

WESTCAS 2012 Fall Conference

October 11, 2012

Washington Report

Challenges & Opportunities
Lame Duck and 113th
Congress

Hicks-Ray Associates



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**

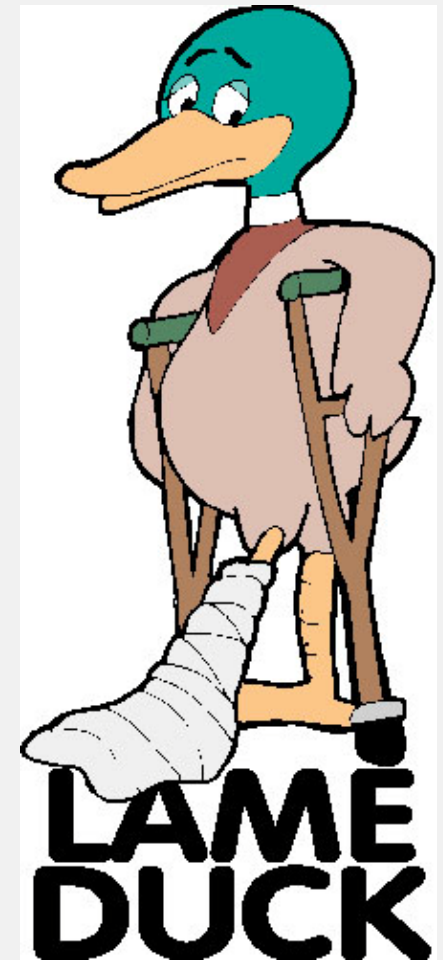
that could be addressed in the Lame Duck and in the new 113th
Congress

**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?

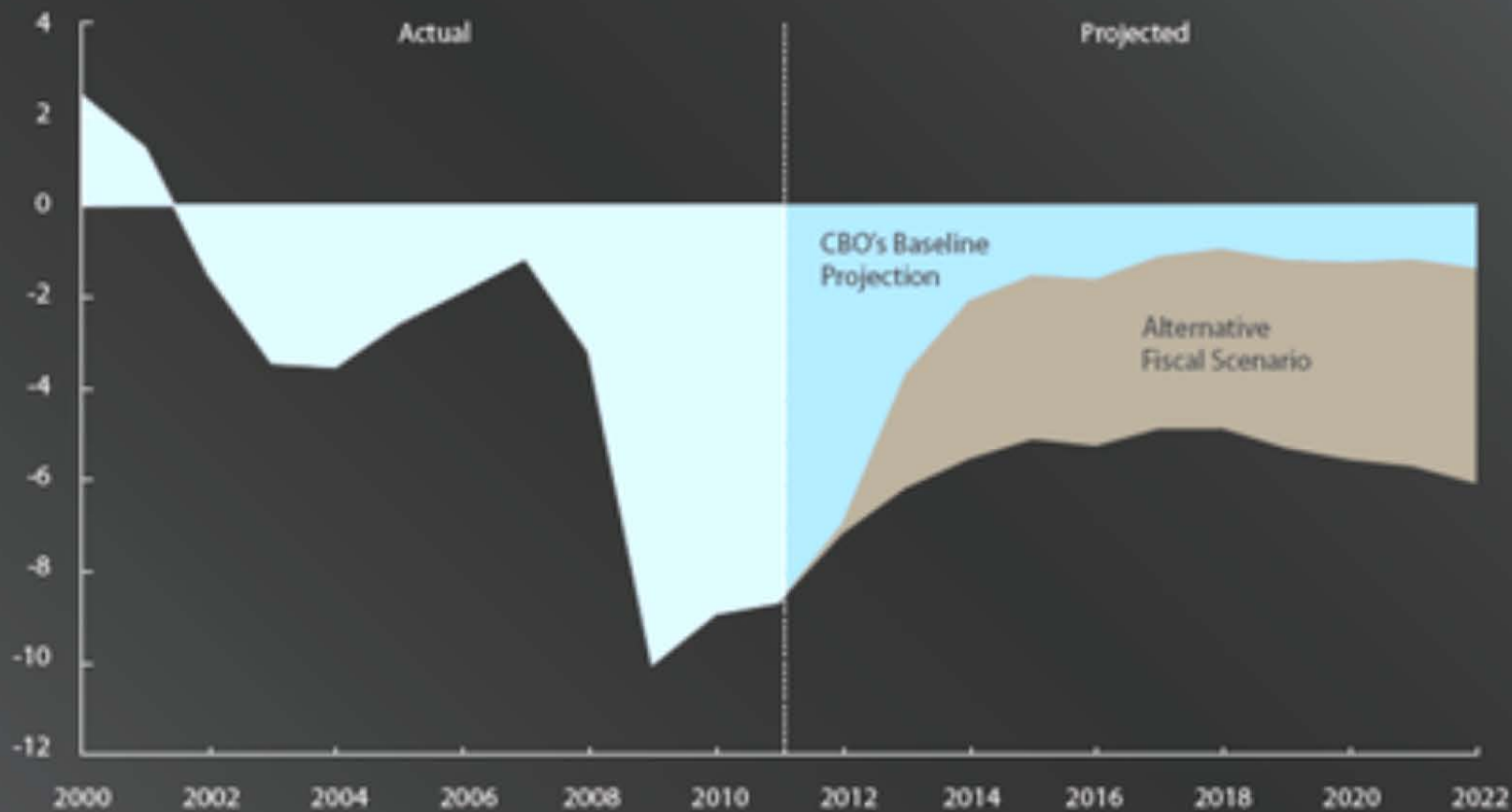
- Identify some precautions for issues in the Lame Duck
- Opportunity to signal the WESTCAS message to the 113th Congress
- Occasion to reinvest in the WESTCAS contacts



Deficits or Surpluses

(Percentage of GDP)

January 2012
<http://go.usa.gze/n/f9>



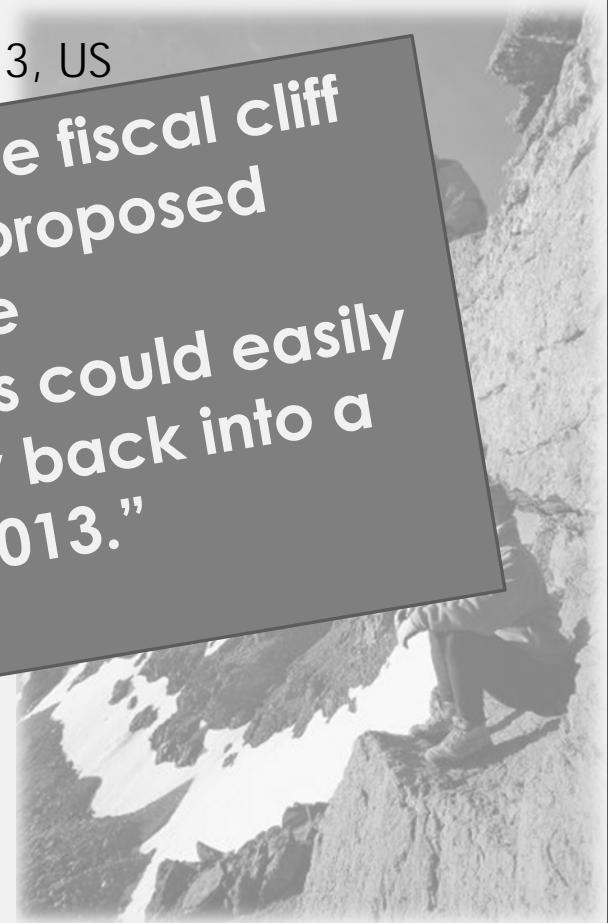
Looking at the “Fiscal Cliff”

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

- Average tax increase

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

se for 2013 is equally split between defense and non-defense spending. Estimates of loss of 277,000 federal jobs,



Lame Duck... a bit of history

- Congress is still debating and passing laws, 1 percentage of Members are retiring or defe
- For much of our history, "lame duck" session of how Congress operated.
- On the first Tuesday in November, it took Me month to reach Washington.
- Once there, the lame duck session would th of the following year when the new President
- At least twice in our history, in 1860-61 and in arrangement came close to destroying the

20th Amendment

Section 2. The Congress shall assemble at least once in every year, and such meeting shall begin at noon on the 3d day of January, unless they shall by law appoint a different day.

Section 3. If, at the time fixed for the beginning of the term of the President, the President elect shall have died,

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.



PHOTO: ALEX WONG/6



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Posted Schedule

ERIC CANTOR MAJORITY LEADER HOUSE CALENDAR

December 2012
112th Congress, Second Session

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
						1
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 <i>Hanukkah Begins</i>
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
16	17	18	19	20	21	22
23	24	25 <i>Christmas Day Federal Holiday</i>	26	27	28	29
30	31 <i>New Year's Eve</i>					



"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

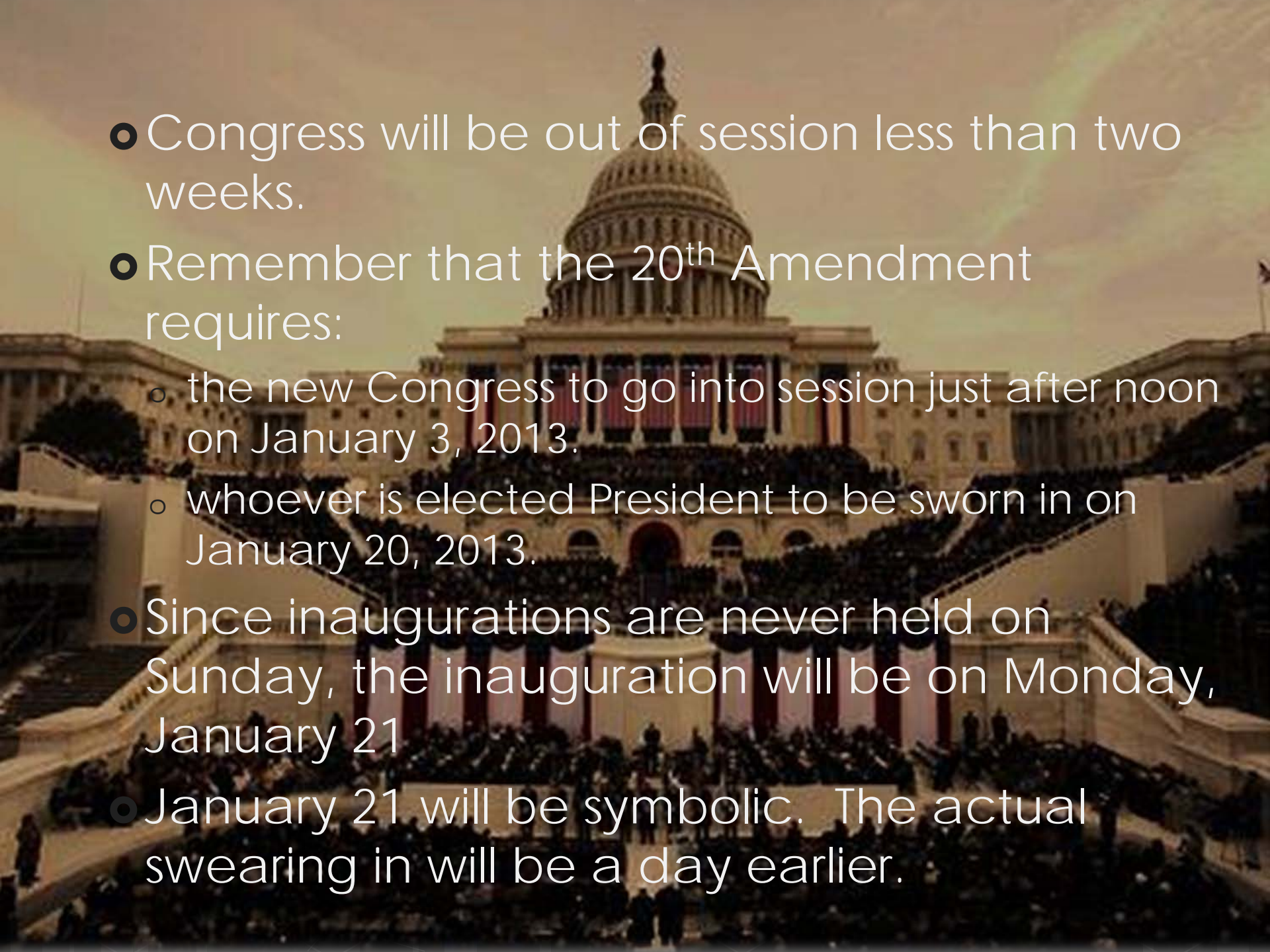
...ate for the 112th
December 14.
...ance that to meet
...the week of D
Democratic a
ramp

"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

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.

House		Senate
\$829,000,000	Drinking Water SRF	\$917,892,000
<u>\$689,000,000</u>	Clean Water SRF	<u>\$1,466,456,000</u>
\$1,518,000,000	Total SRF funding	\$2,384,348,000

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.



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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.

2

Innovative new strategies for closing the infrastructure investment gap

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?



The Western Coalition of Arid States WESTCAS

**FUNDING WATER RESOURCES INFRASTRUCTURE:
NEW CHALLENGES/NEW IDEAS**
WESTCAS Washington DC Fly-In, April 18-19, 2012

Water resources infrastructure is the cornerstone of our nation's future. The federal government has historically recognized the importance of water infrastructure as essential to job creation and as one of the most basic components for global competitiveness. Decreasing Federal investment, combined with aging existing systems, the need to build new infrastructure, and the impact of a complex permitting process and a host of environmental regulations, have all combined to create a serious infrastructure deficit for the United States.

We all benefit from a legacy of water supply and distribution infrastructure created through partnerships between local and Federal stakeholders. Historically, these collaborations have helped to create facilities that capture, treat and distribute reliable water supplies to a growing population. Local stakeholders must continue to partner with the Federal sector both to preserve and strengthen current funding arrangements while at the same time helping to identify new concepts that will help bridge the current gap in investment.

WESTCAS supports maintaining current Appropriations levels for water infrastructure, identifying new funding strategies, and institutionalizing a streamlined process for permitting and regulatory compliance. This represents a trifecta of progress through which the Arid West and our entire nation can successfully address the huge challenge of meeting our infrastructure needs in the 21st century.

1. Maintain regular appropriations funding for water resources infrastructure

One of the traditional cornerstones of the local/Federal funding partnership for water infrastructure has been the Congressional Appropriations process, including the USEPA Clean Water and Drinking Water SRF programs, Bureau of Reclamation Water and Related Resources and the Army Corps of Engineers Environmental Infrastructure Construction Account. All three of these programs have been targeted for major funding reductions.

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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

Action	Suggested Time-frame
Complete WESTCAS position letters	Mid-November
Deliver WESTCAS letter	Early December
113th Congress	
Phoenix fly-in	February 2013
DC fly-in	??



Discussion

Presentation questions or issues



“Firing Line” reports

WESTCAS members' Federal legislative
issues reports

