

Parsons Brinckerhoff Washington Update - October 3, 2013 - Interim Update

The impasse over the government shutdown continues into Day 3 as positions seem to be hardening rather than yielding. A meeting held late yesterday at the White House with the President and House and Senate leaders did not lead to any breakthroughs. Yesterday, the Senate voted against a House request to convene a conference committee to negotiate their differences on the CR. The House was unable to muster enough votes (2/3 votes required) to pass targeted bills to exempt certain federal agencies and programs from the furloughs, such as the National Parks Service, the National Institutes of Health, veterans benefits, and the Armed Forces Reserves. Democrats and the White House oppose any efforts to take the pressure off of funding the entire government.

The likely scenario seems to be that the FY'14 funding debate will be rolled into the looming debt ceiling debate and dealt with as a package. The Treasury estimates the debt ceiling will be reached on October 17. The House is scheduled to be on recess the week of October 14, but that now seems unlikely. In a show of solidarity with furloughed federal employees, a growing number of members of Congress, of both parties, have announced that they will not accept their salaries during the shutdown and close to 20 moderate Republicans have announced that they would vote to support a clean CR, if the Republican leadership would allow such a bill to come to the floor.

The shutdown also means that it is unlikely that the House Water Resources bill will come to the floor next week as had been expected.

At US DOT, as previously reported, it is more or less business as usual at FHWA. Funding for those DOT projects, such as high speed rail, that are using FY'13 or previous year funding, are not affected by the shutdown, although most FRA employees have been furloughed. At FTA, although no FY'14 New Start/Small Start funding is available, previous year funding is not affected. However, most of the FTA workforce is off the job. Even under a two or three month CR (the best case scenario right now), no new FY'14 funds for New Starts/Small Starts projects would be allocated until longer term or year-long funding has been agreed upon. Therefore, these projects are not necessarily any worse off under the shutdown. Amtrak, which is only partially reliant on federal funding, will be able to operate normally for some period of time.