Policy Resolution Group Reconciliation & Infrastructure Update

March 11, 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:

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State of Infrastructure and Reconciliation Negotiations

Negotiations on the reconciliation package made little headway this past week, although informal discussions on a pared down package continued. Senator Joe Manchin (D-WV) has reiterated his hope of attempting to pass a bill that focuses on prescription drug reform/healthcare, energy and climate tax credits, and reforming the tax code. Congress's attention, however, remains focused on other priorities such as passing an omnibus funding bill, responding to the Russian invasion of Ukraine, and addressing ongoing inflation and "pain at the pump" with spiking oil prices. We do not expect significant action in the coming weeks, but Senate Democrats discussed the package at their annual retreat, which could spur negotiations forward to pass a climate-focused reconciliation package before attention is directed towards the midterm campaign season.

Liam Donovan's Bottom Line

A week after President Biden used his State of the Union address to recast his domestic agenda from a transformative progressive vision to a practical plan to fight inflation and lower costs, congressional Democrats gave the first indication of how they intend to jumpstart the process and storm the door cracked open by Senator Joe Manchin (D-WV) in the days following the speech. In a "Dear Colleague" letter to his fellow Democrats, Senate Majority Leader Chuck Schumer (D-NY) announced that in the coming weeks, "many Senate committees will hold new hearings and mark-ups on Democrats' cost-cutting proposals," beginning with a Senate Finance Committee hearing on prescription drug costs next week.

While Schumer promises a wide variety of such hearings, the decision to single out drug pricing mirrors the first plank from Biden's SOTU address, an area for which Manchin has expressed support. And though the hearings are more about choreography than substance, as the pool of policies still under consideration were all elements of the erstwhile Build Back Better plan, the exercise is an important signal that leadership is taking Manchin's process demands seriously. For months the West Virginia Senator has lamented the fact that BBB did not go through regular order and cited the importance of bipartisan input at the committee level even if Republicans inevitably vote against the final product as anticipated.

For his part, Manchin was guarded during a Friday appearance at CERAWeek in Houston. While he indicated an openness to "all-inclusive" climate policy via reconciliation, citing nuclear and geothermal as technologies that would need to be considered alongside sources long favored by Democrats such as wind and solar, he sought to play down expectations. "I really don't wanna give you any hope that there's gonna be something—I really don't know if there's gonna be a bill."

Should the hearing gambit succeed in rebooting the reconciliation effort, significant question marks remain. Will Manchin continue to demand a 2-to-1 ratio of revenue to outlays as a means of paying down the federal deficit? Are Democratic stakeholders and their congressional champions ready to let go of social spending and tax policy priorities that these mechanisms might otherwise finance? To the extent they are, which of the roughly $2 trillion in pay-fors passed by the House will stay and which will go? All of which are wrapped up in a circular question regarding the size and scope of a BBB-follow on, which could range from the $300 billion in clean energy tax incentives to upwards of $700 billion in broader climate and health care policy.

Timing remains a factor as well. After nearly six months of delay, Congress managed to fund the government through the end of the fiscal year, passing a massive $1.5 trillion omnibus appropriations package along with emergency aid for Ukraine. At some level this helps clear the legislative decks for things like reconciliation, though it surely sits behind Supreme Court confirmation and perhaps China competition legislation in the queue. But the difficulty Democrats had finding consensus getting a spending package across the finish line—leadership was forced to scrap $15 billion in Covid funding amid an internal revolt over offsets—and the contretemps surrounding late efforts to attach a corporate-friendly tax provision–one leading progressive group called it a "slap in the face to millions of families that saw their Child Tax Credit expire"—serve as stark reminders that Democratic nerves are as threadbare as their majorities, making cooperation far from assured.

The Breakdown with Yasmin Nelson

Four overarching themes continue to face this administration including the Covid-19 response, economic recovery, foreign engagement, and equity. This week, Congress passed the $1.5 trillion spending bill to avoid a government shutdown and provide $13.6 billion to Ukraine. The bipartisan spending measure would fund the federal government through the end of the fiscal year, Sept. 30, with increases for both defense and nondefense programs over last year's levels. The government funding bill as passed is not the same version that was initially introduced — it does not include $22 billion that the Biden administration said was necessary to combat the coronavirus pandemic. Speaker Pelosi and Democratic leadership are looking for ways to provide that funding to the administration as discussions of a new "sub-variant" begin to surface and Americans are still battling Covid-19 in hospitals around the country.

A stalled Build Back Better (BBB) reconciliation proposal is still under development in the Senate. On Monday, Senate Majority leader Schumer (D-NY) released a "Dear Colleague" letter stating that Senate committees would begin to have new hearings this month and continuing into April on "Democrats' cost cutting proposals" like lowering the cost of prescription drugs. This is largely seen as an effort to illustrate movement on issues that all Democrats can rally behind and move a reconciliation package forward. This week, Senator Manchin (D-WV) acknowledged that he supports efforts to advance the clean energy provisions in the original Build Back Better bill, however, he argues that supplying Europe with natural gas amid the Ukraine war is a higher priority. Manchin believes that production of fossil fuels is the bottom line in the geopolitical unrest and that wind and solar are not the immediate solutions to Europe's dependence on Russian oil production. He said, "we can build a pipeline in two to six months and the Administration can and needs to step up and help on that." His position is counter to the administration's energy and environmental policy agenda and its broader climate objectives, but the Biden administration has said that nothing is off the table. The administration is using all the tools in their arsenal to support Ukraine and Europe in this unprompted conflict with Russia. That is evident by this week's ban on Russian oil and gas and severing trade relations with Russia. As we look at the next few weeks in Congress, we will likely see more discussions and policy hearings, potentially pushing a reconciliation package into May.

PRG Podcasts

Need more PRG? Try listening to our podcasts!

The Lobby Shop - The Lobby Shop team is joined by Bracewell Partner, Londoner, and returning guest Olivia Caddy to discuss the latest news out of the UK. Tune in for a discussion that includes the European viewpoint on the war between Russia and Ukraine—including its impact on the economy, what Covid restrictions look like in the UK, and details about Olivia's recent work involving the energy sector in Africa. Also, Olivia last joined The Lobby Shop in April 2019—pre-Brexit, she gives listeners an update of what it's like living in the post-Brexit UK as a French national in London. Listen HERE.

Madam Policy - "Why do you love your job?" was a question asked of Alexa Cole early in her career at the National Oceanic and Atmospheric Administration (NOAA). Her response? Same as it is today: because she gets to travel the world, working with amazing colleagues in other countries and developing best practices for marine stewardship and resource protection. Balancing the interests of the U.S. government, industry, NGOs, and fisheries and as the Director of the Office of International Affairs, Trade, and Commerce, Alexa negotiates treaties, harmonizes laws, and sets U.S. marine policy. Not only is she doing the work that she loves, but also she's often fortunate enough to do it just steps away from some of the best beaches in the world! So how does she do it? Alexa relies on her innate leadership skills and persuasive advocacy chops, and importantly, she values her team members and respects the individual knowledge that each person brings to the table. Learn how this globetrotter and sustainability champion manages to virtually engage other countries, even during the pandemic. Join hosts Dee Martin and Christine Wyman as Alexa walks them through all the facets of her important job, and how she is shapes everyday policies that reach around the world. Listen HERE.

Document Library

New Relevant Documents

For a memo issued by Patrick Gaspard, CEO of the Center for American Progress Action Fund urging Democratic offices to pass a skinner version of the Build Back Better plan click HERE.

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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