

FBB FEDERAL RELATIONS

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Peter Friedmann's View from Washington DC -- February 2019

From the beginning, we knew this year was going to be full of acrimony, but every day makes life on Capitol Hill more unnerving.

We finally got past a government shutdown, Congress passing and the President signing the Appropriations for this Fiscal Year (with \$1.3 billion, but not the President's desired \$5.3 billion for border security/Wall). But the public learned that when we say shutdown, it doesn't really mean the government actually shuts down. While creating a real hardship for the approximately 15 to 20% of US workers federal workers who missed two paychecks, almost all government functions continued. This is because much of the government was fact fully funded by some of the appropriations bills previously passed by Congress and signed by the President. For the unfunded agencies, many employees were designated as "essential", required to come to work and keep the primary functions of the federal government operational. With each successive shutdown starting with President Clinton then Presidents Bush, Obama and now Trump, more and more employees of unfunded agencies are deemed "essential", rendering each 'shutdown' less and less effective as a negotiating tool between Congress and the White House.

So now we have a budget for the remainder of the Federal fiscal year, which began October 1 – over 4 months ago. In any other entity, a state, city or local government or a corporation, people would be fired if they went halfway through a year without actually setting a budget for that year's revenue and outlays. It's the basic function of Congress and it hasn't performed this task on time, (before the beginning of the new fiscal year), for many, many years.

Of course we expected tension between the White House and Congress, particularly with the new House Democratic majority announcing intent to investigate the President's personal business, finances, relations with Russia, etc. What was not expected, at least in such force, are the tensions that have emerged within the Democratic caucus. Much as the Republican establishment was challenged by the "Tea Party" during the Bush Presidency, and by the Freedom Caucus today, the Democratic establishment is now being challenged from the left, energized by a relatively small group of highly vocal and visible newly elected representatives. They have been remarkably successful, attracting some longer tenured Democratic Senators and Congresspeople. This expanding group has energized campaigns for a "Green New Deal" (no fossil fuels) and "Medicare for All", ideas considered too radical to gain traction, even a few months ago. How Speaker Pelosi and Senate Minority Leader Schumer handle this and related challenges to the Democratic 'center' will be the story of these next 2 years.

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Over in the Senate, are you just getting over Hillary vs Donald? Here we go again, the 2020 Presidential campaign has already launched! So far 6 current members of Congress, mostly Senators, have announced, more are coming. But no Senator (or Representative) has the bandwidth to perform their Congressional duties while running for president, particularly in such a crowded primary field. Campaigning, fund raising, travel is more than a full-time, 24/7 grind. These Senators may use the Senate as a forum for gaining Presidential campaign publicity, but they won't be doing the time-consuming work of legislating, sitting through committee and subcommittee hearings and markups, voting, offering amendments, learning the issues, negotiating with colleagues, finding common ground, debating. They just won't have time, and won't be present in DC.

So both the House and the Senate may become even less disciplined these next 2 years. But if Pelosi and Schumer and McCarthy and McConnell can hold the center together, we hold out hope that some vital work can get done: an infrastructure bill, trade (USMCA), maybe more.

Peter