

WSP Washington Update - February 8, 2018 - Interim Update

- Earlier this week, the House passed a new Continuing Resolution (CR) to keep government agencies funded through March 23, in an effort to avoid another government shutdown. The current CR expires tonight.
- In the meantime, yesterday Senate leaders announced a bi-partisan agreement to increase the FY'18 and FY'19 budget caps for both defense and non-defense programs – the Bipartisan Budget Act of 2018. The agreement includes over \$300B in additional budget authority over two years including an extra \$63B for non-defense programs in FY'18 and \$67B in FY'19. Of that amount, approximately \$20B is targeted to infrastructure (surface transportation, rural water, wastewater, drinking water, rural broadband, energy infrastructure) over the two years. The deal also includes a wide variety of miscellaneous provisions all rolled into one bill such as: a new CR through March 23, the suspension of the debt limit until March 2019, \$84B for disaster relief (including \$1.8B for US DOT emergency relief), extension of the popular Children's Health Insurance Program (CHIP) for an additional four years, and renewal of a variety of expired tax provisions. However, it does not address DACA, funding for the Mexican border wall, or other immigration provisions which could present a problem in the House.
- If this deal is formally approved by both the House and the Senate, it will avoid sequestration and will allow Congress to complete action on FY'18 full-year appropriations for all federal agency programs in the next few weeks.
- However, with time rapidly running out on the CR which expires at midnight tonight, the Senate is still trying to round up the votes it needs and the outlook is uncertain in the House where the influential Freedom Caucus has come out against the bill because of the impact on the federal debt and many House Democrats continue to insist on including DACA in the deal. It is possible that Congress will have to pass a "mini" CR some time tonight to keep the government open for the next few days.
- Unless something slips, the White House will release its FY'19 budget recommendations on Monday. The US DOT budget request is expected to be similar to last year's request which severely cut Amtrak, transit CIG (New Starts, Small Starts and Core Capacity) grants, and TIGER. Pending House and Senate FY'18 DOT appropriation bills restore most, if not all, of those proposed cuts.
- Also, unless something slips, the White House says it will release the Trump Infrastructure Plan on Monday.