

**Metropolitan Transportation Commission and Association of Bay Area Governments
Joint MTC ABAG Legislation Committee**

October 8, 2021

Agenda Item 4b

Washington D.C. Legislative Update

Subject:

September 2021 Report from Washington, D.C. advocate.

Issues:

None identified.

Recommendations:

Information

Attachments:

- Attachment A: Summit Strategies Team Report – September 2021



Therese W. McMillan



SUMMIT
STRATEGIES

440 1st Street, NW, Suite 440
Washington, DC 20001
(202) 638-3307 main
(202) 595-9192 fax
www.summitstrategies.us

Summit Strategies Team Report – July and August 2021

From: Summit Strategies Team

To: Therese McMillan, Executive Director

Date: October 1, 2021

Subject: September Federal Policy Monthly Report

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- **Democrats Face a Tenuous Path on Infrastructure and Reconciliation**
 - **House Transportation and Infrastructure Reconciliation Markup**
 - **House Financial Services Reconciliation Markup**
 - **Short Term Funding Measure and Fiscal Year 2022 Appropriations**
 - **President Biden Announces Two Key Department of Housing and Urban Development Appointments**
 - **National Transportation News Roundup**

Below is a status update on issues of interest to MTC, and the actions that we have taken to date.

Democrats Face a Tenuous Path on Infrastructure and Reconciliation

Congress faces a daunting legislative agenda that includes increasing the debt limit, funding the government, the \$1.2 trillion bipartisan Infrastructure Investment and Jobs Act (IIJA), and the \$3.5 trillion reconciliation bill. The White House is working with Democratic leadership to navigate intraparty tensions between moderates and progressives to enact critical elements of President Biden's Build Back Better framework. However, a tight timeline and additional potential stumbling blocks are creating uncertainty for each piece of legislation.

The \$1.2 trillion IIJA has been sitting in the House for over a month amid negotiations between moderates and progressives. Speaker Pelosi struck a deal with moderates that the House would move both the IIJA and the reconciliation simultaneously. Additionally, Speaker Pelosi must satisfy progressives, who say they are willing to vote against the IIJA if the reconciliation package is not passed. This situation is very fluid given the challenges of working out an agreement that can secure the 50 votes needed to pass a reconciliation bill in the Senate and satisfy the progressives. It is important to note that if the progressives were to block passage of the IIJA before a final reconciliation agreement is reached, it would not kill the IIJA. The Speaker could call up the bill later once there are 218 votes necessary to pass the legislation in the House.

Democrats are using the reconciliation process to advance the Build Back Better framework, the cornerstone of President Biden's domestic agenda. The proposed \$3.5 trillion investment in social services could represent the largest spending bill ever passed by Congress. House committees of jurisdiction met their September 15 deadline to complete their markups of individual subtitles, with the Ways and Means Committee reporting revenue provisions estimated to raise nearly \$2.1 trillion over the next decade. However, there are ongoing negotiations between the House, Senate, and White House that will likely shrink the \$3.5 trillion price tag to secure the support of pivotal moderate senators like Joe Manchin (D-WV) and Kyrsten Sinema (D-AZ). Both senators have raised concerns with the overall price tag and would like to have a final package of around \$1.5 trillion. Meanwhile, moderates in the House have been very vocal and have voted against progressive measures that are unlikely to pass the Senate and be included in the final package, such as allowing Medicare to negotiate prescription drugs,

creating a carbon tax, or raising the corporate tax to 26 percent. Congresswoman Jayapal (D-WA), chair of the progressive caucus, acknowledged that the price tag of \$3.5 trillion is likely to change to a more workable number between progressives and moderates.

House Transportation and Infrastructure Reconciliation Markup

The House Transportation and Infrastructure Committee approved a \$57 billion spending package after a 17-hour markup session last Tuesday, meeting the reconciliation target set for the Committee in the Budget Resolution. The spending package passed the Committee along party lines by a 37-29 vote.

The legislation includes \$10 billion to be administered by the Federal Transit Administration for “competitive grants to support access to affordable housing and the enhancement of mobility for residents in disadvantaged communities or neighborhoods, in persistent poverty communities, or for low-income riders generally.” Other relevant provisions include:

- \$4 billion for the Federal Highway Administration to make grants for multimodal projects and activities that reconnect communities, expand neighborhood access and equity
- \$4 billion for a “Community Climate Incentive Grants” program, including \$3 billion for competitive grants for carbon reduction projects to be eligible entities that are not states (e.g., local governments, territories, MPOs, special purpose districts or public authorities with a transportation function) for multimodal climate and greenhouse gas reduction projects.
- \$10 billion for high-speed rail corridors

Throughout this process your D.C. team has been working with the committee to ensure those relatively unique Bay Area regional priorities—such as regional fare integration—would be eligible to compete for grant funding.

House Financial Services Reconciliation Markup

On Tuesday, September 14, 2021, the House Financial Services Committee approved a \$330 billion spending bill, meeting the reconciliation target outlined in the Budget Resolution. Committee members voted 30-24, on a party-line basis, to advance the measure. Throughout this process your DC team has been working with the Bay Area delegation and regional planning agencies across the country to ensure that language was included in the reconciliation bill that would allow the Bay Area Housing Finance Authority priorities to be eligible for housing grant funding.

Short Term Funding Measure and Fiscal Year 2022 Appropriations

On Tuesday, September 21, House Democrats passed a short-term funding bill to avoid a looming government shutdown through a party-line 220-211 vote. The measure did not include a surface transportation extension, increasing pressure on lawmakers in the House to advance the Senate-passed IIJA to avoid transportation programs lapsing in the coming weeks or months. In addition to funding the government through December 3, 2021, the package included:

- \$28.6 billion in disaster relief aid
- \$6.3 billion to aid Afghan refugee resettlement efforts
- Language effectively postponing the consequences of a debt ceiling breach until the end of 2022

While several Republican senators would have supported the bill as proposed, the number fell short of the ten required to circumvent the filibuster during an initial procedural vote. Senator John Kennedy (R-LA), who was willing to support the measure to provide much-needed disaster relief to his home state following Hurricane Ida, was unable to develop support amongst his colleagues to advance the legislation without removing the controversial debt ceiling provision. Minority Leader McConnell (R-KY) had consistently publicly expressed his opposition to assisting Democratic efforts to raise the debt limit. Democrats will likely have to pursue a partisan debt ceiling hike to avoid potentially significant economic disruptions.

Appropriators will not complete the annual appropriations process before the end of the fiscal year. While the House has passed 10 of the 12 spending measures over the summer, the Senate

has yet to consider a single appropriations bill due to a lack of agreement over the overall spending cap for the fiscal year. The Senate Transportation, Housing and Urban Development (THUD) Subcommittee delayed its markup, which was supposed to occur last week. The announcement came after Appropriations Committee Chair Patrick Leahy cited an inability to compromise on topline spending totals with his Republican colleagues. Assuming stopgap funding legislation ultimately passes, it will set the stage for another year-end legislative blitz, including fiscal year 2022 funding and other policy disputes that are unaddressed until after the Thanksgiving recess.

President Biden Announces Two Key Department of Housing and Urban Development Appointments

On Monday, September 13, 2021, President Biden announced the nominations of two individuals to critical positions at the Department of Housing and Urban Development (HUD). He nominated Arthur Jemison for Assistant Secretary for Public and Indian Housing at HUD. Jemison was previously as principal deputy assistant secretary for the Office of Community Planning and Development at HUD. Biden also nominated Alanna McCargo for President of the Government National Mortgage Association at HUD. McCargo was vice president of the Urban Institute's Housing Finance Policy Center to Marketplace and currently serves at HUD as senior advisor for housing finance. Her work has focused on questions of housing equality.

National Transportation News Roundup (links to articles)

- [As traffic deaths climb, NTSB chair calls for 'fundamental rethink' of transportation planning \(Smart Cities Dive\)](#)
- [Five ways regional leaders can prepare future infrastructure workers now \(Brookings Institute\)](#)
- [City leaders should expand their purview of electric transportation beyond cars \(Utility Dive\)](#)
- [FTA awards three BRT projects with combined \\$164.1 million \(Mass Transit\)](#)
- [How a quality-of-life award for a 12-lane Utah highway sums up the debate over the future of transportation \(Washington Post\)](#)
- [It's time to dismantle racist infrastructure. Let's start with American highways \(Fast Company\)](#)
- [U.S. DOT announces \\$409.6 million for bus fleets \(Transportation Today\)](#)
- [House committee sets aside \\$4B for transportation carbon reduction initiatives in reconciliation bill \(Smart Cities Dive\)](#)