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Transition to a New President and Congress

How Your Locality Should Prepare, Engage, and Benefit

This briefing paper is the first in a series from The Ferguson Group (TFG), provided to local governments across America to help them understand and prepare for the transition to the next Presidential Administration and 111th Congress. To receive future briefings, participate in upcoming webcasts on the federal transition, or obtain counsel or assistance on particular issues, contact TFG's David Grenham at (202) 331-8500 or dgrenham@tfgnet.com.

Local government officials can expect major, important changes in the way the federal government works with localities in the coming years. With the coming shift to the President Barack Obama administration and a new 111th Congress with a strengthened Democratic majority, federal policies, programs, and resources will surely shift. Some of these changes will be beneficial to localities, and some may pose new challenges. Economic stimulus bills, infrastructure programs, transportation legislation, energy and climate change, health care and education reform, new regulatory approaches, earmarks and spending bills, a new domestic budget – are all expected to be priority issues.

What is certain is that local governments should be aware and engaged in the coming federal transition and in the federal programs that matter to your localities. Are you ready for the changes, challenges and opportunities of the coming national shift in priorities?

Federal representation is not just for the biggest corporations and organizations or the largest local governments and state agencies. Towns, cities, counties, local government consortiums, academic institutions, tribes, and companies – medium and small – also significantly benefit from specialized advocacy before the United States Congress and the Executive Branch agencies. The Ferguson Group's legislative and policy professionals have served public and private sector clients of all sizes, implementing winning strategies, and achieving impressive results. The Ferguson Group is the largest federal representative of local governments in Washington, DC. Visit www.fergusongroup.us

This briefing paper provides an overview of the pending federal transition; a review of the important and emerging issues for local governments; highlights of the people, processes and power shifts in Washington; and a set of suggestions for how your locality can best engage in and benefit from this transition.

HIGHLIGHTS OF THE WASHINGTON TRANSITION

The transition to a new President and Congress sparks new tidbits of information every day, as the process moves toward January 20, 2009. Here is a snapshot of the power shift happening now, with a focus on issues important to local communities:

- President-elect Obama has established a transition process that is viewed by many observers as competent and determined. The “Obama-Biden Transition Project” team is attempting to move more quickly than previous transition efforts, to seek out bipartisan cooperation, and to hit the ground running in January. Clearly the challenges facing the incoming Administration are serious and complicated.
- Obama Administration staff and advisors that have been named already include Chief of Staff Rahm Emanuel (former Clinton White House strategist, Illinois Congressman and Democratic Party leader); transition chief John Podesta (former Clinton White House Chief of Staff, and director of progressive DC think tank the Center for American Progress); Special Advisor David Axelrod (chief Obama campaign strategist from Chicago, serving as Senior Political Advisor in the new White House); and Senior Advisor to the President Valerie Jarrett (former city and civic official, longtime Obama confidante). Greg Craig White House counsel (former Clinton impeachment lawyer)
- Nearly 400 people have been installed in the Obama transition effort in Washington and Chicago, including many people in agency review positions. Some of the many people involved in issues that are important to local governments include:
 - Transportation advisor, Mort Downey (former Clinton DOT official);
 - Energy and environmental advisors Carol Browner (former Clinton EPA Administrator), David Hayes (former Clinton Deputy Interior Secretary), Bob Sussman (former Clinton EPA official), and Lisa Jackson (New Jersey Environment Chief);
 - Homeland Security advisor Rand Beers (director of counter-terrorism in the George W. Bush National Security Council, and former advisor to Reagan and George H.W. Bush White Houses, advisor to Kerry campaign in 2004);
 - Department of Justice advisor David Ogden (former Clinton DOJ official);
 - HUD and housing advisor Bruce Katz (director of the Brookings Institute’s Center for Metropolitan Studies, and former HUD Chief of Staff under Clinton);
 - Education advisors Judith Winston (education lawyer) and Linda Darling-Hammond (Stanford professor);

- Budget and government operations advisor Sally Katzen (former Clinton OMB official).

For biographies of the top 150 members of Obama's agency review teams in the transition project, see:

http://change.gov/learn/obama_biden_transition_agency_review_teams

New names will emerge every day, including Cabinet Secretary nominations.

- For a glimpse of the potential policy priorities and initiatives that America might see from the early days of the Obama Administration, review the campaign policy proposals put forward by Senator Obama over the past year, the policy announcements provided at his new transition website www.change.gov, and policy recommendations from the Center for American Progress at www.americanprogress.org. The Center for American Progress, headed by the President-elect's transition chief John Podesta and staffed by many Obama advocates and advisors, is considered to be a think tank and policy shop with major influence in the new Administration.
- Certain high priority Obama White House initiatives are already emerging that will be important to local governments across America:
 - **Economic Stimulus with Infrastructure Spending** – President-elect Obama and his staff have identified new economic stimulus legislation as a top priority for early in his term. This stimulus could include major funding for transportation, water, sewer, stormwater, public health, green infrastructure, and clean energy infrastructure programs. Expect a focus on “green jobs” and “clean energy” initiatives. President-elect Obama has also voiced support for \$50 billion in loan support to maintain the viability of the American automotive industry, which supports 1 in 10 jobs in the nation and impacts many localities (he has also called for the establishment of a “Car Czar” in the White House). This total stimulus package proposal could have as much as \$150 billion to \$300 billion in resources, including for local governments.
 - **Top issues of Iraq/Afghanistan, Health Care, and Middle Class Tax Cuts** – Clearly priorities for the new Administration and Congress, the treatment of these issues will affect the economy and the budgetary priorities for the nation.
 - **White House Office of Urban Policy** – Close Obama advisor Valerie Jarrett announced that the new Administration would establish a “White House Office on Urban Policy” to raise the importance of urban revitalization and community empowerment. This dovetails with the

newly established Congressional Urban Caucus, chaired by Obama supporter Rep. Chaka Fattah.

- **National Energy Council** – Gasoline dependence, electricity costs, and the environmental impacts of fossil fuels remain major issues, and the incoming Obama Administration and Congress are expected to focus attention on clean energy solutions. The President-elect’s team is considering the creation of a “National Energy Council” in the White House, akin to the National Security Council and the National Economic Council, in order to raise the profile of the issue and to coordinate inter-agency activities.
- **FY10 Budget** – The Bush Administration will not be developing and submitting a budget for fiscal year 2010 to Congress, but instead is preparing a “current service budget”, a baseline budget covering existing program funding and personnel needs. The Obama Administration is expected to develop its own budget and submit it to Congress in late March/early April. This budget proposal will be a major reflection of the priorities of the new Administration.
- **Climate Change** – During the campaign, Barack Obama identified energy independence, climate change, and movement toward a “green economy” as top priorities. Since the election, transition chief John Podesta has confirmed climate change as a priority, and indicated that President Obama will be prepared to issue principals and proposals for controlling greenhouse gases early in the first year. Proponents of climate change legislation seek the establishment of a consensus U.S. approach in time for post-Kyoto global negotiations on climate change in Copenhagen, Denmark in December 2009.
- **Congressional Leadership** – Although the congressional majority will remain with the Democrats when the 111th Congress convenes, potential changes in leadership and committees are expected. With Rahm Emanuel at the White House, the House Democratic Caucus Chairmanship is open, with John Larson of Connecticut potentially slated for that position. In the Senate, aged West Virginia Senator Robert C. Byrd has become “Chairman Emeritus” of the Appropriations Committee, relinquishing control of the slot to Hawaii Senator Daniel Inouye. On the Republican side, the number two House Republican Roy Blunt (R-MI) and number three Republican Adam Putnam (R-FL) have stepped down, and Republican Majority Leader John Boehner (R-OH) has been challenged by Representative Dan Lungren from California. Other significant news in the Congress includes the attempt by powerful California Congressman Henry Waxman (D) to take the top slot on the House Committee on Energy & Commerce from long-time Chairman John Dingell (D-MI). The fate of Senator Joe Lieberman (I-CT) in the Democratic Congress as the current chairman of the Senate Committee on Homeland Security re-

mains uncertain, although President-elect Obama has now called on Senate Majority Leader Harry Reid (D-NV) to not punish Lieberman for his role in the presidential campaign of John McCain. Also, watch closely the moderates in the Senate and the “Blue Dog” Democrats in the House, as their views and votes will likely be decisive in the coming Congress.

- **Priority Congressional Issues** – The priority issues for the incoming 111th Congress will likely parallel the top issues of the new President, including economic stimulus and infrastructure funding, financial rescue of the Big 3 automakers, health care reform, energy independence and climate change, changes to income and corporate taxes, and the FY10 budget. In addition, the Congress is expected to move quickly in the new year to complete the stalled FY09 appropriations bills for most domestic programs, including earmarks for local district projects.
- **How far will the direction shift?** One final thought on the transition to new priorities in the federal government: Many observers wonder whether the strengthened Democratic majority will focus its attention and political capital on the core issues that were the focus of the election, like those outlined here, or if there could be a harder shift to the left on taxes, spending, and more controversial social issues that could reduce bipartisan cooperation.

NAVIGATE THE INCOMING FEDERAL GOVERNMENT

The Ferguson Group is helping local governments, technology companies, and other institutions prepare for the changes coming in the federal government. You can better succeed in the coming months and years if you craft local programs and projects to benefit from the trends in federal programs and resources, weigh in on regulatory changes, and push for policies beneficial to localities. TFG is helping clients in the following ways:

- **Policy Teams** – TFG has established policy teams focused on the issues most important to localities and other organizations. These teams are now focused on transition monitoring and planning. The teams include:
 - **Transportation** – the transportation policy team is helping clients prepare for the 2009-2010 reauthorization of the SAFETEA-LU transportation law, address smart growth and green transportation issues, and find funding and financing for local projects.
 - **Environment, Energy & Water** – this team supports local efforts to address climate change, energy efficiency, clean energy, green technology, water supply, water quality, flood control, permitting and regulatory requirements, and other issues. This team supports two national coalitions managed by TFG, the Climate Communities coalition

(www.climatecommunities.us) and the American Waterfront Revitalization Coalition (www.americanwaterfront.us).

- **Public Safety, Homeland Security & Law Enforcement** – this team helps localities identify resources for local law enforcement, deal with cyber-security and homeland security challenges, and work with FEMA on preparedness and disaster recovery.
- **Technology, Telecommunications & Education** – this team is supporting local efforts to preserve their role and proper authority with respect to telecommunications providers, and helping educational institutions obtain funding for activities, including through the Science, Technology, Engineering & Mathematics (STEM) programs.
- **Community and Economic Development & Housing** – this policy team has monitored and influenced housing and financial recovery legislation at the federal level to support local governments, and also focuses on brownfields revitalization, smart growth and sustainable development.
- **Budget & Appropriations** – This team is focused on TFG’s long-standing practice of helping local governments and other entities influence federal budgets, access federal grants and resources, and obtain congressionally-directed earmarks.
- **Transition Policy Briefs** – TFG will provide briefing papers and materials, like this document, on the transition to a new federal government and early government policy and program changes. Email TFG’s David Grenham at dgrenham@tfgnet.com for an email subscription to these regular transition policy briefs.
- **Communications with Incoming Federal Officials** – TFG advocacy professionals will be working with key Executive Branch and Congressional officials to convey local community and other priorities. We will monitor and participate in policies, personnel appointments, and other important transition trends. We can help you obtain meetings or information from incoming federal officials on your most important issues.
- **Transition Webcasts** – TFG will hold a series of webcasts on important federal transition topics. For more information or to sign up for a webcast, go to www.fergusongroup.us/TransitionWebcast. These webcasts, which are free for TFG clients and low-cost for other interested parties, will include:
 - **FEDERAL TRANSITION & YOU – OVERVIEW OF THE COMING TRANSITION AND HOW YOU CAN ENGAGE & BENEFIT** (November 19, 3PM EST)

- TRANSPORTATION REAUTHORIZATION, POLICIES & FUNDING (December 3, 3PM EST)
- PUBLIC SAFETY, HOMELAND SECURITY, AND EMERGENCY PREPAREDNESS & RESPONSE (December 17, 3PM)
- ENERGY, ENVIRONMENT, WATER & CLIMATE CHANGE (January 7, 2009, 3PM EST)

LOCAL GOVERNMENT CALL TO ACTION – WHAT YOU CAN DO

As the nation embarks on a new phase of democracy, what can you do to get prepared and to succeed? A few starting points:

- Establish your community’s priorities for infrastructure, economic development, environmental and energy projects, and public services – and try to connect your priorities to emerging national program and funding priorities. Now is the time to set a federal agenda, a prioritized list of projects, and a strategy that makes sense in the emerging federal context.
- Join local government efforts to influence national policies – participate in ongoing local government efforts to influence the national debate, such as the U.S. Conference of Mayors’ “Main Street Stimulus” campaign, the Climate Communities / ICLEI local climate action campaign, NACo’s “American County Platform,” the federal action agenda of the National Association of Towns & Townships, and other efforts.
- Contact your Members of Congress and Senators about your local and national issue priorities – Help them understand how success on these issues will further their own objectives and priorities.
- Send input to the President-elect Obama transition team through www.change.gov at www.change.gov/page/s/yourvision.

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