Congressional Update: Senate Reaches Agreement on Bipartisan Infrastructure Legislation

Lewis-Burke Associates LLC – July 30, 2021

On July 28, a bipartisan group of Senators announced an agreement on infrastructure funding legislation comprising a subset of President Biden’s priorities in the White House’s American Jobs Plan. The Infrastructure Investment and Jobs Act would provide $550 billion in new spending on transportation, energy, broadband, and drinking infrastructure, in addition to “resilience” programs targeting natural hazards and cybersecurity (see graphic below for major elements).

The agreement also includes $472 billion in offsets or pay fors to reduce the cost of the package. The majority—$205 billion—would come from unused COVID-19 funding and $56 billion from economic growth based on infrastructure investments. Additional pay fors include $49 billion in delaying the Medicare Part D rebate rule and additional Medicare cuts to providers.

The agreement does not include priorities in the White House’s American Families Plan, nor elements of the American Jobs Plan calling for investments in basic and applied research or research infrastructure at the National Science Foundation (NSF), Department of Energy (DOE), National Oceanic and Atmospheric Administration (NOAA), and the Department of Agriculture (USDA), among others. Funding for those programs may be included in a separate $3.5 trillion funding package using budget reconciliation, a process expected to be initiated next week by the Senate’s Budget Committee. Legislation advanced through budget reconciliation would only require a simple majority in both the House and Senate to pass.

The Infrastructure Investment and Jobs Act is a combination of current bipartisan legislation and funding increases to existing programs at federal agencies. The majority of the infrastructure package includes funding provisions and guidance from the Senate Environment and Public Works and Commerce, Science, and Transportation committees’ surface transportation authorizing legislation and the Energy and Natural Resources Committee’s Energy Infrastructure Act approved last week. Highlights of the bill and areas of interest to research, technology, and higher education communities are noted below:
• **Transportation Infrastructure:** The bill provides $225.65 billion in new spending over five years for roads and bridges, rail, public transit, and transportation safety, including $95 million over five years in supplemental funding for the University Transportation Centers (UTC) program. This is in addition to the base mandatory funding for UTCs in the Senate’s transportation legislation, which also includes funding for surface transportation research programs such as a new unsolicited research initiative, an expansion of the transportation technology demonstration program, and a new transportation resilience centers of excellence program.

• **Energy Infrastructure:** The bill includes $73 billion over four years for energy infrastructure and clean energy demonstration projects at the Department of Energy (DOE). Targeted funding would be provided for Carbon Capture Utilization and Storage (CCUS), direct air capture, grid resilience and modernization, and clean hydrogen, among other topics. Most of the funding would support industry- and national lab-led projects, but research universities would be eligible to partner and, in some cases, lead projects.

• **Resilient Infrastructure:** The *Infrastructure Investment and Jobs Act* contains $46 billion for broadly defined “resilience” programs at several federal agencies. Much of the funding would support construction or restoration projects at the Environmental Protection Agency (EPA), Department of the Interior, and the Army Corps. Some programs of particular interest include $1 billion for EPA’s Great Lakes Restoration Initiative; $1 billion for the Federal Emergency Management Agency’s (FEMA) Building Resilient Infrastructure and Communities (BRIC) Program; $157 million over five years for the Department of Homeland Security’s Science and Technology Directorate for cybersecurity-related research activities; $492 million for NOAA’s National Coastal Resilience Fund; and $100 million for NOAA’s Fireweather Testbed program.

The Senate is expected to pass the *Infrastructure Investment and Jobs Act* the week of August 2. However, it faces an uncertain path forward. Although not explicitly tied to the larger $3.5 trillion reconciliation measure, some Senate Democrats may withhold support for the bill until the Senate Budget Committee initiates the budget reconciliation process required to consider unaddressed portions of the *American Jobs Plan* and *American Families Plan*. Senate Majority Leader Chuck Schumer (D-NY) also plans to schedule a floor vote the week of August 2 on a $3.5 trillion budget reconciliation package to address Democrats’ concerns. This would allow authorizing committees to draft and advance funding legislation to incorporate into a final spending package in September. Doing so, however, may jeopardize support among the Republicans who have voiced opposition to the larger spending measure and conditioned their votes for the legislation on that basis. Meanwhile, Speaker Pelosi has suggested the House will not consider the *Infrastructure Investment and Jobs Act* without simultaneously working the $3.5 trillion spending measure. House Transportation and Infrastructure Committee Chairman Peter DeFazio (D-OR) also panned the Senate bill and clarified his position that any final bipartisan infrastructure legislation reflect provisions from his Committee’s surface transportation legislation passed by the House earlier this month.

**Sources and Additional Information:**

• Lewis-Burke’s analysis of House and Senate surface transportation legislative proposals, can be found at [https://lewisburke.sharepoint.com/:b:/s/LinkShare/EZ0l15a7A3hLv25BMtmsQcBDFQFbSaQ4FOoWSXoXPauw?e=yB1I99](https://lewisburke.sharepoint.com/:b:/s/LinkShare/EZ0l15a7A3hLv25BMtmsQcBDFQFbSaQ4FOoWSXoXPauw?e=yB1I99).

• Lewis-Burke’s analysis of the Senate’s *Energy Infrastructure Act* can be found at [https://lewisburke.sharepoint.com/:b:/s/LinkShare/EUILHnoJvh9BozCIUpBfU7ABCdDN6cH-wlwV4fVeTU2vdr?e=Vyv3W1](https://lewisburke.sharepoint.com/:b:/s/LinkShare/EUILHnoJvh9BozCIUpBfU7ABCdDN6cH-wlwV4fVeTU2vdr?e=Vyv3W1).