



Policy Resolution Group Reconciliation & Infrastructure Update

January 21, 2022

Please find below the latest edition of the Policy Resolution Group's FY2022 Budget Reconciliation & Infrastructure Update.

Included in this newsletter are sections on:

- State of Infrastructure and Reconciliation Negotiations
- Liam Donovan's Bottom Line
- The Breakdown with Yasmin Nelson
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State of Infrastructure and Reconciliation Negotiations

Over the past week, negotiations on the Build Back Better Act have stalled with the Senate turning its attention to voting rights legislation and an attempt to eliminate the filibuster. Ultimately, both efforts failed with Senate Republicans effectively using the filibuster to block a vote on voting rights legislation, and Senators Joe Manchin (D-WV) and Kyrsten Sinema (D-AZ) voting with Senate Republicans to keep the filibuster.

Another blow was dealt to Senate Democrats and Majority Leader Chuck Schumer (D-NY) when Senator Manchin told the press that they would be starting from scratch when negotiations on the Build Back Better agenda eventually start up again, indicating that his \$1.8 trillion December counteroffer is no longer on the table.

Liam Donovan's Bottom Line

President Biden marked his first year in office with a frustrating defeat on voting rights in the Senate, a failed rule change, and no evident progress on the balance of his stalled agenda. But whatever the week lacked in substantive headway, it made up for in public acknowledgement of many of the things that have been written in this space for weeks if not months. From a [podium in the East Room](#) the following day, Biden expressed confidence in his ability to get "big chunks" of Build Back Better (BBB) signed into law. When asked if that meant breaking up the bill, Biden replied, "[W]e're going to probably have to break it up," citing the climate package and universal

pre-K as elements that could get consensus and vowing to “get as much as we can and come back and fight for the rest later.”

Given the procedural strictures of the budget reconciliation process, the notion of breaking up the bill into multiple pieces that can move is rather misleading, as Speaker Pelosi noted in [her press availability](#) the next day: “[T]here are big chunks of [BBB] that have to be contained in the bill. But remember this. This is a reconciliation bill. So, when people say let's divide it up – nah. No, they don't understand the process.” In short, any partitioning that occurs will be triaged by another name—anything that is not in the reconciliation package has no realistic chance of passage under the current makeup of Congress. Pelosi made another interesting comment when asked about the Senate holdouts, suggesting that they may need to rename the package, at once a minor branding point and an important symbolic tack away from a bill that Senator Joe Manchin (D-WV) has pointedly rejected. In the same breath, she cautioned her caucus to hold their fire, saying, “I don't think there is any upside to Democrats criticizing Democrats.” Ultimately, she expressed optimism that a “more limited, but... still significant” bill could be passed.

In the wake of Biden's press conference, several rank-and-file members picked up on the same thread. Senator Ed Markey (D-MA) [released a statement](#) backing the President's comments, encouraging Congress to take the climate and clean energy provisions in Build Back Better and “add any of the other important provisions to support working families that can meet the 50-vote threshold.” Senator Brian Schatz (D-HI) [told Rolling Stone](#), “We should pass whatever can pass—it's as simple as that. We're all using our brains and our egos to make this more complicated than necessary.” Senator Tina Smith (D-MN) told the same publication “You can't deny reality... Make the progress that you can and push as hard as you can to build support for the rest.” The rhetorical shift to realpolitik among some of the chamber's most progressive members is unmistakable, even if it glosses over the political difficulty of some of the coming trade-offs. Most conspicuously, the decision of how to proceed on the expanded Child Tax Credit remains in flux. But beyond generalities, there has been little public grappling with who the other losers would be in a slimmed down package. Expect this debate to heat up publicly in the weeks to come.

While the administration and congressional leaders have finally started dealing in reality, Manchin doesn't seem eager to let them off the hook so easily. When asked about Biden's comments, he indicated that a reported December offer is off the table. While [Manchin told CNN](#) he intends to continue talking, “We will just be starting from scratch,” adding that it will be a “clean sheet of paper.” And while he didn't rule anything out, simply stating that he wants to see what can be done in a “reasonable, feasible way,” he indicated that his priority was on taming inflation, covid, and the national debt. While this seems like a hardline negotiating posture rather than a fundamental change in what he would support, it is evidence that Democrats did themselves real damage with Manchin in recent months, and they'll need to mend fences in order to get back to what had previously been seen as par. Manchin is an old school politician, and the personal nature of the BBB negotiating fallout and the no-holds-barred voting rights push have depleted the reservoir of goodwill. Pledges by colleagues like Senator Bernie Sanders (I-VT) to [support a primary challenge](#) don't help.

A Friday [letter from Speaker Pelosi](#) to her colleagues provided perhaps the most revealing signal of where things are headed in the immediate term. In a lengthy note to the caucus, she laid out the House priorities for the upcoming work period, leading with the need to pass a strong omnibus, and teasing the introduction of the chamber's China competitiveness bill, timed in the hopes of hitching a ride. BBB was reduced to an afterthought, a categorical recitation of the priorities the House would hope to maintain. This amounts to a tacit recognition that reconciliation will remain

on the back burner, in part by necessity, while leaders attempt to hash out a funding agreement that can win Republican support. Senator Jon Tester (D-MT) affirmed this sequencing, [suggesting to Business Insider](#) that Senate Democrats would revisit BBB once work wraps up on funding the government. Whether that can be done by the current mid-February deadline is unclear. For his part, top GOP appropriator Senator Richard Shelby (R-AL) expressed doubt on Thursday that they were on track, saying, “it would be hard to get it by the 18th,” indicating a stopgap measure might be necessary to complete their work. A short-term CR would likely run into President Biden’s planned March 1 State of the Union address, putting pressure on efforts to show progress on BBB during his prime-time speech. Whatever the timetable, it is increasingly clear (and universally understood) where things need to go to forge a reconciliation deal—the rest remains a question of leadership and choreography.

The Breakdown with Yasmin Nelson

As expected, this week ended with voting rights legislation failing in the Senate and talks of the slimmed down version of the President’s Build Back Better (BBB) bill’s resurrection. There was a lot to keep track of, but isn’t clear where things will land.

In the past few days, President Biden gave the legislation new momentum this week when he declared he’s willing to agree on whatever ‘chunks’ of the climate and social spending bill can get through Congress. And while many Democrats wanted to jump right in and quickly gather a win on the proposal, Senator Manchin made it clear that he would like to “start from scratch” and that his proposed counteroffer was no longer an option. In true Manchin fashion, he also identified things that would need to be addressed before moving forward with any new BBB proposal including inflation and the COVID-19 pandemic.

So, is starting over a good thing? While starting over has its downsides, this could be good for Democrats to wipe the slate clean and clear their heads from the frustrating past few months. However, the gridlock on voting rights, among other Dem priorities, and the upcoming midterm elections will make any pace other than lightning speed seem too long.

In the end, President Biden will have to convince his party that he is making progress with Senator Manchin (D-WV) early and that a slimmed BBB is not the only vehicle to get things done. There is still a long way to go to convince Manchin to support a Build Back Better bill and his timeline will likely not match House Democrats. Separately, but just as important, House Speaker Pelosi pronounced that the bill would be receiving a bit of a facelift— keep an eye out for the bill to be renamed as it is reworked.

Document Library

Bill Text and Summaries

For the House Committee on Rules information page on the Build Back Better Act, including recordings of committee meetings and proposed amendments click [HERE](#).

House Bill Text and Comparisons:

- For the House Rules Committee Print of the Build Back Better Act released on November 3 click [HERE](#).

- For the 1st Manager’s Amendment adopted and agreed to on November 6, 2021 click [HERE](#).
- For the 2nd Manager’s Amendment adopted and agreed to on November 18, 2021 click [HERE](#).
- For a comparative print between the November 3 print and the October 28 print click [HERE](#).
- For a comparative print between the November 3 print and the initial text of H.R. 5376 click [HERE](#).
- For the House Committee on Rules page on the Build Back Better Act, including announcements, videos, bill text, amendments, and votes click [HERE](#).

Senate Bill Text:

- For the Senate legislative text for “Title I - Committee on Agriculture, Nutrition, and Forestry” click [HERE](#).
- For the Senate legislative text for “Title II - Committee on Health, Education, Labor, and Pensions” click [HERE](#).
- For the Senate Legislative Text for “Title III – Committee on Environment and Public Works” click [HERE](#).
- For the Senate legislative text for “Title IV - Committee on Banking, Housing, and Urban Affairs” click [HERE](#).
- For the Senate legislative text for “Title V - Committee on Homeland Security and Governmental Affairs” click [HERE](#).
- For the Senate legislative text for “Title VII – Committee on Energy and Natural Resources” click [HERE](#).
- For the Senate legislative text for “Title VIII - Committee on Commerce, Science, and Transportation” click [HERE](#).
- For the Senate legislative text for “Title IX - Committee on Indian Affairs” click [HERE](#).
- For the Senate legislative text for “Title X - Committee on Small Business and Entrepreneurship” click [HERE](#).
- For the Senate legislative text for “Title XI - Committee on Veterans' Affairs” click [HERE](#).
- For the Senate legislative text for “Title XII - Committee on Finance” click [HERE](#).

Summaries and Fact Sheets:

- For a section-by-section summary of the Build Back Better Act click [HERE](#).
- For a fact sheet on the agriculture provisions in the Build Back Better Act click [HERE](#).
- For a fact sheet on the homeland security provisions in the Build Back Better Act click [HERE](#).
- For a fact sheet on the science, space, and technology provisions in the Build Back Better Act click [HERE](#).
- For a fact sheet on the energy & commerce provisions in the Build Back Better Act click [HERE](#).
- For a fact sheet on the judiciary provisions in the Build Back Better Act click [HERE](#).
- For a fact sheet on the small business provisions in the Build Back Better Act click [HERE](#).
- For a fact sheet on the education & labor provisions in the Build Back Better Act click [HERE](#).
- For a fact sheet on the natural resources provisions in the Build Back Better Act click [HERE](#).
- For a fact sheet on the financial services provisions in the Build Back Better Act click [HERE](#).

- For a fact sheet on the oversight and reform provisions in the Build Back Better Act click [HERE](#).
- For a fact sheet on the transportation & infrastructure provisions in the Build Back Better Act click [HERE](#).
- For a fact sheet on the veterans' affairs provisions in the Build Back Better Act click [HERE](#).
- For a fact sheet on the ways & means provisions in the Build Back Better Act click [HERE](#).

Budgetary Effects

For the Congressional Budget Office's summary of the cost estimate for H.R. 5376, the Build Back Better Act, click [HERE](#).

For a December 8 update from the Congressional Budget Office on the budgetary effects of the Build Back Better Act, click [HERE](#).

For the Congressional Budget Office's report on the budgetary effects of making specified policies in the Build Back Better Act permanent, click [HERE](#).

House bill:

- For the Congressional Budget Office's estimated budgetary effects of the Homeland Security provisions in the Build Back Better Act click [HERE](#).
- For the Congressional Budget Office's estimated budgetary effects of the Small Business provisions in the Build Back Better Act click [HERE](#).
- For the Congressional Budget Office's estimated budgetary effects of the Veterans Affairs provisions in the Build Back Better Act click [HERE](#).
- For the Congressional Budget Office's estimated budgetary effects of the Science, Space, and Technology provisions in the Build Back Better Act click [HERE](#).
- For the Congressional Budget Office's estimated budgetary effects of the Transportation and Infrastructure provisions in the Build Back Better Act click [HERE](#).
- For the Congressional Budget Office's estimated budgetary effects of the Oversight and Reform provisions in the Build Back Better Act click [HERE](#).
- For the Congressional Budget Office's estimated budgetary effects of the Financial Services provisions in the Build Back Better Act click [HERE](#).
- For the Congressional Budget Office's estimated budgetary effects of the Energy and Commerce provisions in the Build Back Better Act click [HERE](#).
- For the Congressional Budget Office's estimated budgetary effects of the Judiciary provisions in the Build Back Better Act click [HERE](#).
- For the Congressional Budget Office's estimated budgetary effects of the Ways and Means provisions in the Build Back Better Act click [HERE](#).
- For the Congressional Budget Office's estimated budgetary effects of the Education and Labor provisions in the Build Back Better Act click [HERE](#).
- For the Congressional Budget Office's estimated budgetary effects of the Natural Resources provisions in the Build Back Better Act click [HERE](#).
- For the Congressional Budget Office's estimated budgetary effects of the Agriculture provisions in the Build Back Better Act click [HERE](#).

Senate bill:

- For the Congressional Budget Office’s estimated budgetary effects of the Senate’s “Title I - Committee on Agriculture, Nutrition, and Forestry” of the Build Back Better Act click [HERE](#).
- For the Congressional Budget Office’s estimated budgetary effects of the Senate’s “Title II - Committee on Health, Education, Labor, and Pensions” of the Build Back Better Act click [HERE](#).
- For the Congressional Budget Office’s estimated budgetary effects of the Senate’s “Title III – Committee on Environment and Public Works” of the Build Back Better Act click [HERE](#).
- For the Congressional Budget Office’s estimated budgetary effects of the Senate’s “Title IV - Committee on Banking, Housing, and Urban Affairs” of the Build Back Better Act click [HERE](#).
- For the Congressional Budget Office’s estimated budgetary effects of the Senate’s “Title V - Committee on Homeland Security and Governmental Affairs” of the Build Back Better Act click [HERE](#).
- For the Congressional Budget Office’s estimated budgetary effects of the Senate’s “Title VII - Committee on Energy and Natural Resources” of the Build Back Better Act click [HERE](#).
- For the Congressional Budget Office’s estimated budgetary effects of the Senate’s “Title VIII - Committee on Commerce, Science, and Transportation” of the Build Back Better Act click [HERE](#).
- For the Congressional Budget Office’s estimated budgetary effects of the Senate’s “Title IX - Committee on Indian Affairs” of the Build Back Better Act click [HERE](#).
- For the Congressional Budget Office’s estimated budgetary effects of the Senate’s “Title X - Committee on Small Business and Entrepreneurship” of the Build Back Better Act click [HERE](#).
- For the Congressional Budget Office’s estimated budgetary effects of the Senate’s “Title XI - Committee on Veterans’ Affairs” of the Build Back Better Act click [HERE](#).
- For the Joint Committee on Taxation’s preliminary review of estimated budgetary effects of the Senate’s “Title XII - Committee on Finance” of the Build Back Better Act click [HERE](#).

Other Budgetary Estimates:

- For the Joint Committee on Taxation’s Estimated Budget Effects of the Build Back Better Act click [HERE](#).
- For the White House’s preliminary budgetary estimates of the Build Back Better Act click [HERE](#).
- For a Dear Colleague Letter from the Speaker of the House issued on November 4 regarding the preliminary budget estimate of the Build Back Better Act click [HERE](#).

October 28 Text

For the House Rules Committee Print of the Build Back Better Act released on October 28 click [HERE](#).

For a section-by-section summary of the Build Back Better Act click [HERE](#).

For the Build Back Better Framework released on October 28 click [HERE](#).

For the White House fact sheet on the Build Back Better Framework released on October 28 click [HERE](#).

September 27 Text

For the text of H.R. 5376 the Build Back Better Act as reported by the House Committee on the Budget on September 27 click [HERE](#).

For the report from the Committee on the Budget to accompany H.R. 5376 click [HERE](#).

Background Material

For the Congressional Research Service report on “The Senate’s ‘Byrd Rule’” click [HERE](#).

Provisional Text

For a preliminary budget reconciliation framework signed by Sen. Joe Manchin (D-WV) and Sen. Majority Leader Chuck Schumer (D-NY) on July 28 click [HERE](#).

For the House Committee on the Budget’s full text of the Build Back Better Act click [HERE](#).

- For Part 1 of the House Committee on the Budget’s report on the Build Back Better act click [HERE](#).
- For Part 2 of the House Committee on the Budget’s report on the Build Back Better act click [HERE](#).
- For Part 3 of the House Committee on the Budget’s report on the Build Back Better act click [HERE](#).

For the summary of the Senate budget resolution click [HERE](#).

- For the text of the Senate budget resolution click [HERE](#).
- For the committee print to accompany the FY22 budget resolution click [HERE](#).
- For Senate Majority Leader Chuck Schumer’s (D-NY) dear colleague letter regarding the climate impacts of the budget resolution click [HERE](#).

For the summary of the House budget resolution click [HERE](#).

- For the text of House Resolution advancing the bipartisan infrastructure agreement, the Senate budget resolution, and H.R. 4 the John R. Lewis Voting Rights Advancement Act of 2021 click [HERE](#).

For a summary of Sen. Ron Wyden’s (D-OR) proposals for tighter tax rules on partnerships and an excise tax on stock buybacks click [HERE](#).

- For the text of Sen. Wyden’s proposals click [HERE](#).

Markups

Agriculture: For the text of the House Agriculture Committee print containing legislative proposals click [HERE](#).

- For a summary of the proposals click [HERE](#).

Education and Labor: For the text of the House Committee on Education & Labor print containing legislative proposals click [HERE](#).

- For an amendment in the nature of a substitute offered by Chairman Bobby Scott (D-VA) click [HERE](#).

Energy and Commerce: For a fact sheet of the House Committee on Energy and Commerce markup of the Build Back Better Act click [HERE](#).

- For a memorandum on the markup click [HERE](#).
- For Subtitle A on Air Pollution click [HERE](#).
- For Subtitle B on Hazardous Materials click [HERE](#).
- For Subtitle C on Drinking Water click [HERE](#).
- For Subtitle D on Energy click [HERE](#).
- For Subtitle E on Drug Pricing click [HERE](#).
- For Subtitle F on Affordable Care Coverage click [HERE](#).
- For Subtitle G on Medicaid click [HERE](#).
- For subtitle H on CHIP click [HERE](#).
- For subtitle I on Medicare click [HERE](#).
- For subtitle J on Public Health click [HERE](#).
- For subtitle K on Next Generation 9-1-1 click [HERE](#).
- For subtitle L on Wireless Connectivity click [HERE](#).
- For subtitle M on Distance Learning click [HERE](#).
- For subtitle N on the Manufacturing Supply Chain click [HERE](#).
- For subtitle O on FTC Privacy Enforcement click [HERE](#).
- For subtitle P on the Department of Commerce Inspector General click [HERE](#).
- For a full committee action summary click [HERE](#).

Financial Services: For the text of the House Committee on Financial Services click [HERE](#).

- For an amendment in the nature of substitute offered by Chairwoman Maxine Waters (D-CA) click [HERE](#).
- For the committee Memorandum click [HERE](#).
- For the text of H.R. 5195, the “Native American Housing Assistance and Self-Determination Reauthorization Act of 2021” click [HERE](#).
- For the text of H.R. 5196, the “Expediting Assistance to Renters and Landlords Act of 2021” click [HERE](#).

Homeland Security: For the committee print of the reconciliation of the House Homeland Security Committee print containing legislative proposals click [HERE](#).

- For the amendments adopted click [HERE](#).

Judiciary: For the text of the House Committee on the Judiciary print containing legislative proposals click [HERE](#).

- For an amendment in the nature of a substitute offered by Chairman Jerrold Nadler (D-NY) click [HERE](#).

Natural Resources: For the text of the House Natural Resources Committee print containing legislative proposals click [HERE](#).

Science, Space, and Technology: For the committee print of the House Science, Space, and Technology Committee print containing legislative proposals click [HERE](#).

- For an amendment in the nature of a substitute offered by Chairwoman Eddie Bernice Johnson (D-TX) click [HERE](#).

Small Business: For the text of the House Committee on Small Business print containing legislative proposals click [HERE](#).

- For an amendment in the nature of a substitute offered by Chairwoman Nydia Velázquez (D-NY) click [HERE](#).

Transportation and Infrastructure: For the text of the House Transportation and Infrastructure Committee print containing legislative proposals click [HERE](#).

- For the amendment in nature of a substitute click [HERE](#).

Ways and Means: For a summary of the House Ways and Means Committee markup of the Build Back Better Act click [HERE](#).

- For a memorandum on the markup click [HERE](#).
- For a section-by-section summary of subtitles A-E click [HERE](#).
 - For Subtitle A on Universal Paid Family and Medical Leave click [HERE](#).
 - For Subtitle B on Retirement click [HERE](#).
 - For Subtitle C on Child Care Access and Equity click [HERE](#).
 - For Subtitle D on Trade Adjustment Assistance click [HERE](#).
 - For Subtitle E, Part 1 on Health Careers click [HERE](#). For Part 2 on Elder Justice click [HERE](#). For Part 3 on Skilled Nursing Facilities click [HERE](#). For Part 4 on Medicare Dental, Hearing, and Vision Coverage click [HERE](#).
- For a section-by-section summary of Subtitle F-J click [HERE](#).
 - For legislative recommendations relating to infrastructure financing, green energy, social safety net, and prescription drugs click [HERE](#).
 - For the estimated budgetary effects of the revenue provisions from the Joint Committee on Taxation click [HERE](#).
 - For the estimated distributional effects of the revenue provisions from the Joint Committee on Taxation click [HERE](#).
 - For a description of the Chairman’s Amendment in the Nature of a Substitute from the Joint Committee on Taxation click [HERE](#).
 - For a summary of Subtitle F on Infrastructure from the Joint Committee on Taxation click [HERE](#).
 - For a summary of Subtitle G on Green Energy from the Joint Committee on Taxation click [HERE](#).
 - For a summary of Subtitle H on the Social Safety Net from the Joint Committee on Taxation click [HERE](#).
 - For a summary of Subtitle J on Drug Pricing from the Joint Committee on Taxation click [HERE](#).
- For a section-by-section summary of Subtitle I click [HERE](#).
 - For legislative recommendations relating to Funding Our Priorities click [HERE](#).
- For the Joint Committee on Taxation’s estimated budgetary effects of legislative recommendations relating to infrastructure financing and community development, green energy, social safety net, responsibly funding our priorities, and drug pricing click [HERE](#).
- For the final vote results click [HERE](#).

Letters

For a letter for Senate Majority Leader Chuck Schumer on the environmental benefits of the infrastructure bill and reconciliation bill see [HERE](#).

For Senator Joe Manchin’s Opinion piece calling for a strategic pause on spending click [HERE](#).

For a letter from Rep. Stephanie Murphy (D-FL) and Rep. Henry Cuellar (D-TX) rejecting deficit spending except on climate policy click [HERE](#).

For a letter from Democrats calling for increased support for biofuels click [HERE](#).

For a letter from House Democrats supporting the Polluter Pays Climate Fund Act click [HERE](#).

For a letter from House Democrats supporting an array of international tax provisions see [HERE](#).

For a letter from Democratic governors supporting the budget reconciliation bill click [HERE](#).

For an endorsement of the environmental provisions from a coalition of environmental groups see [HERE](#).

For a letter from the United Mine Workers of America opposing the initial proposal for a Clean Electricity Standard click [HERE](#).

For a letter from America’s Power opposing the Clean Electricity Performance Program click [HERE](#).

For a letter from the National Rural Electric Cooperative Association opposing the Clean Electricity Performance Program click [HERE](#).

For a letter from the American Public Power Association opposing the Clean Electricity Performance Program click [HERE](#).

For a letter from America Electric Power opposing the Clean Electricity Performance Program click [HERE](#).

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