

WSP Washington Update - December 22, 2017 - Interim Update

With the tax bill completed, Congress moved quickly yesterday to pass another short-term Continuing Resolution (CR) to fund the federal government, at FY'17 funding levels, through January 19, 2018, thereby avoiding a potential government shut-down this evening. Then Congress adjourned for the year.

Details about how the final tax bill affects transportation and infrastructure programs and polices were included in the [December 11 WSP Update](#). In addition, here is a [link](#) to a side-by-side comparison of the key corporate and individual provisions in the House, Senate, and final bill prepared by CQ.

Congress had hoped to finalize FY'18 funding before they adjourned for the year, but they ran out of time. Republicans had pushed for a plan to pass a full-year of funding for defense programs and an extension of domestic programs into January, but Democrats feared that if DOD funding was in place for the full fiscal year, they would lose any leverage to bump up domestic spending programs. The initial CR extension introduced by the House Republican leadership on December 20 included several additional provisions, such as funding for the CHIP program for children's health, veteran's funding, and a reauthorization of government surveillance measures. These provisions were all dropped and postponed until next year after it became clear that there were not 60 votes in the Senate to pass the bill. A separate piece of legislation to provide \$81B in emergency relief for hurricane and fire disasters was passed by the House, but the Senate did not take it up before adjourning.

The CR that ultimately passed includes a delay in any sequester of funds until after January 19. Congress hopes to pass legislation in early January to raise both the defense and domestic budget caps in order to prevent the mandatory program cuts for the next two years.

Congress now has a very busy and contentious January ahead. Congress will have to revisit a wide variety of issues early next year, including raising the budget caps, passing full-year FY'18 appropriations for all federal government agencies by January 19, approving the disaster-aid bill, bipartisan legislation to stabilize Obamacare, a legislative fix for Dreamers, and a permanent reauthorization of certain federal spying powers. Lawmakers will also have to address the children's health insurance program at some point, which Congress only reauthorized through March, and the debt ceiling.

In addition to all these issues, many of which are very contentious and partisan, the Trump Administration is still expected to unveil its infrastructure proposal in January in the form of a 60 to 70 page principles document. Since the tax bill did not include any funding to fix the looming Highway Trust Fund insolvency or identify any new revenue to fund the Trump plan, it is unclear how Congress plans to address the proposed plan.