

FBB FEDERAL RELATIONS

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Peter Friedmann's View from Washington DC – September

In the midst of the battle over confirmation of Judge Brett Kavanaugh to the United States Supreme Court, there is a less visible, but very important story playing out now on Capitol Hill. And once again, it revolves around the budget.

To the frustration of this president and every other president, his power is constrained by a Constitutional mandate known as the “power of the purse”. It means that Congress has to approve the expenditure of funds. So while a president has the authority to impose trade barriers, environmental and other regulations, if he wants to actually build something, for example highways, airports, or a “Wall”, Congress must appropriate sufficient funds. And thus, every year and every president faces a battle with Congress, even when his own party is in the Majority in the Senate and House, over the amount and distribution of appropriated monies. All too often, this dispute does not get resolved and the government is shut down. Government shutdowns are deeply unpopular with taxpayers and voters, and so it can be very risky for a party that feels it may be vulnerable as a elections approach. Each party then tries to blame the other as we saw during government shutdowns under Presidents Obama, Bush and Clinton.

The alternative to a government shutdown is that one side capitulates. Particularly if midterm elections are approaching, whichever party feels they have the most to lose from a government shutdown, is likely to give in. That is what is happening now.

Last year and again this year, Congress has not given the president the budget and appropriations he sought. The president has sought to significantly reduce federal spending, by concentrating on entitlement and other programs. Congress has refused to cut those programs. He has been successful in gaining increased appropriations for military, and homeland security, but not for “the Wall”? This year, the president said he wanted \$25 billion, formally requested \$5 billion, but got \$1.6 billion. That is sufficient to continue to enhance southern border’s security fairly similar to the work done under President Obama, but clearly not sufficient to build “the Wall” promised during the campaign.

The appropriations process is often used to override regulations implemented during a previous Administration. But this year, both the Republicans on Capitol Hill and the President have been unsuccessful in achieving promised overrides of various environmental restrictions, promised during the last campaign. What must be particularly troubling for the president is that a Republican-majority Congress is not delivering on these objectives; he would have no hope of achieving them with the Democratic-majority Congress.

Finally, it’s “deja vu”. Remember the Tea Party that emerged during President George W. Bush’s tenure? It was a reaction to profligate spending by Congress and the Bush Administration. While it continued after Barack Obama’s election, the important parallel to the current situation is that it was established by the Republican ‘base’, to rein in spending by a Republican president. While the Tea Party is no longer, the same dynamics are currently in play. The so-called “Freedom Caucus” of conservative Republican Members of the House of Representatives, reflecting the exasperation of conservative voters over unrestrained Federal spending, is raising alarms - aimed at the Republican Congress and the Trump Administration.

So federal spending is increasing becoming a divisive issue within the Republican Party, and a challenge to Pres. Trump’s ability to fill his campaign promises. Looking ahead to the November midterm elections, should the House ‘flip’ (which has typically happened) from the current Republican majority to a Democratic majority, the battle over spending amounts and priorities will become highly visible and acrimonious. But its seeds have already been planted.

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