



## Monthly Legislative Report – October 2021

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### **October Advocacy Meetings**

**Chairman Peter DeFazio (D-OR)** – We met with Congressman DeFazio, Chairman of the House Transportation and Infrastructure Committee, again this month to discuss the timeline for passing the Infrastructure Investment and Jobs Act (IIJA) and the Build Back Better Act negotiations in the House. We also discussed the likelihood of a longer surface transportation extension.

**Ranking Member Sam Graves (R-MO)** – We met with Congressman Graves, Ranking Member of the House Transportation and Infrastructure Committee, and his senior committee staff to discuss the outlook for the IIJA in the House, and the budget reconciliation package negotiations. We also discussed the Committee’s planned schedule for December and potential Committee hearings for the rest of the year.

**House Ways and Means Committee** – We met with senior staff on the House Ways and Means Committee majority and minority this month to discuss an extension of the Alternative Fuels Tax Credit.

**Congressman Vern Buchanan (R-FL)** – We met with Vern Buchanan and this staff this month to discuss the budget reconciliation process and support for extending the Alternative Fuels Tax Credit.

**Office of Senator Joe Manchin (D-WV)** – We met with Senator Manchin’s senior legislative staff this month to discuss the budget reconciliation process, and the likelihood for an agreement before the end of the calendar year.

**Senate Appropriations Committee** – We met with Majority and Minority staff directors for the Senate Appropriations Committee this month to discuss FY22 appropriations. We discussed the timeline for an omnibus spending package, or set of minibus packages, and the likelihood that Congress will pass another Continuing Resolution (CR) to extend government funding through the end of the calendar year.

**Congressman Garret Graves (R-LA)** – We followed-up with Congressman Garret Graves, another senior T&I Member, this month to discuss the outlook and timing of the infrastructure package in the House.

**Congressman Lou Correa (D-CA)** – We continued to meet with Congressman Correa and his staff this month to discuss FY22 appropriations, IIJA, and key budget reconciliation provisions for transportation.

**Office of Congresswoman Katie Porter (D-CA)** – We met with senior staff in the Office of Katie Porter to discuss zero emission bus legislation. We also discussed the Administration’s climate goals and possible new funding for transit providers that are pursuing those goals.

**Office of Congressman Alan Lowenthal (D-CA)** – We met with Congressman Lowenthal’s senior staff to discuss House negotiations and the revised budget reconciliation bill. We also discussed the outlook of the IIJA in November and Democratic caucus negotiations on topline budget reconciliation spending.

**Office of Congressman Mike Levin (D-CA)** – We have been in contact with Congressman Levin’s office to discuss the infrastructure package, and the budget reconciliation process. We also discussed the FY22 appropriations bills and the likelihood they will be packaged into an omnibus with other items like a debt ceiling increase.

**Office of Congresswoman Linda Sanchez (D-CA)** – We met with Congresswoman Sanchez’s staff this month to discuss FY22 appropriations and the budget reconciliation negotiations in the Democratic caucus.

**Office of Congressman Pete Aguilar (D-CA)** – We met with Congressman Aguilar and his senior staff to discuss FY22 appropriations and the timeline for conference negotiations with the Senate. We also discussed the likelihood of another CR if negotiations are not completed by December 3<sup>rd</sup>.

**Office of Congresswoman Young Kim (R-CA)** – We met with Congresswoman Kim’s senior staff to discuss the FY22 appropriations process and the likelihood of GOP support for the IIJA in the House, which could bypass progressive opposition.

**Office of Senator Dianne Feinstein (D-CA)** – We met with Senator Feinstein’s office to discuss the timeline for FY22 appropriations in the Senate. We also discussed budget reconciliation negotiations and the projected timeline for an agreement.

**Office of Senator Alex Padilla (D-CA)** – We have been in contact with Senator Padilla’s senior transportation staff to discuss on going updated for the budget reconciliation process.

**DOT Intergovernmental Affairs** – We met with senior Intergovernmental Affairs Official at the Department of Transportation in person this month to discuss potential discretionary grant opportunities for 2022. During that discussion we were told that a top priority for DOT at this time is supply chain issues.

### **November Congressional Schedule & FY22 Appropriations**

In October, the House was in session for a total of 15 days. During this period, the House Democratic Caucus was primarily focused on negotiating an agreement to pass the Infrastructure Investments and Jobs Act (IIJA) and the budget reconciliation package.

In November, there are 13 legislative session days in the House before Friday, December 3<sup>rd</sup>. On December 3<sup>rd</sup>, the current CR that extended funding for the federal government will

expire, along with the Surface Transportation Extension. Congress will also need to raise the debt ceiling again before the end of the year, since the limited extension in mid-October did not provide for a long-term debt ceiling increase. The priority for House and Senate Democrats will continue to be Budget Reconciliation negotiations, which are taking place exclusively behind closed doors. As a consequence, FY22 appropriations may need to be extended with another CR at the end of November if budget reconciliation continues to dominate the legislative agenda.

On Monday, October 18<sup>th</sup>, the Senate Appropriations Committee Democrats released the texts, summaries, and committee reports of the nine remaining appropriations bills. Overall, the draft bills would provide a 13% increase in non-defense discretionary spending, and a 5% increase for defense programs. Increasing defense spending by 5%. Republicans released a statement shortly after the bill texts were posted opposing the bills, citing a number of “poison pills” like insufficient spending for Defense and the removal of the Hyde Amendment. Now that the Senate has released the text of their FY22 appropriations bills, the Committee is expected to begin an expedited approval/markup that may circumvent subcommittee hearings in some or all cases. A topline summary of all nine bills prepared by the Senate Democrats is available [HERE](#).

The legislative text, explanatory statement, and a summary for each of the newly released FY22 appropriations bills is included below. Congressionally Directed Spending (earmarks) can be found in the explanatory statements.

**1. Transportation, Housing and Urban Development, and Related Agencies**

- [Bill Text](#)
- [Explanatory Statement](#)
  - Includes Senator Feinstein’s request for \$750,000 to fund the West Santa Ana Branch High Capacity Transit Study.
- [Bill Summary](#)

**2. Commerce, Justice, Science, and Related Agencies**

- [Bill Text](#)
- [Explanatory Statement](#)
- [Bill Summary](#)

**3. Defense**

- [Bill Text](#)
- [Explanatory Statement](#)
- [Bill Summary](#)

**4. Financial Services and General Government**

- [Bill Text](#)
- [Explanatory Statement](#)
- [Bill Summary](#)

**5. Homeland Security**

- [Bill Text](#)
- [Explanatory Statement](#)
- [Bill Summary](#)

## 6. Interior, Environment, and Related Agencies

- [Bill Text](#)
- [Explanatory Statement](#)
- [Bill Summary](#)

## 7. Labor, Health and Human Services, Education, and Related Agencies

- [Bill Text](#)
- [Explanatory Statement](#)
- [Bill Summary](#)

## 8. Legislative Branch

- [Bill Text](#)
- [Explanatory Statement](#)
- [Bill Summary](#)

## 9. State, Foreign Operations, and Related Programs

- [Bill Text](#)
- [Explanatory Statement](#)
- [Bill Summary](#)

### **Budget Reconciliation & Infrastructure Bill**

With the FAST Act's surface transportation extension expiring on October 31<sup>st</sup>, House Democrats released a revised framework of the budget reconciliation bill on October 28<sup>th</sup>, and announced plans to vote on the *Infrastructure Investments and Jobs Act (IIJA)* that night. However, House progressives remained opposed to passing the infrastructure package until both bills could be passed simultaneously. As a result, the House passed another short-term FAST Act extension by a vote of 358-59. The Senate agreed by unanimous consent to deem the measure passed once received. The extension will last until December 3<sup>rd</sup> (text [here](#)).

### **Budget Reconciliation**

As mentioned above, on October 28<sup>th</sup>, President Biden unveiled a revised Build Back Better Framework (available [here](#)), representing a significantly pared down version of the \$3.5 trillion reconciliation bill initially drafted by the House Committees. The updated text available is available [here](#) and a section-by-section summary is available [here](#).

The Rules Committee met for five hours to debate the updated bill text, although Committee Chairman Jim McGovern (D-MA) acknowledged that the bill text was likely to change and as such the Committee would reconvene the first week of November for further debate.

Of particular note, the framework released by the White House omitted several policy/funding proposals sought by the Progressive Caucus, including funding for tuition-free community college, paid family and medical leave, the Clean Energy Production Program (CEPP), Medicare expansion to include dental and vision, and infrastructure for public schools. The framework also includes reduced funding levels for housing, home healthcare, and higher education, and workforce development programs. A large majority of spending would be used for six years of affordable childcare as well as universal pre-K for 3- and 4-year-olds. Clean energy and climate investments would also make up a bulk of the

bill, including \$320 billion for clean energy tax credits, \$105 billion in investments to address extreme weather and climate resilience, \$110 billion for clean energy technology, manufacturing and supply chain investments, and \$20 billion for clean energy procurement. The framework would also extend the Affordable Care Act (ACA) premium tax through 2025 and make it available to individuals in uncovered states, as well as extend the enhanced Child Tax Credit (CTC) for one year (instead of through 2025 as proposed in House Democrats reconciliation bill), with advance payments available to individuals who make up to \$75,000 per year, heads of household who earn up to \$112,500 and married couples filing jointly with up to \$150,000 in income. Those income levels would also be used to determine when the credit would begin to phase-out.

On the issue of pay-fors, the White House contends that the framework would be fully paid for, despite dropping the proposed 26.5% top corporate tax rate, the individual income rate of 39.6% starting at \$400,000, and savings from drug pricing negotiations. Instead, those policies were replaced with a 15% corporate minimum tax rate on large corporations, a 1% surcharge on corporate stock buybacks, a new surtax on multi-millionaires and billionaires, and closing the Medicare self-employment tax loophole for those making over \$400,000. The framework would still invest in Internal Revenue Service (IRS) enforcement and repeal the prescription drug rebate rule. A summary of the potential overall spending, the (unscored) offset estimates, and some notable provisions that being negotiated at the time of this report are included below:

<b>Build Back Better Act - Spending</b>	<b>\$ In Billions</b>
Child Care and Preschool	400
Home Care	150
Child Tax & Earned Income Tax Credits	200
Clean Energy and Climate Investments	555
ACA Credits, Including in Uncovered States	130
Medicare Hearing	35
Housing	150
Higher Ed and Workforce	40
Equity & Other Investments	90
<b>Total</b>	<b>1,750</b>
<i>Immigration</i>	<i>100</i>

<b>Unscored Offset Estimates</b>	<b>\$ In Billions</b>
15% Corporate Minimum Tax on Large Corporations	325
Stock Buybacks Tax	125
Corporate International Reform to Stop Rewarding Companies That Ship Jobs and Profits Overseas	350
AGI Surcharge on the Top 0.02%	230
Close Medicare Tax Loophole for Wealthy	250
Limit Business Losses for the Wealthy	170
IRS Investments to Close the Tax Gap	400
Prescription Drugs: Repeal Rebate Rule	145
<b>Up to a Total of:</b>	<b>1,995</b>

### **Affordable Housing Access Program (HUD & FTA)**

- \$10 billion – Department of Housing and Urban Development & Federal Transit Administration.
  - To support access to affordable housing and enhance mobility for low-income individuals and residents of disadvantaged or persistent poverty communities.
  - Funds will be administered through a competitive process jointly established by the HUD and the FTA to support projects that provide
    - access to affordable housing,
    - improve mobility for low-income riders, and
    - enhance access to job and educational opportunities and community services.
  - Funds provided under the program will support the establishment of new transit routes; the expansion of service areas; improved frequency on existing routes; the provision of fare-free and reduced-fare transit service; state of good repair for transit facilities; research and training activities; route planning; and projects to improve accessibility.

### **Passenger Rail Improvement, Modernization, and Emissions Reduction Grants.**

- \$10 billion for high-speed rail corridor assistance under Chapter 261 of Title 49, supporting the planning and development of public high-speed rail projects.

### **Advanced Technology Vehicle Manufacturing.**

- \$3 billion to the Secretary of Energy for the costs of providing direct loans under Energy Independence and Security Act section 136, known as the Advanced Technology Vehicles Manufacturing program.
- To produce advanced technology medium and heavy-duty vehicles, trains or locomotives, maritime vessels, aircraft, or hyperloop technology.
- This section also removes the cap on the amount of direct loans the Secretary can issue under this program.

### **Department of Transportation Climate Adaptation and Resilience Plan**

On October 7<sup>th</sup>, the Department of Transportation released a climate adaptation and resilience plan aimed at “ensuring that Federally supported transportation infrastructure—as well as USDOT programs, policies, and operations— both consider climate change impacts and incorporate adaptation and resilience solutions whenever possible.”

#### **Among the priorities included in the USDOT Climate Adaptation and Resilience Plan:**

- Incorporate resilience into USDOT grantmaking programs
- Enhance resilience through the project planning and development process
- Ensure resiliency of USDOT facilities and thousands of operational assets

- Ensure climate-ready services and supplies
- Improve climate education and research on resilience

This plan was directed by Executive Order 14008 on January 28<sup>th</sup>, 2021. The EO directs 23 federal agencies to develop an adaptation and resilience plan to address their most significant climate risks. All 23 plans can be found [here](#).

### **COVID-19 Public Health Emergency Extended**

The Department of Health and Human Services (HHS) Secretary Becerra extended the COVID-19 public health emergency for an additional 90 days. Many healthcare programs, regulatory streamlining provisions, and other programs that provide targeted funding flexibilities to state and local governments are set to expire at the end of the Public Health Emergency. Congressional leaders and the Administration would like to extend some of the more popular elements of those programs beyond the emergency designation and the extra 90 days will allow time for Congress to act.