesting of Tax Losses on Securities

An overview of the discussion draft along with a detailed summary can be found at the [Ways and Means website](#).

AGA Does Not Oppose LNG Exports

On January 24th, the American Gas Association (AGA) filed comments with the Department of Energy (DOE), Office of Fossil Energy in response to DOE's 2012 LNG Export Study and Request for Comments issued on December 11, 2012. The Notice was seeking public input on the results of a study of the macroeconomic impacts of increased exports of liquefied natural gas (LNG) to help inform DOE's determination of the public interest in considering LNG exports.

According to the comments: "In AGA's view, natural gas is the foundation fuel for a clean and secure energy future, providing benefits for the economy, our environment and our energy security. AGA has confidence in America's natural gas resource base and its ability to satisfy existing demand and new markets for natural gas at competitive prices for many years to come. Accordingly, AGA does not oppose the exportation of natural gas as LNG."

The comments can be found [here](#).

GAO Releases Pipeline Safety Report

The Government Accountability Office (GAO) has released a pipeline safety report entitled, "Pipeline Safety: Better Data and Guidance Needed to Improve Pipeline Operator Incident Response." The Report recommends the following:

- The Department of Transportation (DOT) should improve incident response data and use these data to evaluate whether to implement a performance-based framework for incident response times; and
- DOT should share guidance and information on evaluation approaches to inform operators' decisions.

The report was the focus of discussion at a U.S. Senate Commerce, Science, and Transportation Committee's field hearing on "Pipeline Safety: An On-the-Ground Look at Safeguarding the Public," which took place on January 28th in Charleston, WV.

A full copy of the report can be found [here](#).

State

Mayor Bloomberg Testifies at State Budget Hearing

This week the New York State Legislature began a series of hearings to examine the 2013-2014 Executive Budget proposal.

Mayor Michael Bloomberg appeared today before the Senate Finance and Assembly Ways & Means Committees regarding the potential impacts of the Executive Budget on the City of New York. Bloomberg praised Cuomo's "ambitious plan to lead our recovery from the unprecedented damage produced by Hurricane Sandy" and expressed confidence in the City and State's ability to work together in obtaining "the maximum in discretionary Federal recovery funds...and sharing any non-Federally-funded public costs of rebuilding."

Additionally, Bloomberg requested the ability to grant targeted property tax relief to homeowners who are experiencing the worst hurricane damage. The tax rebates would reflect the reduced value of buildings on the most seriously damaged properties. State Legislative approval is required for the City to provide those rebates.

The Mayor's complete testimony can be found [here](#).

Westchester Assemblymember Named New Assembly Energy Chair

Assembly Speaker Sheldon Silver has named Amy Paulin (D-Scarsdale) as the Chair of the Energy Committee. She replaces Kevin Cahill (D-Kingston) who will now head up the Assembly Insurance Committee.

"I have long been an advocate of developing new energy sources and monitoring the ones that are currently being used. I plan to present energy legislation that will be of benefit to every State resident," Paulin said.

Paulin was first elected to the Assembly in 2000. Since that time, she has served as Chair of the Committee on Alcoholism and Drug Abuse and more recently as Chair of the Assembly Committee on Children and Families. She has also served as a member of the Oversight, Education, Higher Education, and Health Committees.

Paulin's full biography can be found [here](#).

City

FEMA Releases New Flood Maps

For the first time in 30 years, FEMA released revised flood elevation maps for Westchester and parts of New York City including Staten Island, Queens, and Brooklyn. New maps for other areas are expected next month.

According to FEMA officials, the number of homes included in flood zones has doubled from 35,000 to 70,000. These maps will dictate how homeowners affected by Hurricane Sandy should rebuild. In some cases, homeowners will have to rebuild three to six feet above their current level. The new maps will also determine flood insurance rates.

The mayor's office is expected to issue an executive order in the coming days that will determine what homeowners will be required to do during rebuilding based on the new maps.

The new maps can be found [here](#).

City Council Moves Legislation for Sandy Repairs

On January 7, 2013, the New York City Council passed the linked legislation ([Int. 0977](#)) from its subcommittee on Housing & Buildings. The legislation would waive certain permit and inspection fees associated with the demolition, alteration, rebuilding or repair of certain buildings and systems damaged by Hurricane Sandy.

The buildings eligible under this legislation are those designated by the Department of Buildings as unsafe to enter or occupy or completely demolished or washed away. Other eligible buildings are those where the application, permits and inspection work is related to plumbing or electrical systems damaged by Hurricane Sandy, and where a licensed master electrician or licensed master plumber or fire suppression piping contractor has certified that the damage is related to Hurricane Sandy. The time frame for initial application is on or after October 30, 2012 and on or before April 30, 2013.