FCA INTERNATIONAL LEGISLATIVE Update
Building a Better Future for Our Families

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Congressional Overview

Congress was in session this week with the Senate tackling nomination votes while the House voted on legislation that would allow immigrants convicted of assaulting cops to be deported (H.R. 2494). The House considered legislation that would require the General Services Administration (GSA) to establish a program for federal law enforcement officers to purchase a retired or surplus handgun issued to them and last week, the House passed the Secure the Border Act (H.R. 2), a border security package that includes mandatory E-Verify for employers.

Debt Ceiling Negotiations Continue

President Biden and congressional leaders met this week for a second time to discuss raising the debt ceiling. President Biden is scheduled to be at the G-7 summit in Hiroshima, Japan, but skip the Quad Leaders' Summit in Sydney, Australia, so he can continue negotiations with congressional Republicans on raising the nation's borrowing limit. Treasury Secretary Yellen has given lawmakers until June 1st to lift the trillion-debt ceiling; that's the date identified when the federal government will default on its debt payments.

FCA International Celebrates 2023 Infrastructure Week!

As we celebrate Infrastructure Week in 2023, we find ourselves in a place of unprecedented opportunity. Cities, towns, and villages across America have access to a historic level of federal funds from the Bipartisan Infrastructure Law, Inflation Reduction Act and CHIPS and Science Act to invest in infrastructure in their communities.

The theme for this year's Infrastructure Week is ***Infrastructure Works,*** from fixing the roads and bridges that get people to work to strengthening the broadband networks children need to do their homework, cities of all sizes are putting infrastructure dollars to work to transform their communities. Now is the time for FCA members to maximize this opportunity and show Congress how our members are getting the job done by using federal infrastructure funds where it matters most.

To that end, the Infrastructure Investment and Jobs Act (IIJA) is the most significant investment in the nation's infrastructure networks since the enactment of the Interstate Highway System in the mid-1950s. The IIJA's robust funding will help stabilize and enhance every state's long-term transportation improvement plans. Furthermore, this multi-year plan will facilitate private sector investments in equipment and personnel.

As the transportation construction industry works to deliver the improvements needed to build the roads, bridges, tunnels, rail, transit, ports, energy facilities, water conveyance systems, broadband capacity and public works projects funded through IIJA, **these are a few of the regulatory obstacles we still must overcome:**

1. **Following the Intent of the Law** – The IIJA is a carefully negotiated package of policy reforms and targeted national investments. Departing from the tenets of this agreement during implementation would be counter to the spirit behind this landmark law and could thwart some of the value being

brought to each state and congressional district. Specifically, stakeholders at all levels should avoid attempting to relitigate policies that could not secure bipartisan consensus.

2. **Executing Permitting Reform** – FCA, along with the Transportation Construction Coalition (TCC), have long advocated for needed reforms to expedite the transportation project review and approval process without sacrificing existing environmental protections. While there have been meaningful improvements in this area, the process for many projects still takes far too long. A key area of agreement that allowed the IIJA to move forward in a bipartisan manner is the project delivery reforms included in the law. Accordingly, the Biden administration should prioritize the implementation of "One Federal Decision" and other IIJA process enhancements before adding new regulatory requirements. These include:
    a. Deterring unwarranted litigation and mitigating permitting review delays at federal agencies;
    b. Requiring a two-year deadline for completing major project reviews; and
    c. Enacting page limits on environmental review documents.

These reforms will reduce unnecessary costs and delays, helping our members rebuild the nation's infrastructure and ensuring the success of the IIJA. At all stages of implementation, we encourage every federal agency to efficiently execute and deliver IIJA's investment to project planners.

Additionally, without increasing existing user fee rates, or the creation of new revenue streams, the Highway Trust Fund (HTF) cash flow disparity will continue to grow in the coming years, exacerbated by improved vehicle fleet fuel efficiency. To cover core surface transportation program outlays during the next five-year surface transportation law at funding levels commensurate to those authorized in the 2021 IIJA, the HTF will need an additional $170 billion. When the supplemental IIJA highway, bridge and public transit programs that were paid for out of the General Fund are added, the total additional resources needed to sustain overall investment levels increases to $240 billion.

The magnitude of the looming HTF crisis and the potential impact of the resulting uncertainty on state transportation improvement plans reinforces the need for proactive congressional action.

FCA urges Congress to:

1. Act now to preserve the HTF and user pays system. Any opportunity to tackle debt ceilings, changes to the tax code or the solvency of other government trust funds should be considered opportunities to address the long-term solvency of the HTF.

2. Reject all efforts to reduce or eliminate HTF user fees. Legislation has been introduced in Congress to eliminate the heavy truck excise tax with the goal of spurring sales of new, more environmentally friendly trucks. This is short-sighted, serving to subsidize the vehicles that put the most wear-and-tear on the nation's roads and bridges and only further exacerbate HTF revenue issues.

3. Congress should not wait until the current law expires to address this issue.

Sen. Daines Reintroduces the Main Street Certainty Act

Sen. Steve Daines (R-MT) reintroduced the Main Street Certainty Act, which FCA supported in the last Congress. The Act would make Section 199A, which allows pass-through entities like Sole Proprietorships, S-Corporations, Partnerships, or LLCs to deduct up to 20% of qualified business income, permanent. It would provide certainty to millions of small and individually owned businesses that rely on the Section 199A deduction to remain competitive.

Individually- and family-owned businesses organized as pass-throughs are the backbone of the American economy. They employ private-sector workers and represent 95 percent of all businesses. They also make up the economic and social foundation for countless communities nationwide. Without these businesses and jobs they provide, many communities would face a more uncertain future of lower growth, fewer jobs and more boarded-up buildings.

Despite this, Section 199A is scheduled to sunset at the end of 2025, even as the businesses it supports continue recovering from the COVID-19 pandemic and the price hikes, labor shortages and supply chain disruptions that followed. Making the Section 199A deduction permanent will lead to higher economic growth and more employment.