



Policy Resolution Group Reconciliation & Infrastructure Update

July 1, 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

Heading into the 4th of July recess, Democratic leadership have yet to strike a reconciliation deal with Sen. Joe Manchin (D-WV). This relative period of calm, however, could promptly turn into a legislative compromise should Majority Leader Chuck Schumer (D-NY) and Sen. Manchin reach agreement over the core titles related to repealing Trump era tax cuts, reforming prescription drug pricing, and enacting clean energy tax credits. This agreement, of course, would still need to secure the support of the rest of the Democratic caucus, a potentially difficult task given likely opposition to tax increases from Sen. Kyrsten Sinema (D-AZ) and moderate House Democrats. An additional complicating factor, whose effect remains to be seen, came on Thursday night when Senate Minority Leader Mitch McConnell (R-KY) explicitly tied the fate of a bipartisan China competitiveness package to the reconciliation bill: "there will be no bipartisan USICA as long as Democrats are pursuing a partisan reconciliation bill." This threat may allow Democratic leadership to shift attention away from the bipartisan process towards reaching a partisan compromise, or it may throw another wrench into already fraught negotiations. With a narrowing timeline for legislative action, the next few weeks remain as crucial as ever for the Democrats to pass a signature piece of their agenda.

Liam Donovan's Bottom Line

After weeks of simmering practical and political tension, the collision course between the bipartisan China competition bill and Democrats' effort to salvage Biden's economic agenda came into full view on Thursday, as Republican Senate Leader Mitch McConnell [declared flatly](#) that "there will be no bipartisan USICA as long as Democrats are pursuing a partisan reconciliation bill."

The USICA blowup stems from the convergence of three dynamics--House Democrats' decision to force a formal conference and their reluctance to drop certain progressive priorities they are seeking in the process; a looming July calendar crunch that has staff and stakeholders pushing hard to get a deal done before August recess; and an increasing recognition that Senator Joe Manchin (D-WV) is committed to reaching an agreement with Majority Leader Chuck Schumer (D-NY) on a stripped down bill comprised of clean energy incentives, health policy reforms, and deficit reduction measures.

The China competition effort had looked like a safe bet while BBB was down for the count, but bipartisan action in the summer of a heated midterm election is a tough sell for the out party even without the majority making a run at a trillion-dollar revenue increase. Substantive sticking points made the political decision fairly easy, and the revelation that Senate Democrats have a [near term challenge](#) in mustering 50 votes surely did not escape McConnell's notice.

It should be said at the top that this move is unlikely to have any direct bearing on the odds of a reconciliation deal. Neither Manchin nor Sinema have an inordinate personal or political investment in the China bill, nor are they likely to appreciate a power play that links the two pieces of legislation any more than they did when Democrats did so on infrastructure. Abandoning reconciliation to save USICA is not a plausible outcome, nor a tenable position. At the same time, it doesn't resolve any of the outstanding negotiating points. If Manchin is still not satisfied on EVs, or refundability, or ACA subsidies, he's not going to suddenly roll over out of spite; and to the extent Sinema is still wary or might force overtime to sort out the revenue title, she's not going to suddenly abandon those concerns over a single tweet.

On the other hand, McConnell throwing the gauntlet does leave Democrats with a choice for how they intend to handle the suddenly imperiled USICA/COMPETES package. In theory they could always add the desired components to a reconciliation package, given the significant slack under the FY22 budget resolution's instructions. (Commerce, which has jurisdiction over most of the bill's funding, is allocated \$83 billion, more than enough for the \$50 billion CHIPS Act centerpiece to boost domestic semiconductor manufacturing.) But given the abbreviated timeline, and the precariousness of the ongoing negotiations, the partisan route may prove too risky. It's not clear how such an addition would be met by Manchin, whose general demand has been for a 2-to-1 revenue ratio for any outlays, and whose general, inflation-driven aversion to new spending is what brought us to this point.

A [more elegant solution](#) would be for the House to simply use the Rules Committee to discharge its conferees and reconsider the Senate's amended version of the America COMPETES bill which substituted the USICA text. If that's too much for the narrow House majority to swallow, it would otherwise fall until later in the year, with the CHIPS funding in play to ride with NDAA or a government spending vehicle.

Regardless, the snag would seem to doom USICA itself as a viable vessel for directionally related tax policy items like R&D expensing, FABs Act incentives, or supply chain relief for automobile dealers, reinforcing the market for an end of year extenders-plus effort.

In terms of reconciliation proper, the biggest news of the weeks is the [completion of the drug pricing title](#), which has now been dispatched to the parliamentarian. While this was never a real sticking point—indeed it's something Manchin suggested doing if they couldn't agree on anything

else—it is an important component of the package politically and as a sizable pay-for. Look for other elements of the bill to head off for procedural vetting as soon they are completed.

Whether or not Democrats are ultimately able to beat the clock, they head into the July work period with a head of steam and one less legislative item competing for bandwidth and floor time. Look for Schumer to try and seal the deal with Manchin in the near future in order to have something to tell his caucus upon their return. With the Senate slated to be in for just four weeks before August break, there is little time to spare without cutting into recess or banking on a September buzzer-beater.

The upshot of this week is that it's time for everyone—not just readers of an obsessive weekly reconciliation update—to take this process seriously. The Republican Leader certainly does.

PRG Podcasts

Need more PRG? Try listening to our podcasts!

[Madam Policy](#) - “The world is a crisis for women and girls. There is no safe place for women,” - Mendy Marsh, Co-Founder and Executive Director of VOICE.

It is estimated that nearly 30% of the population of Ukraine is displaced as a result of the Russia-Ukraine war, most of whom are women and girls now at great risk for gender-based violence and exploitation.

Join hosts Dee Martin and Caitlin Sickles as they unpack the findings of a new VOICE report, “Waiting for the Sky to Close,” on the experiences of women and girls in the Russia-Ukraine war, alongside VOICE Co-Founder and Executive Director Mendy Marsh, Assessment Ukraine Team Member Yana Tovpeko, and Women’s Rights Ukraine Crisis Response Team Member Michelle Girard.

VOICE is a feminist organization and disruptor in the humanitarian aid establishment, focused on the unique needs of women and girls and members of the LGBTQ+ community in modern-day conflicts and crises.

In the episode, Mendy, Yana, and Michelle share their on-the-ground perspectives of the conflict in Ukraine, their analysis of what needs to be done at a broader level to respect and protect women and girls, and their own strategies for coping with trauma and building healing. Listen [HERE](#).

Document Library

New Relevant Documents

For the Republican Energy Climate, & Conservation Task Forces strategy to “Unlock American Resources” click [HERE](#).

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 Letter

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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