Objectives

- Provide an overview and a time-line for the period between November 6 and January 20, 2013, the Lame Duck session
- Talk about key water resource issues that could be addressed in the Lame Duck and in the new 113th Congress

Discuss how WESTCAS as an organization and you as a WESTCAS member can make a difference with regard to these issues
Response to the Lame Duck?

- Identify some precautions for issues in the Lame Duck
- Opportunity to signal the WESTCAS message to the 113th Congress
- Occasion to reinvest in the WESTCAS contacts
Everybody is aware of what is going to happen on November 6th but what about afterwards? "Fiscal Cliff" & Lame Duck

Federal Reserve Chairman Ben Bernanke coined the term "fiscal cliff," describing, "a massive fiscal cliff of large spending cuts and tax increases scheduled to occur on January 1, 2013."

Components:
- the expiration of the Bush tax cuts,
- the end of the Alternative Minimum Tax "patch",
- automatic, across-the-board cuts, known as "sequestration"

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[Image: Deficits or Surpluses (Percentage of GDP)]

- Actual
- Projected
- CBO's Baseline Projection
- Alternative Fiscal Scenario
Looking at the “Fiscal Cliff”

**Bush tax-cuts expire** Tax Policy Center, in 2013, US households will face the following unless Congress averts expiration of Bush tax cuts:

- Average tax increase of $3,446 in 2013
- Top 1 percent of households drop after-tax incomes by 10.5 percent
- A typical middle-income household would see a tax increase of about $2,000.
- Average federal tax rate would increase five percentage points.
- For calendar year 2013, taxes would increase by $536 billion, or about 20 percent.

“*The CBO’s May 2012 analysis of the fiscal cliff assesses the potential impacts of proposed spending cuts, finding that the implementation of scheduled cuts could easily push the struggling U.S. economy back into a recession during the first half of 2013.*”
Lame Duck... a bit of history

- Congress is still debating and passing laws, but a certain percentage of Members are retiring or defeated.
- For much of our history, “lame duck” sessions were an integral part of how Congress operated.
- On the first Tuesday in November, it took Members a month to reach Washington.
- Once there, the lame duck session would then stretch until March 4 of the following year when the new President was sworn into office.
- At least twice in our history, in 1860-61 and in 1932-33, this arrangement came close to destroying the United States.

The problem was solved by enactment of the 20th amendment which mandates that a new Congress go into session at 12:01 PM on January 3 and that the President be sworn into office of January 20.
Congressional Schedule

- Let's take a look at the Congressional Schedule for November-December. [have slide showing November and December which we can use as illustrations]
- This is for the House but the Senate is pretty much the same.

- The Congress went into recess on September 21 and won't come back into session until Tuesday, November 13.
- But after only four days, Congress adjourns for Thanksgiving on Friday, November 16 until November 27 which is the true start of the lame duck session.
Posted Schedule


december 2012

house calendar

eric cantor majority leader

sunday monday tuesday wednesday thursday friday saturday

2
3 votes postponed until 6:30 p.m.
4 d.c. work week
5 d.c. work week
6 last votes no later than 3:00 p.m.
7 no votes
8 hanukkah begins

9
10 no votes
11 votes postponed until 6:30 p.m.
12 d.c. work week
13 d.c. work week
14 last votes no later than 3:00 p.m.
15

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25 christmas day federal holiday
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28
29

30
31 new year’s eve
The "target adjournment" date for the 112th Congress is Friday, December 14. Almost no chance that to meet that date for the 112th December 14.

During the week of December 17, both Democratic and Republican Leaders will ramp up threats that the nation will go off a financial cliff/that they will hold Members in town for a session on Christmas Day.

"But now ... Republican leadership is saying, 'No, we don't want to deal with these big issues any time soon; let's just kick the can down the road.'" Vice Chair House Democratic Caucus.

"Unlike Senate Democrats, the House has already passed legislation that replaces the sequester and stops the looming tax hike for one year while Congress works to enact comprehensive tax and entitlement reform. Tax hikes are a non-starter because they will destroy jobs and hurt our economy." Speaker Boehner spokesman.
The threats of being in session on Christmas day will reach a crescendo on Friday, December 21.

Let’s hope that the nation is spared Members of Congress signing together.

But this almost certainly won’t happen.

Compromise will be directly tied to how long this can go on with Members still being able to catch last minute flights out of DC in order to get home by Christmas.

Our bet is that the “compromise” will be reached in the wee hours of Sunday, December 23 which still gives Members the remainder of that day plus Christmas Eve to get home.
Congress will be out of session less than two weeks.

Remember that the 20th Amendment requires:
- the new Congress to go into session just after noon on January 3, 2013.
- whoever is elected President to be sworn in on January 20, 2013.

Since inaugurations are never held on Sunday, the inauguration will be on Monday, January 21.

January 21 will be symbolic. The actual swearing in will be a day earlier.
What does all this mean to you, as a WESTCAS member?

- The lame-duck session will be so contentious and so relatively short that there won’t be time for many water resource priorities to be addressed.
- But again, there is less than a two week break between the adjournment of the 112th Congress and the convening of the 113th Congress.
- The election of the President and the policy directions of the lame-duck session of the 112th Congress will very quickly come into play in the New Year.
Cannot address all issues that may be left hanging
Our focus on the WESTCAS 2012 DC Fly-In and provide examples for how these issues may play out.

The three part message that WESTCAS carried to DC in April were:

1. Support for regular cycle Appropriations funding for water resources

2. Innovative new strategies for closing the infrastructure investment gap

3. Regulations and how they impact the cost and complexity of delivering water in the Arid West.
Westcas Fly-In supported regular cycle water appropriations

Current situation:
- Under a Continuing Resolution through March 27, 2013
- FY13 funding issues likely resolved in the New Year

Water resources funding -- two realities here:
1) Regular appropriations fall woefully short of projected needs
2) These appropriations still represent billions of dollars in water infrastructure and should be supported as an ongoing part of the budget
There are also real differences in the House and the Senate versions of water related FY13 appropriations bills.

<table>
<thead>
<tr>
<th>House</th>
<th>Senate</th>
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<tbody>
<tr>
<td>$829,000,000</td>
<td>$917,892,000</td>
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<tr>
<td>Drinking Water SRF</td>
<td>Clean Water SRF</td>
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<tr>
<td>$689,000,000</td>
<td>$1,466,456,000</td>
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<tr>
<td>Clean Water SRF</td>
<td>Total SRF funding</td>
</tr>
<tr>
<td>$1,518,000,000</td>
<td>$2,384,348,000</td>
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So not enough money and disagreement in Congress over funding levels.

- For the short term, these issues will need to be resolved before the current Continuing Resolution on FY13 Appropriations expires.
- For the longer term,
  - We are in an age of increasing Federal deficits,
  - Open question of whether the Federal government can continue even its current inadequate level of support.
Policy options for the future

e.g., US Army Corps of Engineers

- Recently released National Research Council draft Report: Corps of Engineers Water Resources Infrastructure: Deterioration, Investment, or Divestment?

The NRC offers five options for the Corps:

1. Business as usual.
2. Increase funding for operations, maintenance, and rehab.
3. Divest or decommission parts of Corps infrastructure.
4. Increase revenues from Corps project beneficiaries.
5. Expand partnerships.
6. Combination of options 2-5.
Clearly, the NRC options are either unrealistic or extremely unpalatable particularly to local sponsors or participants.

- Then second WESTCAS DC Fly-In issue: strong support for innovative new ways to secure water resources infrastructure funding.

**Leading candidates:**
- Infrastructure Bank: Federal government invest seed money in an infrastructure bank.
- Incentives for private capital, including PPP
- Removal of Private Activity Bond caps
Infrastructure bank

- Remains a leading candidate with long history
- Federal government invest seed money
- Strong interest in this concept in both the House and the Senate Committees of jurisdiction

Two points to sort out:
- Consensus in the Executive and Legislative Branches to make a major initial investment in water infrastructure
- Decision over who will control this infrastructure bank.

Control of IF Banks
Will it be USEPA? EPA Regional Offices? State SRF? other options?

Some advocate strongly for State SRF programs but many of these programs are opposed to taking over the program.

Must deal with before the idea of infrastructure banks can advance.
3 Regulations and how they impact the cost and complexity of delivering water in the Arid West

e.g., Waters of the US

- “water of the US” will likely be dealt with next year
- 111th Congress legislation to greatly expand this definition was stymied by wide-spread and bi-partisan opposition.
- In response, the Obama Administration began drafting Clean Water Guidance, almost completely in secret.
- If the President is re-elected, we may well see this Guidance emerge in the form of an Executive Order.
- This EO wouldn’t be a “Rule” but the “Guidance” would have much the same effect.
- The Corps of Engineers already has included $9 million in its FY13 budget request for increased regulatory activities that could be linked to the Guidance.
how WESTCAS can play a significant role?
Population statistics from the 2010 Census:

- 37,691,912—California
- 25,674,181—Texas
- 6,482,505—Arizona
- 5,116,796—Colorado
- 2,723,322—Nevada
- 2,082,224—New Mexico
- 79,771,912

- Currently, over 80,000,000 people residing in WESTCAS states.
- But only a tiny fraction have the knowledge and expertise to actually secure the water future of the Arid West.
- That group includes you, as a WESTCAS member.
- You and your agency, represent the water interests of a much larger population.
- Further, you represent and understand the “arid West” perspective.
- WESTCAS as an organization and WESTCAS members cannot “sit this one out” as major water policy issues are decided over the next year.
Some more thoughts…

- “American future” depends on solving water infrastructure challenges
- Less than 90 days the 113th Congress begins to grapple with this challenge, WESTCAS needs to be at the forefront with its ideas.
- WESTCAS DC Fly-In included meetings with Appropriators and Authorizers, officials at the USEPA, Bureau of Reclamation, and US Army Corps of Engineers
- These relationships are current and they expect your continued thoughtful participation and advocacy.
WESTCAS can and must make a difference.

The Board of Directors has suggested a letter to state the WESTCAS position ... a precaution for the Lame Duck and a marker for the 113th Congress?
Immediate Steps & Recommendations

- Structuring a WESTCAS position in a letter to key contacts
- Identify key points for WESTCAS letter
- Coordinate with other associations and carry the arid west perspective

Recommendations for getting it done:

- Prepare a series of key WESTCAS (arid west) points
- Research positions of other associations
- Contact WESTCAS membership with SRF or other funding issues
- DRAFT letter for specific contacts
  - T&I - WRDA
  - Senate appropriations
  - EPA
  - COE, BOR
- Schedule to get it there... do it now!
# Future Steps

<table>
<thead>
<tr>
<th>Action</th>
<th>Suggested Time-frame</th>
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<tbody>
<tr>
<td>Complete WESTCAS position letters</td>
<td>Mid-November</td>
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<tr>
<td>Deliver WESTCAS letter</td>
<td>Early December</td>
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<tr>
<td><strong>113th Congress</strong></td>
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<tr>
<td>Phoenix fly-in</td>
<td>February 2013</td>
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<tr>
<td>DC fly-in</td>
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Discussion

Presentation questions or issues
“Firing Line” reports

WESTCAS members’ Federal legislative issues reports