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The Authoritative Resource on Safe Water SM

Washington D.C. Report

April 8, 2011

Shutdown of Federal Government Looms

Congress is on the verge of letting most of the federal government shutdown while it argues about the 2011 budget. Members of Congress are being held on the Hill instead of heading home as they normally would on Friday afternoon, and talks aimed at clinching a deal continue, so a last-second agreement is still possible. But it appears very likely the government will furlough upwards of 800,000 employees at midnight tonight.

As we reported in our last Washington DC Report, the issue in the shutdown concerns funding the remainder of the current fiscal year, which ends September 30. In the longer term, Congress still has to act on a budget for the 2012 fiscal year and to craft a plan to reduce the federal deficit, which virtually all observers consider unsustainably large.

Congress has been unable to agree upon a budget for this fiscal year, and has so far passed a series of short term Continuing Resolutions (CRs) that authorize federal Departments to continue spending at last year's levels, with only a few tweaks to spending here and there. The current CR expires at midnight tonight.

Talks at the highest level of the government – involving President Obama, Speaker of the House John Boehner, and the Senate Majority Leader Harry Reid – broke up at the White House a little after 3:00 AM this morning, without an agreement. At 5:10 AM the White House Office of Management and Budget instructed all federal agencies to begin implementing their emergency shutdown plans. All federal employees are to be notified no later than the close of business today (in their local time zone) whether or not to report to work for their next scheduled shift. Today is considered a normal work day.

The effect of this shutdown on the water sector and on the broader economy is very hard to gauge. Of course, much depends upon the duration of the shutdown. Most federal agencies are being advised to assume that it may last through the end of the fiscal year (again, September 30). But some Washington insiders do not believe that either party will be able to “take the heat” for a shutdown that long, and predict a budget agreement and restoration of government services by early next week. However long a shutdown lasts, those employees considered essential to the protection of life and property will be exempt from the shutdown and remain on the job. So you can expect that the military, air traffic controllers, the FBI, customs and border agents, and others in jobs directly protecting people and property to be at work as usual.

An unclassified version of EPA's shutdown plan was released a short while ago, and is attached. Under this plan, only 11 of the 657 employees in the Office of Water at EPA headquarters in Washington are considered exempt from the shutdown – less than two percent of Office of Water

employees. Across the entire agency, over 90 percent of EPA employees will be sidelined if the government shuts down.

Please note that in light of the ongoing disaster in Japan, EPA's radiation monitoring system will remain operational. The Agency also announced that in the event of a water-related emergency "where the threat to human life or property is imminent," furloughed staff from the Water Security Division's emergency response team and other Office of Water incident support personnel may be required to return to work immediately. It is worth noting that it is illegal for federal employees who are furloughed to attend meetings, work from home, use government issued BlackBerries, or otherwise "volunteer" their services to the government, unless directed to do so by proper authorities.

As you would expect, there has been great drama around this issue in Washington in recent days. This issue has as much to do with politics and posturing for the next election as it does with the actual budget, and analyzing "who's getting hurt the most" will immediately become the topic *du jure* for journalists and pundits.

To complicate their analysis, there are at least three identifiable factions in this issue: those who care passionately about spending and certain social and regulatory issues (abortion policy and EPA's intention to regulate greenhouse gasses are big concerns to this faction); those who want immediate and significant reductions in spending but don't care as much about the social and regulatory issues; and those who want to see more in spending than the first two factions and strongly oppose using the CR to address social and regulatory issues. The political balancing act for Speaker Boehner and Majority Leader Reid is extremely difficult, while the President can be expected to portray himself as standing above and attempting to bridge the narrower interests of the Congressional factions.

No one in either political party is confident about who will get most of the blame for a shutdown. Some believe the Democrats will be blamed, some think the Tea Party will be accused, and some believe most Americans won't care one way or the other. However that works out, you can expect lots of finger pointing in the days ahead, barring an 11th hour breakthrough before midnight tonight.

Fly-In Advances Water Infrastructure Finance Another Step

About 170 AWWA and Water Environment Federation (WEF) members converged on Washington Monday and Tuesday for the first-ever joint Water Matters Fly-In to carry the water community's messages to federal lawmakers on Capitol Hill. We believe we easily eclipsed last year's visits to over 300 Congressional offices, though we are still tallying the number of offices visited, and participants are still sending in their meeting reports.

AWWA and WEF members did report back that there is widespread support in Congress for the proposal they brought forward for a [Water Infrastructure Finance and Innovation Authority](#) (WIFIA). Hopes remain high that a bill creating the WIFIA will be introduced in the next few months.

The Fly-In delegates met Monday morning for issues discussions and to prepare for their actual congressional visits. They met with their own members of the House and Senate that afternoon and the next morning. AWWA President-Elect Jerry Stevens and WEF President Jeannette Brown welcomed participants, followed by remarks by AWWA Water Utility Council Chair David Rager and WEF Legislative Subcommittee Chair Karen Pallansch. WUC Legislative Chair Kurt Vause, who also represents the wastewater community on the WUC, emceed the morning session.

For 2012, the Fly-In will be March 7-8. Participation is coordinated through AWWA Section chairs and water utility council or government affairs chairs. Deadline for registration is January 17, 2012.

As always, please contact your AWWA Washington Office if you have questions or comments.