



washington dc update

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The New Political Year

The 113th Congress came into session on January 3rd, but has been pretty well out of session since then. Most of January will be spent with organizational activities including the appointing of Members to Subcommittees and the annual Party retreats where both the Republicans and Democrats put together their Congressional strategies for the New Year. President Obama will be sworn into office next Sunday with the actual inaugural taking place a week from today.

It appears that the bad feelings and controversies that so bedeviled the final days of the 112th Congress have survived intact for the 113th. This is made worse by the triple deadlines that must be addressed between now and late March including:

- Raising the debt limit.
- The issue of sequesters.
- Figuring out how to resolve FY13 Appropriations issues.

All three of these issues have specific time-lines for resolution, including FY13 funding since the Continuing Resolution that has been keeping the government open since October 1 expires on March 27. The Congress can either extend this CR for a full year or they can adopt an Omnibus Appropriations bill which requires that Committees set FY13 funding levels for the rest of the year. Even a year-long CR is a complicated process because the Congress must still determine spending levels for a number of programs.

To further complicate the issue, it now appears that the President's proposed FY14 budget won't even be released until March which is a full month late. This adds additional uncertainty over how many Federal agencies will have to spend and in turn impacts considerations for FY13 as well.

We could go on, but we don't want to depress you too much in a single report.

SIDE NOTE:

The Treasury Department will not mint a trillion-dollar platinum coin to get around the debt ceiling. If they did, the Federal Reserve would not accept it.

That's the bottom line of the statement that Anthony Coley, a spokesman for the Treasury Department, gave National Review. "Neither the Treasury Department nor the Federal Reserve believes that the law can or should be used to facilitate the production of platinum coins for the purpose of avoiding an increase in the debt limit," he said.

