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### Federal

#### **President Holds Cyber Summit**

On February 14, President Obama held a Summit on Cybersecurity and Consumer Protection at Stanford University. The intent of the event was to develop partnerships in the cybersecurity and consumer financial worlds to share best practices, promote stronger adherence to security standards, improve cyber threat information sharing, and encourage the adoption of more secure payment technologies.

During the summit, the President released an Executive Order promoting private sector cybersecurity information sharing. The Cyber Information Sharing Executive Order offers a framework for expanded cybersecurity information sharing designed to help companies work together, and work with the federal government, to quickly identify and protect against cyber threats. Specific elements include:

- Encouraging private-sector cybersecurity collaboration via the creation of Information Sharing and Analysis Organizations (ISAOs) to serve as focal points for cybersecurity information sharing and collaboration within the private sector and between the private sector and government.
- Enabling better public-private information sharing by improving the mechanism by which the National Cybersecurity and Communications Integration Center, the Federal government's primary cybersecurity liaison with the private sector, enters into information sharing agreements with ISAOs, and streamlining private sector companies' ability to access classified cyber threat information.
- Providing privacy and civil liberties protections by ensuring that private sector ISAOs and their federal partners abide by common privacy and civil liberty protection standards.

From the industry perspective, the Executive Order's directive for baseline public-private information sharing standards could be beneficial if developed collaboratively and coupled with legislation that provides information sharing liability protections. The full text of the order can be found [here](#).

### **House Energy Committee Unveils Legislative Goals**

On February 8, House Energy and Commerce Committee Chairman Fred Upton (R-MI) unveiled a four-part policy framework to guide the committee in writing comprehensive energy reform legislation. This is expected to be a bipartisan exercise and closely coordinated with the Senate Energy and Natural Resources Committee. The policies include making it easier to build infrastructure such as pipelines, enhanced workforce training for energy jobs, and improving accountability in regulatory agencies.

More information on the committee's plan to build an "Architecture of Abundance" is available [here](#).

### **House Committee Passes Permanent Research & Development (R&D) Tax Credit**

On February 12, the House Ways and Means Committee approved H.R. 880, the American Research Competitiveness Act of 2015, which would simplify and permanently extend the research tax credit. The legislation passed out of committee on a party-line vote with Democrats arguing the cost of the credit should be offset and that it should not be available to companies who chose to invert revenue to avoid paying U.S. taxes. The House is expected to vote on the legislation the week of February 23<sup>rd</sup>.

The R&D tax credit expired on December 31, 2014. Permanent extension of the R&D tax credit could be included in corporate or comprehensive tax reform, but that still remains unlikely. Advocates of the R&D tax credit are already focusing on finding a way to preserve the tax credit through another short-term extension.

A copy of the House legislation is available [here](#).

### **Department of Homeland Security Funding Caught in Immigration Battle**

On February 17, a federal judge in Texas ordered a temporary halt to implementation of President Obama's executive order on immigration. The decision came in response to a case brought by Republican Governors and Attorneys General in 26 states. The plaintiffs argued the president overstepped his authority with his November 20 executive order that would offer work permits and safe harbor from deportation to approximately 4 million people who meet certain criteria.

This development comes as funding for all of the Department of Homeland Security, including to implement the immigration plan, is set to expire at Midnight on February 27. House Republicans passed a bill (H.R. 240) in January to fund the Department except for implementation of the immigration order. In the Senate, the bill has not been able to garner the required 60 votes. A shutdown of the Department of Homeland Security becomes a real possibility absent a compromise solution before funding expires.

## **State**

### **New York State Assembly Establishes Climate Change Work Group**

The New York State Assembly announced the formation of a new Climate Change Work Group (Group) to review state and federal policy initiatives that may be helpful in reducing greenhouse gas emissions, as well as recommend modifications to existing laws that will help minimize damage from future extreme weather events. The Group is expected to release a report which could result in legislation.

Assembly Environmental Conservation Committee Chair Steve Englebright (D-Suffolk) will lead the Group which will also consist of the following members:

- William Colton (D-BK)
- Kevin A. Cahill (D-Ulster)
- Fred W. Thiele, Jr. (I-Suffolk)
- Barbara S. Lifton (D-Central NY)
- Steven Otis (D-Westchester)
- Robert J. Rodriguez (D-Harlem)
- James Skoufis (D-Orange/Rockland)
- Kimberly Jean-Pierre (D-Suffolk)
- Roxanne J. Persaud (D-BK)

The speaker's press release announcing the creation of the Group can be found [here](#).

### **Governor Cuomo Pushes Legislature on Ethics Reform and Other Budget Initiatives**

On Friday, Governor Cuomo proposed amendments to his budget that will make it nearly impossible for the Legislature to avoid enactment of his ethics reforms without potentially shutting down the government and jeopardizing other funding. By using budget amendments to advance his reforms, Cuomo is taking advantage of constitutional powers and court rulings that give the Governor power to craft budget language and prevent the Legislature from making significant changes besides simply striking the funds.

In addition to ethics reforms such as eliminating per-diems and requiring the disclosure of outside income, all of the surplus money allocated to infrastructure projects such as broadband deployment and the "Upstate Revitalization" plan were swept into one fund. As a result, legislators would need to strike all of the money instead of individual programs. Cuomo has come under fire by critics who argue that not enough of the State's \$5 billion surplus is dedicated to road and bridge infrastructure improvements.

Cuomo's amendments also focus on education. The amendments link higher education funding to the DREAM Act which enables undocumented students to qualify for state financial aid. In addition, Cuomo's education reforms, including enhanced teacher evaluations, are linked to the State Education Department's operating budget. As a result, lawmakers would not be able to fund the Department without also approving Cuomo's plan.

### **City**

#### **Mayor de Blasio to Lobby Albany Lawmakers This Week**

New York City Mayor Bill de Blasio is expected in Albany this week to push his agenda for rent control, a higher minimum wage and The Dream Act, which allows undocumented individuals access to financing for higher education.

The mayor has pledged to fight for rent reform and strengthen regulations for New York City's rent stabilization rules, which affects the rents of 1 million apartments and are set to expire in June. He has also pushed for raising the minimum wage in New York City to \$13 an hour, an increase from Governor Andrew Cuomo's proposal for an \$11.50 minimum wage in the city.

Cuomo and de Blasio disagree over the mayor's plan to convert a 200-acre rail yard in Queens into affordable housing units, which Cuomo's administration has said is not available for any other use than by the MTA.

### **New Congestion Pricing Proposal**

Mayor De Blasio said last week that a new congestion pricing proposal needs to be taken "seriously."

Former City Traffic Commissioner Sam Schwartz, is pushing a new congestion pricing plan that would introduce tolls to cross four East River bridges and travel south of 60th Street in Manhattan. The new revenue would be used to lower tolls on outer borough crossings like the Bronx-Whitestone Bridge, Robert F. Kennedy Bridge and Verrazano-Narrows Bridge. Schwartz is said to be meeting with members of the City Council to discuss the proposal.

De Blasio has not voiced outright support for the plan, which would need approval by both city and state lawmakers and Governor Cuomo. As a city councilmember de Blasio opposed Mayor Michael Bloomberg's plan to introduce another form of congestion pricing. The plan, backed by then-Governor Eliot Spitzer, was never brought up for a vote in the Assembly.