

Up to \$1 Trillion in Stimulus Money to Flow from the Federal Government to a Wide Range of Beneficiaries Through State and Local Government Channels: Duane Morris Government Affairs Engaged on All Levels

We have all read news reports about government and industry leaders compiling wish lists in anticipation of the approval of a federal stimulus package. Compiling a wish list guarantees nothing. Having a team on the ground on the federal, state and local government levels is the best way to ensure that you will be part of the funding picture when the details of the new presidential administration's economic development plans are finalized. Regardless of how or when this occurs, it will still be up to the legislative bodies to set things in motion. DMGA is one of the few government relations organizations engaged on all government levels. Below is a general description of the stimulus plan as we know of it today, and an explanation of why having a proven success record with federal, state and local government officials is likely to be imperative to your success.

* The stimulus package Obama and Democratic leaders are working on is expected to be from \$700 billion to \$1 trillion and will include individual and business tax cuts, funding for infrastructure projects and aid to states for Medicaid costs. The plan will include tax relief. The tax relief portion of the stimulus plan continues to grow, with the Obama team now working with Democratic leaders to fashion a \$300 billion package of tax cuts targeting businesses as well as the middle- and lower-income Americans Obama promised to help during his campaign. The remainder of the package will be on "infrastructure" funding and aid to state governments. The most-cited "infrastructure" funding opportunities will be for traditional transportation infrastructure (\$100 to \$130 billion), school construction, energy efficiency projects, broadband infrastructure construction, and health-information technology for hospitals and health systems. Other categories of funding may still be included.

* Predictions that this massive stimulus package will be signed into law on or near Inauguration Day, January 20, are proving far too optimistic. President-elect Obama and congressional leaders now concede that the timing will be pushed back. According to Obama, "We expect that by the end of January or the first week in February we will have gotten the bulk of this done." House Majority Leader Steny Hoyer (D-Md.) stated this weekend, "We certainly want to see this package passed through the House of Representatives no later than the end of this month, with final passage by the week-long Presidents' Day recess that begins Friday, Feb. 13." This may slip further depending on the level of Republican buy-in or opposition.

* There have been no decisions in Washington, DC, by congressional leaders or President-elect Obama or his team about any specific projects that will ultimately receive stimulus funding – and other than tax relief for individuals and certain businesses there are no plans for such "earmarks." On Tuesday, December 23, Vice President-elect Biden plainly stated, "There will be no earmarks in the multibillion-dollar economic stimulus plan. It's important for the American taxpayer to know that this is not going to be politics as usual." The funding will be appropriated through existing legal authorities in federal law and sent to state, regional and local

agencies and authorities to spend on “ready-to-go” projects.

If you have been following this topic, you have likely heard that government and industry leaders are compiling “wish lists” in anticipation of the approval of a federal stimulus package. While people are compiling wish lists, at this point they are just that and nothing more. That said, if you are an institution or entity that believes you have projects that are “ready-to-go” and should be considered for funding opportunities under this process, you may need to begin engaging now. To do so is likely to require promoting your project and spending justification at all levels of government – local, state and federal. For transportation infrastructure projects, for example, interest groups, along with mayors and governors, are already pitching their programs. The phrase “shovel-ready” has become the moniker ascribed to any funding request where substantial federal funds can be obligated by state and local agencies within 90 or 180 days. It’s important to keep in mind that when referring to “shovel-ready,” Congress means already-planned, engineered and permitted transportation projects that could proceed very quickly. Many of these projects will be run through local transportation planning authorities that have a substantial backlog of such projects.

If you have an interest in pursuing funding from the economic stimulus package, Duane Morris Government Affairs can be of assistance. DMGA is one of the few government affairs firms engaged on all three government levels. A presence in Washington, the state capitals and local government agencies is essential. As a result, we are uniquely positioned to advise you on whether we believe your project might qualify for this near-term, unique and complex funding mechanism and, if so, to assist you with engaging and promoting your projects at the local, state and federal levels.

Duane Morris Government Affairs will continue to work with the incoming administration, federal and state lawmakers, and local officials to ensure that our clients projects receive top consideration in the new stimulus plan. We will continue to provide general and specific updates to those interested as this process moves forward. For additional information, please contact **Stephen Schachman** at 215.979.1374 or by email to sschachman@dmga.com in Pennsylvania or **Larry Flick** at 202.776.5202 or by email to lflick@dmga.com in Washington, DC.