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America, The Next 90 Days

By Raymond E. Pinard

The “fiscal cliff” negotiations were not particularly productive. If anything, the negotiations displayed the extreme polarization of both political parties. Leadership of the Republicans and Democrats in Congress is fractured, and President Obama does not appear interested in negotiating.

Another perfect storm is brewing over the national debt limit, funding for the second half of the FY 2013 budget, sequestration, and the FY 2014 budget that is due in February or March. The debate over these issues will likely further divide the nation.

The “fiscal cliff” agreement does not address the fundamental fiscal challenges facing the country:

- Stabilizing or reducing the debt
- Entitlement reforms
- Growth-focused and revenue-generating tax reforms
- Decisions on tax, entitlements and spending reforms will only become more difficult. Tax certainty will remain elusive.

In addition, decisions on the debt ceiling, benefit programs, government spending and a tax overhaul were only postponed. Here is what lies ahead for the 113th Congress following the “fiscal cliff” agreement:

- The new debt limit will require Congress to begin immediately working on an extension. Currently it appears that legislators may agree to a three month extension.
- Sequestration was delayed for only two months. Better get working now, Congress.
- The sequester extension must be paid for. This strengthens a precedent: the “doc fix” should be waived only if accompanied by offsetting health provisions.
- The FY 2013 budget is funded only through March 27. Congress must appropriate funds for the six months remaining in the fiscal year. There is current discussion about a continuing resolution for a brief period of time.



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- President Obama's budget for FY 2014 must be submitted by February 4. The deadline for submission of the Congressional Budget Office report on projected spending for FY14 is February 15.
- Committees must submit their "views and estimates" to the House and Senate Budget Committees by March 18.
- The Senate Budget Committee must report its budget resolution by April 1. House-Senate conferees must develop a conference report on the budget resolution by April 15, and each chamber votes on the budget resolution conference report. Congress completes action on concurrent resolutions on the budget on April 15.

Congress has to deal with more than it can possibly handle over the next 90 days. Given the record of the 112th Congress — and leadership has remained the same for the 113th Congress — we are in for a real show, perhaps a farce like none seen before in Washington.

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