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Washington Scene

Coordinated by Joe L. Outlaw, Co-Editor, *Choices*

As we begin 2007, the landscape in Washington has changed dramatically. The November elections have "flipped" the Congress in terms of the party in control. The 110th Congress will convene with the Democrats having more than a 30-seat advantage in the House of Representatives and a 1-seat advantage in the Senate.

The last few days of the Republican-led 109th Congress were busy with a late night session that saw a number of bills completed prior to adjourning. A number of popular expiring tax breaks were extended, including a deduction for college tuition, a deduction for state and local sales taxes in states without income taxes, and the corporate-tax credit for research. However, at least one thing that did not happen – failure to pass the majority of appropriations bills that fund the government was left for the new Congress to handle. Only two appropriations bills were completed before Congress adjourned. Incoming Democratic appropriations committee leadership have indicated that they will pass a continuing resolution (referred to in Washington as a CR), when the current CR expires February 15th, that will fund the government at last year's levels to cover the remainder of the fiscal year through September 30th.

Other than funding the government, one of the early priorities for the Democratic-controlled 110th Congress will be an attempt at an ethics overhaul. Many point to the often used Democratic election slogan of the "Republican Culture of Corruption" (along with the Iraq War) as the primary reasons for the outcome of the November elections. These types of statements have been made before with little or no change – regardless of who is in control of Congress. So what is expected to happen? There is going to be an attempt to sever the ties between lawmakers and lobbyists. There have also been hints at restricting the use

of corporate jets and tightening the rules on gifts and travel by lobbyists. There will also be an attempt to provide more transparency for Congressional earmarks by requiring the sponsor's name to appear next to the project in the appropriations bill.

Farm Bill

The next farm bill will be written in a new political setting with less money available for programs. The March 2007 CBO Baseline (with adjustments, if any, from the budget resolution) will be used to score the 2007 Farm Bill. At this point, it appears that commodity prices are projected to be sufficiently high and that there will be less money being spent on current programs, which leaves less money for the new farm bill. Like most committee chairmen, the wish lists of the incoming House and Senate Agricultural Committee leadership each expand current programs (CSP and energy) or enact new ones (permanent disaster assistance) – both of which will require more money. That calls into question what has to be cut to fund the new priorities. Farm bill discussions are expected to begin in earnest by the spring, but most observers are waiting to see how much money will be in the baseline.

Doha Round

At this time last year, the Doha Round was in a serious stage as far as needing progress. Currently, talks have been suspended with only a few countries trying to get the round moving forward again. The Doha Round isn't dead, but there really isn't much time left to get an agreement prior to Trade Promotion Authority (TPA) expiring for President Bush in July 2007. There has been some talk about extending TPA if an agreement appears eminent.

