

## Peter Friedmann's View from Washington, D.C.

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***The rush to leave town is almost unseemly.*** If Congress has been characterized by one thing these past two years, it is its inability to get the basic job of legislating done. Routine bills, necessary to keep the government running, without any controversy or major policy changes, simply have languished. Yet, the way Members of Congress are rushing to leave town, you would think that they are simply exhausted from all the effective work they have done these past two years. Today, Congress is finishing up business, passing a budget that will keep the government operating through the elections.

***Then, it's off to their home States and Districts,*** and to travel the country scouring the hills for campaign contributions. The stakes are high. While there is little doubt that the Republicans will continue to hold the Majority in the House of Representatives, the Senate is very much in play. This is widely seen as the last chance in quite a few years for the Republicans to take the Majority in the Senate, because for next several election cycles, more Republican incumbents will be defending their seats, than Democrats.

***However the election turns out, they will all be back here in Washington D.C. the week after the November 4 elections for the "Lame Duck" session.*** It's hard to predict the mood when they come back. The dynamics will depend on whether the Democrats hold onto their Senate Majority, or lose it to the Republicans. There remains important business to be done before Congress adjourns for the year. This is the end of the Second Session of the 113<sup>th</sup> Congress, which means that any legislation which has not passed Congress, dies. Then, everything starts over in the 114<sup>th</sup> Congress, and legislation still has support, must be reintroduced and begin the sometimes byzantine legislative process, through subcommittees, then committees, hearings, floor debate.

### **So, what needs to get done this year (or should get done)?**

**The Federal Budget.** The proper way to budget federal spending is for the President to submit a proposed budget in January, and Congress to consider it and pass the various appropriations bills by the beginning of the fiscal year (October 1). But we've almost become accustomed to the President being a month late with his budget, and Congress unable to pass its appropriations bills by Sept 30, requiring a Continuing Resolution to keep the government going, often only for a few months at a time.

**Transportation bill.** How do we get infrastructure planned and built, if there is not a steady predictable funding stream? Congress has only passed piecemeal transportation funding, through May, next year. However the work will continue within the subcommittees and committees, at the staff level, to draft provisions that will be ready for a new transportation bill in the coming year. If Congress and the President were ambitious, they might even consider moving forward with an increase in the federal gas tax, in order to properly fund transportation infrastructure. They know this needs to be done, and the "lame-duck", when there is somewhat less public scrutiny over Acts of Congress, is a good time to do it.

**Ex-Im Bank.** Never before controversial, budget hawks and small government advocates opposed extension of the Ex-Im Bank this year. Lots of headlines; but a compromise was reached, extending the life of the Ex-Im for another few months. But the debate will continue in the Lame Duck.

**Authority to engage ISIS.** While he is receiving funds to arm the rebels in Syria, the President does not have Congressional authority to militarily engage with ISIS. This will be a difficult and contentious vote for both Republicans and Democrats who are skeptical of engaging in yet another Middle East war.

**International Trade.** TransPacific Partnership, US-EU Trade Agreement (TTIP), and Trade Promotion Authority (which allows the President to negotiate trade agreement, and Congress to pass them), may still be too hot to handle, even during the Lame Duck.

**Expiring provisions in the US tax code and in international trade.** These need to be renewed, before they expire at the end of the year. In some cases, such as preferential import duty programs designed to help developing countries and US businesses, programs have already expired, and the injury to US businesses, which are waiting for their renewal, is mounting. Politicians and the President decry “inversions,” by which US corporations move their HQ to another country, in order to take advantage of lower corporate tax rates, and more business friendly tax code. The fact that Congress and the President can’t seamlessly renew expiring provisions creates uncertainty for corporations, and is another motivation to move HQ out of the US, to friendlier business environments in Canada, Ireland, etc.

**Elections Matter:** Much to do, and not much time during the Lame Duck. While Members of Congress may be out of town, they are on the stump. These six weeks remaining before the November 4 elections will determine what Congress does during the Lame Duck and in the coming 114<sup>th</sup> Congress. It could be dramatically different than the past six years, or it could be more of the same.