

Hicks-Ray Associates



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TO: WESTCAS Membership
FROM: Fred B. Hicks and Tom Ray
SUBJECT: Are You A Betting Person?

If you are a betting person, you may want to place some bets with regard to what might happen with regard to the lame duck session of Congress which will likely occur in December. It would appear that there is just too much of a backlog of issues that need to be addressed for Congress to forego a lame duck post-election session. These range from energy legislation to the extension of the Bush tax cuts, to the re-imposition of the Federal estate tax on January 1, to the lapse of programs ranging from the FEMA National Flood Insurance Program to the Strategic Arms Limitation Treaty with Russia. And these are only a few examples.

The question that you might want to bet on is how the outcome of the November 2 elections will impact what happens during the lame duck. The first question is simple and is an either/or. Either the Republicans will re-take one or even both Houses of Congress on November 2. Although everybody has an opinion of how likely this may be, we won't know the answer to this question until the election has actually taken place.

But once we do, then the lame duck will rapidly come into focus. In addition to the log-jam of "big ticket" legislative items, there is also a host of water resource related bills that are currently in limbo. Although none of these will likely move before the lame duck, WESTCAS members should remember that only a vote or two in the Senate is keeping these from final consideration and being signed into law by President Obama.

One scenario being talked about is in the face of a Republican take-over of one or both Houses of Congress, Congressional Democrats will respond with an all-out push in the lame duck to pass legislation that will likely be beyond their reach for the next two years at a minimum. This could involve new interpretations of Congressional Rules that would allow this [remember the "deeming resolutions" during the health care debate].

Alternatively, if the Republicans fall just short of taking either House of Congress, some believe that they would be so demoralized that the chances for successfully passing a broad array of Democrat backed legislation during the lame duck would be greatly increased. Do you want to bet all your money on one scenario? Or would you prefer to spread your money over several potential scenarios?

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