



Policy Update

July 29, 2021

Bipartisan Infrastructure Framework (BIF) Agreement:

Despite earlier news that negotiators on the BIF were confronting significant challenges to produce an infrastructure agreement, lead Republican negotiator Senator Portman (OH) announced there was a deal and they were ready to proceed to begin voting on a bill. The Senate demonstrated strong support for the package with a 67-32 procedural vote to formally begin consideration of the agreement, despite the fact that a majority of the Senators have not read the bill.

We still don't have the text of the bill or know the detailed funding allocated across the numerous infrastructure programs. The White House released a [FACT SHEET](#) that outlined the total NEW spending in the agreement across several broad infrastructure categories. One noticeable change is that the total infrastructure investment decreased to \$550 billion from \$579 billion.

According to the fact sheet, the agreement includes \$550 billion in new federal investment in America's infrastructure:

- \$110 billion in new funds for roads, bridges, and major projects, and reauthorizes the surface transportation program for the next five years.
 - \$40 billion of new funding for bridge repair, replacement, and rehabilitation.
 - \$17.5 billion for major projects that are too large or complex for traditional funding programs.
- \$11 billion in transportation safety programs, including a new Safe Streets for All.
- \$39 billion of new investment to modernize transit and improve accessibility for the elderly and people with disabilities, in addition to continuing the existing transit programs for five years as part of surface transportation reauthorization.
- \$66 billion in rail to eliminate the Amtrak maintenance backlog, modernize the Northeast Corridor, and bring world-class rail service to areas outside the northeast and mid-Atlantic.
 - \$22 billion would be provided as grants to Amtrak.
 - \$24 billion as federal-state partnership grants for Northeast Corridor modernization.
 - \$12 billion for partnership grants for intercity rail service, including high-speed rail.
 - \$5 billion for rail improvement and safety grants.
 - \$3 billion for grade crossing safety improvements.
- \$7.5 billion to build out a national network of EV chargers.
- \$2.5 billion in zero emission buses.
- \$2.5 billion in low emission buses.
- \$2.5 billion for ferries.
- \$1 billion to reconnect communities.
- \$17 billion in port infrastructure.
- \$25 billion for airports.
- \$65 billion for reliable high-speed internet with an historic investment in broadband infrastructure deployment.

- \$50 billion resiliency.
- \$55 billion investment represents the largest investment in clean drinking water.
- \$21 billion in environmental remediation.
- \$73 billion in clean energy transmission.

The agreement is financed through a combination of redirecting unspent emergency relief funds, targeted corporate user fees, strengthening tax enforcement when it comes to crypto currencies, and other bipartisan measures, in addition to the revenue generated from higher economic growth as a result of the investments.

However, Speaker Pelosi continues to reiterate that the House will not take up the Senate infrastructure bill unless the Senate also passes the \$3.5 trillion family/climate social spending resolution that will address the President's American Families Plan proposal.

What is the impact of a Senate deal on infrastructure mean for the future of the House passed INVEST in America Act?

It is widely reported that the House will be forced to accept a Senate passed infrastructure bill because it is the only bill the Senate can garner 60 votes for and sending an amended bill back to the Senate will not pass in the 50/50 chamber. The House bill includes an emphasis on climate and GHG reduction, transit and rail, limitations on new highway construction, strengthened local decision making, and many other changes that would not garner the 60 votes needed in the Senate. The House T&I Committee Chairman has expressed his displeasure with the prospect that all the work he and his fellow committee Democrats have done to date will effectively be discarded because the Senate and the President have cut a deal without involvement from the House of Representatives.

House to Vote on Annual Spending Bills: The House debated H.R. 4502, a \$1.9 trillion minibus appropriations bill containing seven FY22 appropriation spending bills. The minibus spending bill includes Labor-HHS-Education, Agriculture-FDA, Energy-Water Development, Financial Services, Interior-Environment, Military Construction, and THUD all approved by the House Appropriations Committee over the last several weeks. The bill provides \$107 billion in total funding for the U.S. Department of Transportation for fiscal year 2022 and includes \$427.5 million in extra general funds for local transportation priorities (LTP/earmarks) under federal highway administration and close to \$80 million in airport community project funding (earmarks). The bill adheres to the INVEST Act funding from the HTF (which may need to be changed now that the BIF is making its way through Congress).

End of the Year To-Do's:

As Congress nears the August break and the legislative calendar shrinks, Congress is facing several major policy issues that need to be addressed before the end of the year.

Appropriations – Funding for the federal government expires on September 30, 2021. Congress will need to pass a continuing resolution (CR), or all 12 appropriations bills by then. While the House is making progress, the Senate has not moved a single spending bill. We predict there will be a CR and an end of year omnibus spending bill.

Transportation Reauthorization – See the above piece on the BIF. In the event the BIF fails, and Congress has not passed a new reauthorization bill by September 30, it will need to pass another FAST Act extension. The length of an extension will depend on how much progress has been made on reauthorizing the surface transportation programs.

Increasing the Debt Ceiling - The US will soon run out of authority to keep borrowing money. Congress needs to increase or suspend the debt limit to prevent the US government from defaulting on its loans in the coming weeks. Democrats will need the support of at least 10 republican Senators to raise the debt limit.