

Hicks-Ray Associates



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TO: WESTCAS Membership

FROM: Fred B. Hicks and Tom Ray

SUBJECT: DC Updates

In a year of deadlines in the Federal sector, two more are looming in the latter half of March. The first is the start of the Congressional two week Spring break which begins on March 22 and the second is the March 27 expiration of the Continuing Resolution that has been keeping the Federal government open since October 1. The trick is that all FY13 spending issues must be resolved in time to allow the Congress to begin its Spring break on time and without delay.

This creates a very messy and uncertain process. We won't go into the details of what will be happening hour by hour over the next 8 days. But it is important for you to understand as a WESTCAS member some of the implications of what will become a combined Omnibus/Continuing Resolution (CRomnibus) that will govern spending for the remaining months of FY13.

Because there isn't time to pass Appropriations bills in "regular order," the Congress is giving single chunks of money to agencies like the Corps of Engineers and the Bureau of Reclamation. In general, these amounts reflect FY12 spending levels minus the sequester. For the Corps, this involves \$5 billion, minus a \$255 million sequester for a final FY13 funding figure of just under \$4.75 billion.

The Corps and the Bureau will then spend April writing a "Work Plan" which will detail how they plan to spend their FY13 funding allocations. Remember, they are not obligated to follow the line items of the earlier House and Senate versions of these bills marked up last year. Without a "regular order" stand alone bill and without Congressional direction in spending, the decisions are up to the agencies.

After approval from OMB and transmission of their work plans to Congress, the Corps and the Bureau will begin to obligate their funds to individual programs and projects.. And this leads to another challenge. It is reported that both agencies have been slow to spend their FY13 money so far owing to the uncertainties brought about by issues like the "fiscal cliff," sequester, and the like. So this means that they will have a relatively short period of time between May and the end of September to obligate their FY13 funding.

Not a very good way to run a railroad, in our view. Maybe FY14 will be better.

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