

# RAILCET INTELLIGENCE REPORT

To: RAILCET  
From: Ray Chambers- Senior Policy Advisor to RAILCET  
Date: September 15, 2023  
Subject: **Congress is Back – Appropriations at the Edge of the Fiscal Cliff**

The House of Representatives and the Senate are in session following the summer break. Appropriations, including transportation, are pending in both Houses. If appropriations are not passed by September 30 the government shuts down. The first few days trying to avoid that catastrophe dissolved into chaos. The hope is for bipartisan as well as bicameral agreement of any kind that will avoid the shutdown. The Senate is fully bipartisan and no obstacle to success. The House is fractured and now in meltdown. Following is the state of play.

This week the Senate began traditional “regular order” floor debate on several appropriations bills including transportation for a total of \$280 billion. These Senate bills are bipartisan. The problem is the other body. The House arch conservative “Freedom Caucus” aggressively demand extensive spending cuts. Freedom Caucus members earlier demanded the Speaker move on Biden impeachment as a condition for supporting any budget deal. McCarthy then authorized an impeachment inquiry to be shared by three committees, infuriating the House Democrats. Freedom Caucus Members called it a “baby step” and offered no help to McCarthy on the budget deal. Yesterday, Republican intra party relations sunk to a new low with Freedom Caucus Members now suggesting they may file a motion to vacate the Speakers Chair. If the Speaker relies on Democratic help to even get a short-term deal to keep the government open on October 1. There is no path forward without Democratic support. In a closed Republican caucus meeting yesterday, McCarthy directly challenged his right-wing detractors and called on them to “file the f..king motion” to remove him. Meanwhile, the White House is accusing House Republicans of wasting time by promoting measures that slashed billions of dollars from the two-year budget agreement negotiated by Biden and McCarthy earlier this summer. It is not at all clear how McCarthy will steer his splintered caucus to any kind of resolution that keeps the government open.

That is where it stands.

Is there a path forward? There must be if America is not to tumble over a fiscal cliff. The only answer now is a “patch bill” called a continuing resolution that will keep the government funded at previous levels. To get there the Senate leaders hope the House will pass any bill such as a standalone Defense Appropriation, just to keep the bill rolling. Last week McCarthy tried to move a standalone defense bill through the House but was forced to abandon a Floor vote. The best hope is for the Senate to pass a bipartisan bill (probably a patch) and then hope for a bipartisan House coalition to get it through the House and onto the President’s desk. Such a move could cause the Freedom caucus to move on replacing McCarthy.

My best guess is there will have to be a short-term continuing resolution to avert a shutdown on October 1. There will be strong pressure to add other favored items such as \$16 billion in disaster aid as well as an immediate 24 billion in Ukraine funding. Stay tuned

In terms of RAILCET interests, our best near-term opportunity will be with the release of the FRA Corridor Projects in March. There will be a half million dollars in planning money for each project, backed by \$7 billion a year in FRA Federal State partnership and other grants for the next five years. I had an excellent meeting yesterday with the FRA Deputy Administrator and her staff on the kinds of opportunities that may become available for construction and operators contractors. Happily, these programs have five years of advanced appropriations and are not impacted by the appropriations mess unfolding in Congress.