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## *David Turch and Associates*

WASHINGTON UPDATE

OCTOBER 23, 2015

### **TO THE BRINK OF DEFAULT**

For GOP congressional leaders, the path to resolving the nation's imminent debt crisis may hinge on word play – inserting “suspend” for “raise.” House Republicans may find it politically more palatable to cast a vote to suspend the nation's debt limit rather than raise it. We've seen this sleight of hand before during the 2013 debt ceiling negotiations. In this game of semantics, Congress suspends the nation's debt ceiling for a set period of time at which point our debt is recalculated on a date certain to reflect the new, higher debt amount. If every House Democrat votes for the measure, as expected, Speaker Boehner, or his successor, will need to round up at least 30 members – 12% of the Republican conference – to vote for the bill; no small task in light of President Obama's demand that Congress enact a clean bill and fiscal conservatives' adamant opposition to such a proposal. In an effort to pave the way for a debt limit increase by the November 3<sup>rd</sup> deadline, Treasury Secretary Jack Lew reminded House and Senate Members earlier this month that “...increasing the debt limit does not authorize any new spending. It simply allows Treasury to pay for expenditures Congress already has approved, in full and on time.” The House is expected to consider the measure next week.

### **HOUSE T&I COMMITTEE MARKS UP TRANSPORTATION BILL**

The House Transportation and Infrastructure (T&I) Committee reported by voice vote a bipartisan, six-year surface transportation bill (H.R. 3763) this past Thursday. While the bill authorizes \$330 billion, it is silent on a funding source, which must come from the Ways and Means Committee, the tax writing panel in the House. H.R. 3763 authorizes \$69 billion for mass transit and \$261 billion for highways. The Surface Transportation Reauthorization and Reform Act is expected to easily pass the House. However, the T&I Committee measure must first be paired with a funding provision from the Ways and Means Committee before a House floor vote can occur. In the meantime, since the Highway Trust Fund expires on October 29, Congress will have to pass another short-term extension through November or mid-December. A key issue that is addressed in the House bill is the upcoming deadline for implementing positive train control (PTC) which is being pushed back to 2018 from the end of this year. Without the PTC fix, freight and passenger rail service would suffer major disruptions across the country.

### **REP. PAUL RYAN ENTERS THE SPEAKER'S RACE**

After securing the support of the three major factions within the House Republican Conference, Representative Paul Ryan (R-WI), the Chairman of the Ways and Means Committee, has thrown his hat into the Speaker's

race. Ryan is expected to be elected the next Speaker of the House of Representatives on Wednesday, October 28 in the GOP conference and in the full House the following day. While Ryan is widely perceived as a policy maven and consensus builder, he will have to marshal all of his political acumen to navigate through the perilous shoals that have come to dominate the House Republican party if he is to avoid Boehner's fate.

### **DOT ANNOUNCES DRONE REGISTRATION PLAN**

Transportation Secretary Anthony Foxx and Federal Aviation Administration (FAA) Administrator Michael Huerta announced earlier this week a new task force comprised of industry groups that will draw up recommendations for drone registration. According to Foxx, registration for recreational users will be voluntary and open to both new and current users. The impetus behind the FAA initiative is to help authorities identify drones that fly in restrictive air space. Whether a voluntary registration system can accomplish that goal has yet to be determined. The FAA plans on implementing the registration policy before the end of the year.

### **PRESIDENT OBAMA VETOES THE NATIONAL DEFENSE AUTHORIZATION ACT**

Objecting to the \$38 billion in additional funds stashed in the Overseas Contingency Operations (OCO) account for the Pentagon, President Obama yesterday vetoed H.R. 1735, the National Defense Authorization Act. The OCO, which is designed to pay for war operations, is exempt from the budget caps under sequestration and therefore was used by the GOP Congress to supplement additional funds to the military. Obama's objection with the bill is not with the dollar amount but that it was implemented without a parallel agreement with Congress to lift the budget caps on domestic programs by an equal amount.