



Policy Resolution Group Reconciliation & Infrastructure Update

May 6, 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
- PRG Podcasts
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State of Infrastructure and Reconciliation Negotiations

The past week saw few developments on the revival of a reconciliation bill as the Senate focused their attention on President Biden's Fiscal Year 2023 budget request and Senator Joe Manchin (D-WV) held further discussions on a potential bipartisan energy package. Republicans have reportedly pitched ideas such as a carbon border adjustment fee and environmental review reform under NEPA, while Democrats have discussed the possibility of finding a compromise on clean energy tax credits akin to those in the Build Back Better Act. During a budget hearing with Energy Secretary Jennifer Granholm, Senator Manchin stated that lawmakers are engaging in "very, very fruitful" negotiations on imposing a fee on methane emissions from oil and gas facilities, while suggesting such a fee should not be imposed if a producer lacks access to a pipeline needed to sell the gas. Despite his optimism, there remains little hope that a bipartisan framework can be agreed upon, translated into legislative language, and passed before the looming midterm campaign season.

Liam Donovan's Bottom Line

Two weeks into the critical pre-Memorial Day congressional work period, the Democratic domestic agenda remains stuck in neutral. Bipartisan energy talks continue on a [steady](#) if [still-superficial](#) basis, with no sign of near-term resolution. There is [no clear path forward](#) on stalled COVID funding or the Ukraine supplemental aid that Dem leaders hoped might break the immigration-driven impasse. And a bombshell leak of a weighty Supreme Court decision sucked the political oxygen out of the room, shaking up the immediate floor schedule and potentially reorienting Democratic

priorities in the run-up to the midterm elections, another reminder that events have a way of interceding.

In [last week's note](#) we explored the bipartisan energy talks, where they came from, and what the possible outcomes might be. This week the conversation in Washington has turned from scope and substance, which remains at once sprawling and preliminary, to the motivations behind them. [Some Democrats fear](#) (and many Republicans hope), this is just a ploy by Manchin to string things along until it's too late. The more credulous view is that the folks involved represent the middle-out sort of legislating that [gave us the post-election COVID relief package](#), as well as the [bipartisan infrastructure law](#), both of which looked like similarly trivial efforts when talks began. While the odds of a bipartisan energy package of any sort – let alone one involving a robust tax title – before the elections is extremely unlikely, [as I told the Houston Chronicle](#), these talks bear watching because they are likely to set the terms for what policies might be on the table under the balance of power most expect to see after November, especially if reconciliation fails to clear the decks on clean energy incentives.

At the end of the day, motives are incidental if the effects are the same. Good faith wheel spinning is still wheel spinning, and with time winding down the President and Democratic leaders will have to act if they want to ensure the clock doesn't run out on reconciliation. The problem, of course, is that after a year-long public and private pressure campaign, personal relationships have been frayed to the point where there is a healthy fear of provoking Manchin or otherwise doing anything heavy-handed that might prompt him to close the door on a partisan bill. At least for now, Democrats are resigned to letting these talks run their course. But the later we get in the legislative calendar, and the more the policy conversation is pulled in the direction of midterm politics and messaging, the less time, energy, and bandwidth is left to salvage what's left of the erstwhile Build Back Better agenda.

Things are looking bleak enough that even industry groups whose priorities are incorporated in the BBB tax package are seeking a sturdier vessel. As discussed in previous weeks, a revenue vehicle is a precious thing in Washington, and with Congress poised to begin negotiations to resolve differences between the House and Senate versions of China competitiveness legislation, backers of the research and development (R&D) tax credits are scrambling to hitch a ride for their amortization fix after missing out on the March omnibus and stalling out in reconciliation. A non-binding motion to instruct conferees on preserving full and immediate expensing for R&D was offered and [adopted on a wide bipartisan basis](#), 90-5, after a strong advocacy push by the coalition. Meanwhile, the top tax-writers on the Senate Finance Committee, conferees themselves, are [pushing for inclusion of the so-called FABS Act](#) which would provide tax incentives for domestic semiconductor manufacturing. And a bipartisan, bicameral group of lawmakers is pushing for a [fix related to the LIFO accounting method](#) stemming from the semiconductor shortage plaguing the automotive industry, rounding out of the suite of policies that fit under the broader rubric of innovation, competitiveness, and supply chain resilience. While none of these moves are dispositive when it comes to the fate of reconciliation, it reflects rising anxiety among stakeholders that this may be the last opportunity as the window for legislative action dwindles by the day. By the same token, expect the drumbeat around tax extenders and a potential lame duck package to build in the coming weeks and months if the White House does not shift reconciliation talks into high gear.

PRG Podcasts

Need more PRG? Try listening to our podcasts!

Madam Policy - Kema Ogden is an innovative business owner, entrepreneur, and philanthropist taking the cannabis and health industry by storm. With the vision to create a holistic approach to health care, Kema became Nevada's first Black female dispensary owner in 2014 when she co-founded Global Harmony LLC, the parent company of Top Notch The Health Center. What drives Kema? The opportunity to serve and create a culture of positivity for the community. Kema sat down with hosts Dee Martin, Yasmin Nelson, and Amber Dodds to discuss some of the most pressing issues currently facing the cannabis industry— including addressing gaps in legislation, advocating for expungement of arrests for certain types of cannabis offenses, and changing the narrative on cannabis. You won't want to miss this episode with the woman creating history and shaping policy in the cannabis and health industry! Listen [HERE](#).

Document Library

FY23 Budget

For President Biden's Budget Request for Fiscal Year 2023 click [HERE](#).

For Analytical Perspectives on the FY23 Budget Request click [HERE](#).

For the FY23 Budget Request Appendix click [HERE](#).

For Supplemental Materials on the FY23 Budget Request click [HERE](#).

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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