



Policy Resolution Group Reconciliation & Infrastructure Update

May 27, 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
- What Could a Reconciliation Deal Look Like?
- PRG Podcasts
- Document Library

State of Infrastructure and Reconciliation Negotiations

Congress has left Washington for its Memorial Day recess, and an agreement has yet to be reached on either a partisan reconciliation package or a bipartisan energy package. Despite ongoing negotiations between Senator Joe Manchin (D-WV) and Senate Majority Chuck Schumer (D-NY) and between Sen. Manchin and his bipartisan cohort, neither front has reached a preliminary agreement nor begun the requisite legislative drafting process. There are, however, glimmers of hope as Sen. Manchin told Axios that he is "[earnestly engaged in talks](#)" with Majority Leader Schumer on a package that includes climate and deficit reduction provisions. However, some have speculated that an eventual agreement may end up with a healthcare focus and scaled back energy provisions should a climate package not come to fruition, but it remains difficult to predict the final shape of a compromise.

Liam Donovan's Bottom Line

In early June of 2021, a faraway time and place where the American Rescue Plan had Democrats walking with a spring in their step and BBB had yet to begin its tortured life cycle, a reporter from McClatchy inquired about the state of the Biden agenda, which had recently been complicated by one particular Senator's policy and procedural whims.

My response: "We're all trapped in this choose-your-own-adventure book where Joe Manchin is the narrator, and he's the only one who knows how this ends."

A year later this framing remains more true than ever.

The pre-Memorial Day work period, a five-week span that represented the longest continuous legislative stretch before the midterm election, has now come and gone with little public progress, certainly not the consummated framework supporters might have hoped for. The profound lack of new information has sent the Beltway scrambling over whatever scraps might surface at any given moment--this week's spark was a comment by Manchin himself at Davos, where he indicated an "opportunity and a responsibility" for Congress to deal with inflation, drug prices and energy; and an unattributed outline of a potential reconciliation deal (its provenance ultimately linked to a downtown think tank,) which largely mirrors the known contours of what Manchin would conceivably tolerate: a 2-1 ratio of revenues to outlays, with half going toward deficit reduction, and the balance being put toward clean energy tax incentives, health policy reforms, and perhaps some attenuated version of other BBB programs.

Despite these fire drills, nothing has fundamentally changed except the growing sense of urgency, both among stakeholders and Democratic leaders. The only thing we can say with complete certainty is that Manchin and Majority Leader Chuck Schumer are still talking, while Manchin continues to indulge bipartisan energy talks with some degree of overlap. Indeed, he seems to be leveraging one against the other, mindful that a partisan deal with big tax hikes is his "ace in the hole" with his GOP counterparts.

But with no white smoke seemingly imminent from the ongoing reconciliation conclave between Manchin and Schumer, all Democrats can do for now is build more road: Memorial Day may come and go, but perhaps by the time they return from recess there will be an announcement of a negotiating breakthrough. (And if not, the practical deadline for movement is August recess anyway--plenty of time, right?)

In fact, the reason Memorial Day is an important benchmark for anyone capable of reading a calendar is the fleeting nature of the summer legislative session. Once May is in the rear view, just two work periods remain, with three weeks each slated for legislative business in the months of June and July, respectively. And while committee staff has been attending to the underlying spadework all along, turning any sort of framework into Byrd-proof legislative text takes significant time, to say nothing of the procedural hoops that abound on the Senate floor.

Despite the ticking clock, a sizable deal remains a distinct possibility--though its fate, as ever, comes down to Manchin's desire to get to yes. In an otherwise positive interview with Axios late this week, the most explicit indicator of the Senator's seriousness, he conspicuously hedged as to what these "preliminary" discussions might yield: "There could be nothing... There could be truly nothing. That's all I can tell you."

The rhetorical cul-de-sac sends us back to where we started. It's Manchin's world, and we're just living in it.

What Could a Reconciliation Deal Look Like?

What could a deal look like based on Manchin's public statements/stipulations and ongoing Democratic priorities? Liam Donovan has some ideas:

Climate

- Clean Energy Tax Incentives - ~\$300B

Health Policy

- Prescription drug pricing savings - (\$250-300B)
- ACA premium support - \$210B
- Medicaid coverage gap - \$190B

Deficit reduction

- Whatever outlays can be agreed upon, the revenue figure must double it, with balance put toward reducing the deficit.

Pay fors

- House BBB established a pool of [roughly \\$2 trillion in pay fors](#), drawn meticulously around stated concerns of Manchin & Sinema, that will be used to find necessary revenue.

Largest potential offsets (subject to be watered down or otherwise massaged):

- 15% corporate book minimum tax - \$320B
- 15% global minimum tax - \$280B
- Drug Pricing Reforms - \$300B
- Expansion of 3.8% NIIT - \$250B
- Millionaire surtax(es) - \$230B
- IRS compliance/tax gap - \$130B*
- 1% excise tax on stock buybacks - \$125B

PRG Podcasts

Need more PRG? Try listening to our podcasts!

[Madam Policy](#) - Sara Guillermo is a woman on a mission to help young women and girls own their political power. As the CEO of IGNITE National, Sara recruits, trains and inspires the next generation of women policy makers and shapers in America. Through IGNITE, young women find the tools and resources they need to step up and make change in their communities. In a conversation lead by hosts Dee Martin and Yasmin Nelson, Sara discusses her meteoric rise to CEO of IGNITE and the role that Gen Z women can play in politics and important policy issues like student loan debt relief. Tune in to learn more about what Sara and IGNITE are doing to help motivate young women to become more civically and politically engaged. Also, Sara shares the story of her first time running for office. Hint: the story from her childhood election foreshadows what she does today. Don't miss this special episode of Madam Policy! Listen [HERE](#).

[The Lobby Shop](#) - This week, The Lobby Shop team is joined by returning guest Sean Trende, a Senior Elections Analyst for RealClearPolitics, to talk about the 2022 midterm elections. Tune in as the group offers keen insight into what factors, such as the leaked draft decision from the Supreme Court and Biden's falling approval ratings, will impact the results. Listen [HERE](#).

Document Library

New Relevant Documents

For a memo from House Ways & Means Republicans on the Democrats' "War on Energy" click [HERE](#).

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](#).

Center for American Progress Support for BBB

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](#).

bracewell.com

policyresolutiongroup.com



Bracewell LLP makes this information available for educational purposes. This information does not offer specific legal advice or create an attorney-client relationship with the firm. Do not use this information as a substitute for specific legal advice. Attorney advertising.

Bracewell is a leading law and government relations firm primarily serving the energy, infrastructure, finance and technology sectors throughout the world.

Our industry focus results in comprehensive state-of-the-art knowledge of the commercial, legal and governmental challenges faced by our clients and enables us to provide innovative solutions to facilitate transactions and resolve disputes.

If you are an EU citizen and would like to be forgotten, please click [here](#).

Texas

New York

Washington, DC

Connecticut

Seattle

Dubai

London