

FBB FEDERAL RELATIONS

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Peter Friedmann's View from Washington DC – May, 2020

“The Sky's the Limit”

Remember the “Great Recession” as the newly elected President Obama termed the economic morass he inherited? Congress jumped in to pump up the economy with what we all thought was a massive cash infusion - \$800 billion. The most money the Federal government had ever spent so fast. Many worried that this was too much, too fast, would saddle the country with burdensome debt. The legislation was promoted as an investment in infrastructure. Then, the government agencies charged with pushing this money out so quickly, often demonstrated ineptitude in doing so efficiently and consistent with Congressional intent. While many were critical, few were surprised; Federal agencies are just not equipped to suddenly spend huge new amounts of money that overwhelm their usual and deliberate annual spending review and selection process.

But that was NOTHING compared to what's going on now. Already Congress (with bipartisan support) and the President have passed and signed off on four COVID-19 pandemic economic rescue bills, that total is 4 times the “Great Recession's” \$800 billion - \$3 to \$4 trillion. (In fact it is so much that it isn't even possible to know exactly how much will be spent!) No surprise, considering the precedent of the “Great Recession” spending, that Federal agencies are again having trouble getting all this new money out. It's not even all out, and the new programs (Payroll Protection, Disaster Relief, Unemployment Add-on's, etc) implemented, and yet the House passed an additional \$3 trillion, which the Senate will consider in coming weeks. However, while the initial 4 COVID stimulus bills had bipartisan support, Senate Republicans are having a hard time swallowing the idea of another \$3 trillion.

So here is where the media leaves the wrong impression, once again: Media suggests debilitating partisanship here in DC. And the politicians' statements certainly support that impression. But when it's no longer just talk and hot air, and they actually turn to legislating, guess what? The Democratic Majority House and the Republican Majority Senate and President Trump all agreed to pass monumental trade legislation, -- the US Mexico Canada Agreement. And they have collectively and quickly passed the largest spending bills in US history -- Republicans, Democrats and the President, all together.

Looking ahead to further spending, while the media trumpets the obvious animosity between President Trump and House Speaker Pelosi, these two do seem to be of the same mind on the largest legislative issue in DC today, one that will impact our lives for years to come – how much to spend now to pump the economy? So far they seem to agree – the sky's the limit.