



*Week of 3-22-21
Volume 21 | Issue 11*

Congressional Overview

The House held no votes this week, but held committee hearings. The Senate held nomination votes including the vote on Marty Walsh to become the Department of Labor's Secretary. Additionally, the Senate voted on extending the Paycheck Protection Program.

House Committee Announces Infrastructure Bill

The House Energy and Commerce Committee Announces the Leading Infrastructure for Tomorrow's America Act, which would provide more than \$312 billion in funding for infrastructure projects under the panel's jurisdiction. The bill includes nearly \$70 billion for clean energy and energy efficiency projects, with \$3.5 billion for electric grid infrastructure and \$17.5 billion for energy efficiency and conservation grants. It would also provide nearly \$42 billion to support the deployment of electric vehicle infrastructure and to reduce emissions at ports.

The bill would authorize \$80 billion to deploy high-speed broadband internet to unserved and underserved rural, suburban, and urban communities. It would also provide another \$6 billion for the Emergency Broadband Connectivity Fund to subsidize internet costs for consumers. The American Rescue Plan provided \$7.2 billion for the connectivity fund.

The House package would invest \$37 billion in public health infrastructure, giving \$7 billion to state, tribal, and local health departments, \$4.5 billion to clinical laboratories, and \$10 billion to community health centers. The funding would go to modernize health departments and hospitals as well as help renovate health-care facilities run by the Indian Health Services.

"I don't think there's going to be any enthusiasm on our side for a tax increase," said Senate Minority Leader Mitch McConnell (R-KY). McConnell indicated that there would be no Republican support for any tax increases to pay for this plan or President Biden's plan. In fact, rather than raise taxes, most Senate Republicans (including McConnell) are backing a complete repeal of the estate tax.

While there is Republican support for infrastructure projects, the White House is looking at a broad package that includes longer-term economic stimulus and it aims to pay for it in part through a wide swath of tax increases on businesses and individuals earning more than \$400,000, including rolling back some of former President Trump's 2017 tax cuts. Some items under consideration include: a corporate tax increase to 28 percent, higher levies on offshore business profits, a broader estate tax, and higher capital gains taxes for wealthy individuals.

FCA and Other Industry Associations Urge DOT on Transportation Infrastructure and the American Rescue Plan

FCA International, along with the American Road & Transportation Builders Association and the American Association of State Highway and Transportation Officials, sent a letter to Treasury Secretary Yellen this week urging her Department to ensure transportation infrastructure is defined explicitly as a qualifying eligibility in the American Rescue Plan. The Department of the Treasury's guidance on the measure's \$350 billion in relief funds for state and local governments and \$10 billion in capital assistance will be critical.

State and local transportation revenues were hit hard by COVID-19, with 49 states publicly projecting declines. State departments of transportation are facing at least \$18 billion in estimated revenue shortfalls through 2024. During 2020, 18 states and 24 localities announced delays or cancellations of transportation improvement projects totaling over \$12 billion.

These real-world impacts of reduced transportation revenues highlight the opportunity presented by the American Rescue Plan's investment to assist state and local governments with capital and operational challenges. Providing clear guidance and flexibility on the funds' use for transportation infrastructure will be critical to ensuring funds are used expeditiously and with maximum impact.

House Republicans Lift Earmark Ban

Last week, House Republicans lifted their ten-year earmark ban. House Minority Leader Kevin McCarthy (R-CA) said that members want to have a say in their own district, and that many Republicans have a real concern about the administration directing where money goes. The new rules require members to publicly disclose their earmark requests and affirm that neither they nor their immediate family members have a financial interest in such projects.

Republicans also put in additional safeguards, requiring that members explain in writing why their earmark is an "appropriate use of taxpayer funds." The Republican conference rules stated that committee and party leaders, "...shall not give consideration to a member's seniority, committee assignments, or position in the elected leadership when facilitating a request."

Under the new earmark process, outlined by House Appropriations Chair Rosa DeLauro (D-CT), lawmakers can request funding for up to ten projects that have "community support." DeLauro's guidelines include a cap on the total amount of earmarked funds at one percent of discretionary spending, and no money can go to for-profit interests. Senate Republicans are still split on whether to embrace the return of earmarks.

Marty Walsh Confirmed as Secretary of Labor

The Senate confirmed Boston Mayor Marty Walsh as President Biden's labor secretary on a 68-29 vote. FCA International has a previous relationship with Walsh when he was a keynote speaker at GlassCon Global 2016.