

Hicks-Ray Associates



January 23, 2009

TO: WESTCAS Membership

FROM: Hicks-Ray Associates

SUBJECT: DC Update

This report focuses on the progress of the “American Recovery and Reinvestment Act of 2009,” which we will refer to under its shorthand designation of, “the Stimulus.” The Stimulus was introduced in a House Democratic version on January 15th. We provided links to both the text and the report language of the bill in our report last week.

Because the Stimulus contains so many moving parts, it is necessary for multiple Committees in the House and the Senate to hold markups on the bill, including action this week in the House Appropriations, Ways and Means, and Energy and Commerce Committees. Speaker Pelosi has promised that the House version of the Stimulus will reach the House floor next week. Senate Committees of jurisdiction will begin consideration of a Senate version of the bill next week.

Given the remarkable speed of consideration, the Congress appears to be easily on target to pass the Stimulus by the beginning of the President’s Day recess on February 13th.

We have attached for your consideration the 14 page document issued by the House Appropriations Committee yesterday which reviews in some detail the key aspects of their version of the Stimulus. For a quick read, [please go to page 8](#) of the report for the summary of the “Water Resources portion of the bill.

About 1% of the funds are reserved for water and wastewater and water infrastructure Stimulus funding. This includes:

- \$6 billion for SRF Clean Water funding.
- \$2 billion for SRF Drinking Water funding.
- \$500 million for the Bureau of Reclamation including \$126 million for Title 16.
- \$400 million for USDA watershed protection.
- \$2 billion for Corps of Engineers Construction funding but this must be shared with many aspects of the Corps mission and “new start” environmental infrastructure” projects would not be allowed in the House version.

Fred Hicks - 703.866.4290
P.O. Box 2115
Springfield, VA 22152-0115
fred@hicks-ray.com

Tom Ray - 254.855.0880
P.O. Box 955
Waco, TX 76703-0955
tom@hicks-ray.com

Hicks-Ray Associates



In communicating with your Members of Congress, WESTCAS members should remember that reaction to the Stimulus is so far has been very much along party lines. The House Appropriations Committee and the Ways and Means Committee marked up their parts of the Stimulus this week without a single Republican voting in favor. Some are addressing this situation, particularly when writing their Republican Representatives and Senators, by requesting strong support of the infrastructure portions of the Stimulus and asking that these numbers be increased in the final version of the bill.

Democratic leaders argue that a broad based Stimulus that addresses an array of challenges associated with the current economic climate. This certainly includes infrastructure but it has also been expanded to areas such as health insurance, unemployment relief, tax credits, and expanded aid to programs like Medicaid. Democrats are also supporting items that they believe will lay the groundwork for future economic growth including clean energy technology, advanced broadband internet access, and aid to education.

You can get an idea of these wider programs by reviewing the 14 page summary we have attached to this report.

The Republican concern was perhaps best expressed by NY Times columnist David Brooks in an op/ed today. He argues that the Congress:

- “took the kernel of President Obama’s vision—infrastructure programs to create jobs-and surrounded it with an undisciplined sprawl of health, education, entitlement, and other spending. There’s money for nurse training, Medicare, Head Start, boatyard support, home weatherization and so on. Eleven of the programs in the bill account for the vast majority of the actual job creation. The rest may be worthy or not, but they have little to do with stimulus. The total package is so diffuse; it costs \$223,000 to create a single job.”

Democrats have the votes to easily pass the Stimulus in the House and very probably in the Senate. The bottom line for WESTCAS members is that there will be significant new money in the final version of the bill that you should be able to compete for.

Stay tuned.