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Infrastructure Bill Advanced with \$550 Billion in New Spending.

Vote caps weeks of negotiations, but challenges await in the House

The Senate on Wednesday voted to advance bipartisan infrastructure legislation, capping weeks of late-night negotiations and launching the next step in what has become one of President Joe Biden's key domestic priorities — even as challenges await the measure in the House.

By a 67-32 vote, the Senate moved to invoke cloture on a motion to proceed to the legislative vehicle for a bipartisan infrastructure plan with \$550 billion in new spending. Seventeen Republicans, seven more than the 10 needed to invoke cloture in a 50-50 Senate, joined Democrats to vote to move forward.

Among the Republicans who voted to invoke cloture were members of the negotiating team, including Sens. Mitt Romney of Utah, Rob Portman of Ohio, Susan Collins of Maine and Lisa Murkowski of Alaska, as well as some relative surprises: Sens. Jim Risch of Idaho, Charles E. Grassley of Iowa, Shelley Moore Capito of West Virginia and Lindsey Graham of South Carolina.

The negotiators, who stood in a huddle on the floor, cheered at one surprise yes vote: John Hoeven of North Dakota. Collins grinned widely throughout the vote, while at one point, Sen. Kyrsten Sinema of Arizona, the lead Democratic negotiator, did what appeared to be a restrained happy dance.

Also voting yes was Minority Leader Mitch McConnell, who tweeted his support earlier in the day.

Doubts in House

Although Senate negotiators were celebratory in a post-vote news conference, the bill's future is already in question in the House, where Speaker Nancy Pelosi has vowed not to take it up until after the Senate approves a \$3.5 trillion budget reconciliation package that includes many of Biden's other domestic priorities.

Democratic hopes for a package of that size dimmed a little Wednesday when Sinema said she won't support a price tag that high.

House progressives, meanwhile, say they're not willing to advance one without the other.

On Wednesday, Rep. Pramila Jayapal, D-Wash., the chair of the Congressional Progressive Caucus said, "Progressives have been clear from the beginning: a small and narrow bipartisan infrastructure bill does not have a path forward in the House of Representatives unless it has a reconciliation package, with our priorities, alongside it."

The final version was \$29 billion lower than the original \$579 billion legislative framework agreed upon by White House and Senate negotiators in June and would be a one-time supplemental

appropriation.

A source familiar with the revisions said the lower topline number resulted in part from decreasing a one-time infusion into public transit systems from \$48.5 billion to \$39.2 billion. Negotiators also agreed to eliminate a \$20 billion infrastructure bank.

Portman, the GOP's lead negotiator, described the legislation as a major infrastructure package that would be popular both inside and outside Washington. For weeks, 11 Republicans and 11 Democrats have been involved in the talks with White House officials.

"It's going to help with regard to our roads and our bridges and our ports and our waterways," Portman said. "It also helps expand the digital infrastructure of broadband."

In a statement Wednesday afternoon, Biden said the deal "signals to the world that our democracy can function, deliver, and do big things. As we did with the transcontinental railroad and the interstate highway, we will once again transform America and propel us into the future."

Offsets

A summary released by the White House said the spending would be "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."

A list of offsets circulating among lobbyists and confirmed by congressional sources included \$53 billion from some states returning unused enhanced unemployment insurance benefits, \$20 billion from sales of future spectrum auctions, \$56 billion in economic growth from a 33 percent return on investments and \$2.9 billion from extending available interest rate smoothing options for defined benefit pension plans.

The offsets also included \$49 billion stemming from a partial delay of a Trump-era rule limiting drug manufacturer rebates to pharmacy benefit managers, \$8.7 billion from extending statutory sequester cuts to Medicare and \$3 billion from requiring drugmakers to reimburse Medicare for certain wasted medications.

Another \$205 billion would come from repurposing unused COVID-19 relief funds, although three lobbyist sources said that reportedly excludes money set aside for hospitals and medical providers.

Medical provider funds

Senate Finance Chair Ron Wyden, D-Ore., told reporters that people he spoke to, including White House staff, indicated the medical provider relief fund is off the table but stressed that wasn't totally clear yet.

"We woke up this morning in Oregon today with a headline of hospitalizations up 25 percent, so I've been very concerned about that," he told reporters.

Left out from the latest list is a ban on spread pricing, in which pharmacy benefit managers pocket the difference between what they charge insurance companies and what they paid for a drug. The provision was initially floated as a potential offset last week.

The White House summary listed spending provisions included in the deal, headlined by its \$110 billion for roads, bridges and major projects.

The deal includes \$39 billion for modernizing transit infrastructure and addresses a backlog of rail cars, stations and tracks that need replacement while improving accessibility, according to the summary.

The White House touted the historic nature of that spending despite the fact that some Democrats had been pushing for even higher levels. The deal also has \$66 billion to address Amtrak's maintenance backlog, modernize its Northeast Corridor and expand rail service to other parts of the country.

Spending

The deal — which calls for \$944 billion in new and baseline spending over five years, according to a GOP aide close to the negotiations — would devote \$7.5 billion to building out a national network of electrical vehicle charging stations, a key agenda item for the Biden administration. It seeks to address climate change while creating domestic manufacturing jobs. The deal also would spend \$2.5 billion each for zero-emission buses, low-emission buses and ferries.

It would spend more than \$50 billion on improving the resiliency of U.S. infrastructure to protect against droughts, floods and other natural disasters, as well as cyberattacks.

It would spend \$21 billion on cleaning up polluted areas, including money to reclaim abandoned mines and cap orphaned gas wells. And it would spend \$73 billion on upgrading the nation's power infrastructure, emphasizing renewable energy sources.

It would provide \$55 billion for drinking and wastewater infrastructure, with money specifically to replace poisonous lead service lines, and would invest \$65 billion in improving access to broadband internet.

Sen. Thomas R. Carper, D-Del., the Environment and Public Works Committee chairman, voted Wednesday to take up the bill but criticized it for not going far enough in addressing environmental justice and climate change.

"That's why I will continue to fight for more to be done in our upcoming reconciliation bill and work to get assurances from the White House and Senate leadership to ensure that it includes the policy and the resources we need to take bold, transformative action to invest in climate change and environmental justice," Carper said in a statement. "There is no time to waste on this existential threat."

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By Joseph Morton, Jessica Wehrman, and Lauren Clason

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