NOSSAMAN LLP Memorandum

TO:	Legislative Committee
FROM:	Brent R. Heberlee
DATE:	May 2, 2018
RE:	Federal Legislative Update

This memo provides a Federal Legislative Update on the items appearing on the agenda for the May 7, 2018, Legislative Committee meeting.

A. Cannabis Legislative Update

There have been several recent developments involving efforts to ease federal restrictions on cannabis use at the state level.

In comments to the McClatchy news bureau on May 1st, Senator Dianne Feinstein revealed that she is no longer opposed to marijuana legalization and that she was open to considering federal protection for state-legalized marijuana. She told McClatchy, "My state has legalized marijuana for personal use, and as California continues to implement this law, we need to ensure we have strong safety rules to prevent impaired driving and youth access, similar to other public health issues like alcohol."

Senator Cory Gardner (R-CO) announced on April 13th that he had received a commitment from President Trump that DOJ's rescission of the Cole memo will not impact Colorado's legal marijuana industry and that the President will support a federalism-based legislative solution to protect states that have legalized marijuana. Sen. Gardner had been holding up Senate confirmation of DOJ nominees over the issue. He is reportedly working with a bipartisan group of senators to draft legislation that would receive the President's support.

Senate Democratic Leader Chuck Schumer announced his support, for the first time, for decriminalizing marijuana at the federal level. Sen. Schumer plans to introduce legislation to remove marijuana from the list of scheduled substances under the Controlled Substances Act, which would allow states to decide how they will treat marijuana possession. The bill would also establish dedicated funding streams for women and minority-owned marijuana businesses, highway safety research, and public health research, and it would maintain federal authority to regulate marijuana advertising to ensure that marijuana businesses aren't allowed to target children in their advertisements.

B. FY2019 Transportation Funding

Congressman Panetta provided testimony on April 19th to the House Appropriations Subcommittee on Transportation, Housing and Urban Development, and Related Agencies in Federal Legislative Update May 2, 2018 Page 2

support of the County's transportation funding priorities. Rep. Panetta's testimony centered on support for Amtrak service to the central coast and the importance of the Federal Transit Administration's (FTA) Capital Investment Grant Program, commonly known as New Starts/Small Starts, and Core Capacity Program. Both Amtrak and FTA funding are top priorities for TAMC. The County's transportation priorities were outlined in a letter sent to Rep. Panetta on April 9th.

C. FEMA Reimbursements

At our request, Rep. Panetta's office has been working with staff in the offices of Senator Harris and Feinstein to urge FEMA to expedite its review of debris removal and road repair projects submitted by the County. The County decided not to pursue a delegation letter to FEMA on this issue after it was determined that congressional staff inquiries to FEMA have had the desired effect of improving the pace of reimbursements. To date, FEMA has obligated roughly \$9 million for County projects.

On a related matter, the County is concerned that environmental permitting issues involving other federal agencies, e.g., the Army Corps of Engineers, have made it difficult for the County to meet FEMA project deadlines. FEMA's most recent Public Assistance Program and Policy Guide allows for project deadlines to be extended if certain extenuating circumstances exist that are beyond the County's control, including "permitting or EHP [environmental and historic preservation] compliance related delays due to other agencies involved." We intend to raise this issue with our congressional delegation if County staff determines that FEMA is not following its own policy with respect to deadline extensions.

D. EPA Proposed Rule to Revise Automobile Emission Standards

EPA and the National Highway Traffic and Safety Administration (NHTSA) have drafted a proposal that would freeze auto emission standards starting in 2021 and seek to block California's ability to set its own more stringent rules. California has been given multiple waivers over the past several decades to write its own standards for tailpipe emissions, and a dozen other states have chosen to adopt California's more stringent standards.

The text of the draft is still reportedly in flux, but if ultimately finalized, it would erase one of the Obama administration's most significant initiatives to curb climate change. Under a 2011 agreement reached among the Obama administration, California officials and automakers, manufacturers' fleet of cars and light trucks in the United States are slated to average more than 50 miles per gallon by 2025, well above the level of the Trump administration's proposed freeze. According to the EPA, the current standards were set to avert 6 billion tons of carbon dioxide emissions from vehicles sold between 2012 and 2025. Since the rules were issued, the transportation sector has outstripped electric power to become the top source of greenhouse-gas emissions in the United States. Federal Legislative Update May 2, 2018 Page 3

California Attorney General Xavier Becerra and eighteen other state AGs recently sued EPA over the decision to review the current standards. EPA and the NHTSA are expected to initiate a notice and comment rulemaking in the near future to consider the new standards.

Attachments:

- Federal Bill/Issues Track