



THE GOVERNMENT SHUTDOWN CONTINUES

The government shutdown, which began at midnight on Monday, September 30, continues on as of today. The shutdown will be the fourth longest in American history at the end of today. If the shutdown lasts through the weekend it will be the third longest in American history—behind only the 1978 partial shutdown (18 days) and the 1995-1996 shutdown that lasted 21 days.

DEBT CEILING DEADLINE LOOMS

As the government shutdown reaches 11 days, the clock is ticking on another potential economic disaster—there are just six days until the country reaches its debt limit. While some have argued that the actual deadline may be a little later in October, the Treasury Department has told Congress that the debt ceiling will be hit on October 17.

A GLIMMER OF HOPE: THE SIDES ARE TALKING

While no deal has been reached, there was good news as Republican and Democratic senators held bipartisan talks over reopening government and extending the debt limit and House Republicans and the White House carried discussions late into the night on Thursday.

The framework of any potential agreement remains unknown, however, House Republicans said they would continue to talk with President Obama.

While the White House said there was no breakthrough, it characterized the talks as helpful. In a statement the White House said, "[t]he president looks forward to making continued progress with members on both sides of the aisle."

In the Senate, Majority Leader Harry Reid (D-NV) is preparing a clean debt-limit extension for a procedural vote as early as Saturday—"unless an agreement is reached"—and senators say they've been meeting behind closed doors to hammer out a possible deal.

Among the plans being discussed is a proposal from Sen. Susan Collins (R-ME) who's calling for a repeal of the medical device tax and for allowing agencies leeway in administering sequestration cuts. This plan, which would reopen government, could also roll into a larger deal to extend the debt ceiling.

REPUBLICANS FLOAT DEAL TO AVOID DEBT DEFAULT

On Thursday, House Republicans floated a potential deal to avoid a debt default. Republicans are offering to pass a six-week extension of the debt ceiling, one that would be a "clean" extension—"i.e. an extension containing no policy concessions." The only catch is that before passing the clean extension, Republicans say they want a verbal agreement from the White House to appoint budget conferees for a working group that will negotiate long-term financial issues during that six-week period.

The stock market rallied on Thursday, closing up more than 320 points, on the news of a potential deal being floated by Republicans.

YELLEN NOMINATED FOR FEDERAL RESERVE

On Wednesday, President Obama nominated Janet Yellen, the current vice chair, to head the Federal Reserve. If confirmed, Yellen would be the first woman to lead the Federal Reserve. While some Republican opposition is expected in the Senate, it is widely expected that Yellen will be confirmed.

FARM BILL UPDATE

While most of the attention in Washington has been on the budget battles, other unfinished business continues to remain, including reconciling the differences between the House and Senate versions of the Farm Bill. This week, the names of likely House Republican conferees surfaced.

While the majority of Republican conferees will be members from agricultural districts, Rep. Steve Southerland (R-FL) will also serve as a representative of GOP leadership.

It was Southerland's amendment attaching work requirements to receiving SNAP benefits for able-bodied adults that was said to be the poison pill that derailed final passage of the Farm Bill in the House the first time it was brought to the floor.

The Republican roster being circulated includes 13 members. House Agriculture Committee Chairman Frank Lucas (R-OK) is joined by his five subcommittee chairs—"Reps. Michael Conaway (R-TX), Rick Crawford (R-AR), Steve King (R-IA), Austin Scott (R-GA), and Glenn Thompson (R-PA). Others on the list include Reps. Mike Rogers (R-AL), Martha Roby (R-AL), Kristi Noem (R-SD), Rodney Davis (R-IL), Jeff Denham (R-CA), and Southerland.

House Speaker John Boehner has not formally named the conferees, and isn't expected to do so until a deal is struck on the debt ceiling and government shutdown.

A PRIMER ON THE GOVERNMENT SHUTDOWN AND THE DEBT CEILING

mcdonald hopkins government strategies advisory this week in washington october 11 2013

For the past few weeks much of the television and print news has been focused on the standoff in Washington, D.C. over two separate issues: funding the government and raising the nation's debt ceiling. Given the significance of these two issues and the widespread confusion surrounding them, McDonald Hopkins Government Strategies released the following primer on Thursday to help make sense of the current situation.

[Click here](#) to see the primer.

Political bits:

House

Florida 13th Congressional District: Rep. Bill Young (R-FL), a 22-term member of the House, announced that he would not seek re-election in 2014. The retirement by Young gives Democrats a pick-up opportunity in a district President Obama narrowly carried in 2012.

Senate

New Jersey Special: Polling has shown the race between Newark Mayor Cory Booker (D-NJ) and former Bogota Mayor Steve Lonegan (R-NJ) has narrowed, but Booker still enjoys a double digit lead in the race.

A look ahead:

House

Tuesday, October 15 – The House Natural Resources Committee will hold a field hearing on "Offshore Energy and Jobs: America's Governors Speak Out," at 10:30 a.m. at 1141 Bayview Avenue in Biloxi, Mississippi.

Senate

Tuesday, October 15 – The Senate Small Business and Entrepreneurship Committee will hold a hearing on "Small Businesses Speak: Surviving the Government Shutdown?" at 2:30 p.m. at 428-A Russell.

Washington by the numbers

28 – The favorability of the Republican Party, the lowest in history.

72 – The percentage of Tea Partiers who oppose any budget deal that does not include cuts to Obamacare.

They said what?

"There's hardly anybody working down there. There's no towel service, we're doing our own laundry down there." – Rep. Bruce Braley (D-IA) on the shutdown suffering of House gym members

Washington humor

"A new survey found that nine percent of Americans have considered giving up their U.S. citizenship because of the constant arguing in Washington. Today, even Obama was like, 'Are you SURE I wasn't born in Kenya?'" – Jimmy Fallon

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