



Government Issues and News of the Week

Federal

- [Senate and House Budgets Introduced](#)
- [LIHEAP Update](#)
- [House and Senate Hold Cybersecurity Hearings](#)

State

- [Energy Czar Nominated as NYSERDA Chairman](#)
- [Assembly Energy Committee Holds First Meeting of Legislative Session](#)
- [Assembly Introduces Legislation Aimed at Assisting Localities with Sandy Costs](#)
- [Assembly Proposes Speeding Camera Pilot Program in New York City](#)

City

- [City Council Addresses Home Elevation Rules Post-Sandy](#)

Federal

Senate and House Budgets Introduced

With a Congressional recess only ten days away, the House and Senate are attempting to fast-track a number of budget issues for the remainder of Fiscal Year 2013 as well as initiating the FY 2014 budget process. This year marks the first that Congress, instead of the president, has kicked off the budget process.

Fiscal Year '13 Continuing Resolution

In the absence of regular order and full-year appropriations bills, the federal government has been operating under a series of short-term funding bills, also referred to as "continuing resolutions" (CR). On March 6, the House passed H.R. 933, a new hybrid-CR that would replace the current funding bill that expires on March 27. The CR would fund the government for the remaining six months of the fiscal year. Senate Appropriations Committee Chair Barbara Mikulski (D-MD) has developed a substitute measure and has received support from her Republican Committee colleagues, including Ranking Member Richard Shelby (R-AL).

The House version of H.R. 933 also includes the two full-year appropriations bills (Department of Defense and Military Construction), to which the Senate version adds the Agriculture; Commerce, Justice, Science; Homeland Security; and Veterans Affairs Appropriations Acts. Both the House and Senate bills provide more spending flexibility to these select agencies in light of the \$85 billion automatic sequester currently in effect.

Once the Senate votes to approve the bill, House and Senate negotiations should quickly follow. This process is likely to avert the threat of a March 27th government shutdown.

Details of the bill can be found [here](#).

Fiscal Year '14 Budget Process

Both the House and Senate appear on track to pass budget resolutions covering the 2014 fiscal year – the first time the Senate has done so since April 2009. Under the most recent debt ceiling increase, the pay of lawmakers is tied to passing a resolution by April 15. The “No Budget, No Pay” Act, however, did not include a requirement that budget resolutions be reconciled into a single joint budget resolution.

Following this week’s markups in the House and Senate Budget Committees, both chambers are expected to take up their respective budget resolutions the week of March 18. However, without a budget resolution conference agreement (one is not expected), these budget proposals will hold little weight other than to set markers for ongoing deficit reduction conversations.

Details on the House budget proposal can be found [here](#).

Details on the Senate budget proposal can be found [here](#).

Low Income Heating Assistance Program (LIHEAP) Update

The Senate Budget Committee’s proposed FY14 budget resolution includes a call for increased LIHEAP funding. Without specifying an exact number, the non-binding budget resolution states:

Heating assistance provides critical support to low-income families and seniors. The Senate Budget assumes increased funding for the Low-Income Home Energy Assistance Program (LIHEAP) to assist with home energy costs. Research has shown that children in energy-secure homes, like those assisted by LIHEAP, are less likely to have health issues, be food insecure, be hospitalized since birth, and be at risk for developmental delays. Additionally, LIHEAP provides critical support to low-income elderly Americans, who too often have to choose between home heating or cooling and health care expenses, such as medications.

A coalition of LIHEAP supporters is currently circulating a letter of support, urging congressional appropriators to properly fund the LIHEAP program. Con Edison is a signatory of the letter. The coalition will utilize the letter during the annual LIHEAP Action Day, which is scheduled for April 10 in Washington, DC.

Additional information on LIHEAP Action Day can be found [here](#).

Text of the support letter can be read [here](#).

House and Senate Hold Cybersecurity Hearings

House –

On March 13, the House Homeland Security Committee held a hearing examining the Department of Homeland Security's (DHS) roles and responsibilities when it comes to protecting the country's critical infrastructure. The panel featured the Honorable Jane Holl Lute, Deputy Secretary, Department of Homeland Security; Mr. Anish B. Bhimani, Chairman, Financial Services Information Sharing and Analysis Center; Mr. Gary W. Hayes, Chief Information Officer, Centerpoint Energy; and Ms. Michelle Richardson, Legislative Counsel, American Civil Liberties Union.

House Homeland Security Chairman Michael McCaul (R-Texas) called for the hearing in order to "explore how Congress can build upon the DHS's efforts to prevent cyber attacks in a way that promotes U.S. commerce, while not hindering its expansion."

During the hearing, Deputy Secretary Lute reiterated DHS's position that the policy components included in the President's cybersecurity executive order must be codified into law. The administration hopes that alongside the voluntary standards, Congress will extend limited liability protections to companies that choose to implement the standards.

The hearing also explored threat information sharing and greater funding for cyber defenses.

Additional details on the hearing, including video, can be found [here](#).

Senate –

On March 7, the Senate Committee on Commerce and the Senate Committee on Homeland Security and Governmental Affairs held a joint hearing titled "The Cybersecurity Partnership Between the Private Sector and Our Government: Protecting Our National and Economic Security" to review the Obama Administration's recent executive order. The hearing featured testimony from The Honorable Janet Napolitano, Department of Homeland Security (DHS); The Honorable Patrick Gallagher, National Institute of Standards and Technology (NIST), U.S. Department of Commerce; Mr. Greg Wilshusen, U.S. Government Accountability Office and; Mr. David Kepler, Dow Chemical Company.

The discussion focused on the following subjects:

- **The Federal Role in Cybersecurity.** Both Chairmen noted that the federal government needed to take an active role in ensuring critical infrastructure cybersecurity. Ranking Members of the Committees expressed support for government-private sector cybersecurity information sharing regimes but were skeptical of cybersecurity regulation and legislation.
- **DHS Engagement in Cybersecurity.** Republicans questioned the overall need for prescriptive cybersecurity standards. Moreover, the ranking members suggested that DHS has a poor record as a regulatory agency and should not be granted extra cybersecurity authority. On the other hand, Secretary Napolitano disagreed and highlighted the agency's priority focus on cybersecurity as well as the successful work of existing DHS cyber units.
- **The White House Executive Order (EO) and Future Cybersecurity Legislation.** Most Senators approved of the cybersecurity EO though they diverged slightly on how to proceed legislatively.
- **EO Implementation.** Director Gallagher outlined the role National Institute of Standards and Technology (NIST) has in developing cybersecurity standards and promoted NIST's technical cybersecurity capabilities. However, the bulk of Gallagher's testimony focused on the fact that industry would be the primary driver in standards development.

Details on the hearing, including opening statements, can be found [here](#).

State

Energy Czar Nominated as NYSERDA Chairman

Governor Cuomo announced the nomination of Energy Czar Richard Kauffman as Chair of the New York State Energy and Research Development Authority (NYSERDA). Kauffman's nomination is subject to approval by the New York State Senate.

Kauffman was recently appointed by Governor Cuomo as Chairman of the newly-created Energy Policy and Finance Sub-Cabinet where he will focus on developing energy policy and growing the clean energy economy. As part of this endeavor, he is responsible for establishing the state's \$1billion Green Bank which will offer loans and grants to advance clean energy deployment as well as coordinate and leverage the state's clean energy spending and alleviate financial market barriers to clean energy projects.

Kauffman was previously Senior Advisor to the U.S. Secretary of Energy, Steven Chu, beginning September 2012. Prior to his tenure at the U.S. Department of Energy, Kauffman was Chief Executive Officer of Good Energies, Inc., an investor in renewable energy and energy efficiency technologies. He also previously served as a partner of Goldman Sachs where he chaired the Global Financing Group, as well as vice chairman of Morgan Stanley's Institutional Securities Business and co-head of its Banking Department.

Assembly Energy Committee Holds First Meeting of Legislative Session

The New York State Assembly Energy Committee held its first meeting of the 2013 legislative session this week. This also marks the first committee meeting for the new Assembly Energy Chair Amy Paulin (D-Westchester) who replaced former Chair Kevin Cahill (D-Kingston) earlier this year.

The agenda consisted of many familiar bills including the following:

[A.1245](#): Provides for the installation of net metered technologies to qualify for on-bill financing. In its current form, on-bill financing allows consumers to pay for retrofitting their homes with energy efficiency upgrades on their monthly utility bill.

[A.1038](#): Directs the State Energy Planning Board to study energy-efficient and sustainable forms of power to replace power generated by Indian Point if it should close.

[A.50](#): Provides for PSC regulation and inspection of submeters.

Assembly Introduces Legislation Aimed at Assisting Localities with Sandy Costs

At the request of the New York State Comptroller, legislation has been introduced to provide municipalities with financial options to pay for costs related to Superstorm Sandy. These initiatives include authorization for schools and localities to utilize reserve funds ([A.5550](#)), repayment extensions for certain monetary advances ([A.5549](#)), and expanded financing capabilities for localities, schools, and fire districts ([A.5551](#)).

According to the sponsors, many local entities were severely affected by the flooding and other damage. The costs of repairing the damage are considerable and these bills will help local governments, school districts, and fire districts manage the costs of repair by providing additional and flexible financing options.

Legislature Proposes Speed Camera Pilot Program in New York City

Two proposals to implement a speed camera pilot program in New York City are pending in the Legislature. Similar to the red light camera program, these proposals would impose liability on the owners of motor vehicles found to be in violation of the maximum speed limit. Violations would be determined through the use of a speed limit photo device which uses speed sensing technology to determine the speed of a vehicle, captures/records that data, and produces an image of a motor vehicle at the moment it exceeds the speed limit. Penalties would then be assessed against the owner of the vehicle, not the operator of the vehicle at the time the violation occurred.

One proposal was included in the Assembly's one-House budget and restricts the program to violations committed in school zones. Another proposal, being championed in the Senate and Assembly, would not restrict the program to school zones and would authorize up to forty cameras city-wide for five years ([A.4327](#)).

The New York City Council introduced a resolution this week ([Reso. 916](#)) urging the Legislature and Governor Cuomo to enact the more expansive program. City Council Speaker Christine Quinn also expressed her support for the program. "Speed cameras are a smart tool that will reduce speeding and help save lives, and we look forward to working with the NYS Legislature to advance legislation that would enable the City to test a maximum of 40 speed cameras at high-risk locations across the City for 5 years," Quinn said.

Quinn's press release can be found [here](#).

City

City Council Addresses Home Elevation Rules Post-Sandy

The New York City Council has approved new safety rules and procedures this week concerning the city residents' home elevation projects following Superstorm Sandy.

The city council said these rules were prompted in part by Louisiana's experience following Hurricane Katrina. After the storm, a rush to elevate homes, without first putting in place proper procedural safeguards, led to a home collapse and construction site death, according to the city council's statement.

The council said Sandy destroyed or damaged over 18,500 homes and buildings in New York City. These property owners, as well as those in other areas prone to flooding, may consider how to protect themselves against flood damage and save on future flood insurance costs, the council said.

Additionally, the city's flood insurance rate map is currently being revised, and once finalized, it will likely identify new flood-prone areas. Many owners in these communities may also choose to elevate their existing homes or buildings, according to the city council.

Mayor Michael Bloomberg has already issued an executive order allowing property owners to elevate their buildings without violating height limits in the zoning rules. The new rules are as follows:

- The title page of construction plans submitted to the city's Department of Buildings would have to clearly state whether the project will involve elevation work.
- Contractors would have to give 48 hours' notice to the Department of Buildings before elevating a home, which would give the department the opportunity to monitor the work if it chooses.

- Elevation work would be subject to special inspection. That means a review of the work will be conducted by a qualified person chosen by the owner or contractor and authorized by the Department of Buildings.
- The Department of Consumer Affairs would provide education to homeowners and the public regarding the types of work that home improvement contractors can do and the licenses and permits those contractors need in order to engage in certain work.