

# ALCALDE & FAY

## GOVERNMENT & PUBLIC AFFAIRS FIRM



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## THIS WEEK IN WASHINGTON

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*Week of June 28-July 2, 2021*

### FEDERAL UPDATE

This week the House was in session this week and, as further detailed below, passed the \$759 billion surface transportation reauthorization and water infrastructure bill (*INVEST in America Act*, H.R. 3684) yesterday before adjourning for the July 4<sup>th</sup> recess. Also of note this week, the House passed a resolution in a mostly party-line vote of 222-190, creating a new select committee to investigate the attack on the U.S. Capitol complex on January 6<sup>th</sup>. As previously reported, legislation previously approved by the House to establish a 9/11-style bipartisan commission to investigate the July 6<sup>th</sup> attack failed to pass the Senate last month. The House and Senate will be in recess next week for the July 4<sup>th</sup> holiday and both will return to Washington on July 12<sup>th</sup>.

#### INFRASTRUCTURE

As referenced above, this week the House considered and passed the *INVEST in America Act* (H.R. 3684), now a nearly \$759 billion surface transportation reauthorization and water infrastructure bill (updated fact sheet available [here](#); surface transportation text available [here](#); surface transportation section-by-section summary available [here](#); water infrastructure text available [here](#)). The bill was approved in a mostly party-line vote of 220-201, with two Republican voting with all Democrats in support of the bill. As previously reported, the surface transportation title of the bill authorizes \$343 billion for roads, bridges, and safety, \$109 billion for transit, and \$95 billion for passenger and freight rail over 5 years, and also includes nearly \$5.7 billion for 1,473 member designated project authorizations (earmarks) across the country; the water/wastewater infrastructure portions of the package include \$51.25 billion for wastewater spending and \$117 billion for drinking water programs. As previously reported, the House-approved bill does not include any financing/revenue provisions, instead simply including a provision to transfer an additional \$148 billion from general revenue into the Highway Trust Fund (HTF), covering the gap between the bill's funding levels and available HTF funds. Democratic leadership ultimately chose to essentially delay/postpone any debate over pay-fors, which would be drafted by the House Ways & Means Committee, until negotiations on a bipartisan infrastructure package had yielded more specific topline spending levels.

During consideration of the bill, the House considered a total of 149 amendments, grouped together into 5 separate "en bloc" packages, and which ultimately added \$44 billion in spending to the approximately \$715 billion bill. Adopted amendments of note include a provision approved by a vote of 230-178 that would allow states to review high occupancy vehicle routes 10 years after construction with the option to remove the route and repay associated funds, as well as an amendment approved by a vote of 220-200 to require water infrastructure projects paid for by the Clean Water State Revolving Fund and other Clean Water Act programs undergo resiliency assessments.

As previously reported, the tentative agreement reached between the White House and a bipartisan group of Senators last week on a "Bipartisan Infrastructure Framework" includes the Committee-approved titles of the Senate's transportation reauthorization bill, including the highway title approved by the Environment and Public Works (EPW) Committee, and the freight, rail, and safety titles approved by the Senate Commerce-Science-Transportation Committee. The framework also incorporates the Senate-passed *Drinking Water and Wastewater Infrastructure Act* (DWWIA). Although these Senate bills authorize lower funding levels than those in the House-passed bill, House T&I Committee Chairman Peter DeFazio (D-OR) indicated this week that he hopes to enter into

informal negotiations on surface transportation and water infrastructure and that he hopes a bicameral agreement can be included in the bipartisan infrastructure package.

### FISCAL YEAR 2022 BUDGET & APPROPRIATIONS

This week, House Budget Committee Chairman John Yarmuth (D-KY) announced that his Committee will forgo drafting and marking up their own Fiscal Year (FY) 2022 budget resolution with reconciliation instructions, and instead will wait to see what is able to clear the Senate. As previously reported, Senate Budget Chairman Bernie Sanders (I-VT) last week floated an outline of a budget resolution calling for \$6 trillion in spending and \$2.4 trillion in revenue, as well as \$600 billion in drug pricing savings, that would net \$3 trillion in deficit spending over the next decade. In his announcement this week, Chairman Yarmuth indicated that he and Sanders have been working to refine this budget proposal and that a new outline would be released in the next week or so.

Meanwhile the House Appropriations Committee continued working on the FY 2022 Appropriations bills, with the full Committee approving the FY 2022 Legislative Branch (bill text [here](#); summary [here](#); report [here](#)), Financial Services (bill text [here](#); summary [here](#); report [here](#)), Military Construction-Veterans Affairs (bill text [here](#); summary [here](#); report [here](#)), and State and Foreign Operations (bill text [here](#); summary [here](#); report [here](#)) spending bills in party-line votes, while also approving the Agriculture spending bill (bill text [here](#); summary [here](#); report [here](#)) by voice vote.

The Committee also approved the FY 2022 Interior-Environment spending bill (bill text [here](#); summary [here](#); report [here](#)) in a party-line vote yesterday. Of particular note, the Interior-Environment bill would provide \$11.34 billion for the Environmental Protection Agency (EPA), an increase of \$2.11 billion above the FY 2021 level, of which \$5.32 billion would be for State and Tribal Assistance Grants (STAG). Additionally, the bill would provide \$5.66 billion for Wildland Fire Management, \$900 million for the Land and Water Conservation Fund (LWCF), and approximately \$444.6 million for more than 300 community projects (“earmarks”) under the EPA STAG Clean Water and Drinking Water State Revolving Fund, National Park Service Land Acquisition, U.S. Fish and Wildlife Service Land Acquisition, and U.S. Forest Service State and Private Forestry accounts.

The Committee in a party-line vote also approved its subcommittee allocations, known as 302(b)s, reflecting the \$1.506 trillion discretionary spending cap for FY 2022 that the House adopted via a “deeming resolution” (H.Res.467) earlier this month (individual spending levels available [here](#)). The allocations are roughly similar to the discretionary spending increases proposed by President Biden in his FY 2022 Budget request (16.5 percent increase for non-defense and 1.6 percent for defense) and of note the Labor-HHS-Education Subcommittee received the highest spending increase, a 36.4 percent (\$63.4 billion) over the FY 2021 level for a total of \$237.5 billion; the Defense Subcommittee received the smallest spending increase, 1.4 percent (\$10 billion) above the FY 2021 level for a total of \$706 billion in discretionary spending (*although Defense still has the largest overall allocation*). During the markup, Appropriations Committee Ranking Member Kay Granger (R-TX) criticized Committee Democrats for not considering bipartisan subcommittee allocations as a bipartisan agreement on 302(b)s will need to be reached at some point in order to garner the 60 votes needed to clear all 12 FY 2022 through the evenly split Senate.

At the Subcommittee level this week, both the Defense (bill text [here](#); summary [here](#)) and Homeland Security (bill text [here](#); summary [here](#)) spending bills were advanced to the full committee by their respective Subcommittees (via voice votes). The draft FY 2022 Homeland Security bill would provide \$24.02 billion for the Federal Emergency Management Agency (FEMA), approximately \$2.1 billion above the FY 2021 level and \$246.6 million below the President’s budget request. Of this amount, \$3.66 billion would be for grants and training and \$18.8 billion would be for the Disaster Relief Fund. The bill would also provide funding for over 70 community projects under the FEMA Pre-Disaster Mitigation and Emergency Operations Center accounts.