New Administration, New Congress

- President Biden has an ambitious 2021 agenda:
  - $1.9 trillion American Recovery Plan (ARP) – *done*
  - $1.2 trillion Infrastructure Investment and Jobs Act – *almost there*
  - $3.5 trillion American Families Plan – *in process*
- The proposed tax increases raise concerns, but infrastructure represents a major opportunity for 2021.
- PPP/FAR credits clause remains a challenge.
ACEC Policy Priorities for 2021

✓ Protect member firms with Paycheck Protection Program (PPP) loans from regulatory overreach due to the FAR credits clause.

✓ Secure passage of a robust infrastructure-based economic recovery agenda.
Protecting PPP Loans

- ACEC grassroots engagement over the last year.
- Small Business Committee hearing in March.
- House-passed INVEST Act includes language to reinforce FHWA guidance on implementation.
PPP/FAR Credits Clause – Regulatory Fix

FHWA guidance:
- Limited to federally funded contracts.
- Clarifies that fixed price / lump sum contracts aren’t affected.
- Limits on multi-year contracts.
- ACEC/DOT FAQ guidance provides common framework for implementation.
PPP/FAR Credits Clause – Legislative Fix

- **Senate** -- Bipartisan Braun-Duckworth amendment waives the credits clause on PPP loans used for payroll – USDOT spending bill (pending)
Infrastructure – the Biden Plan

$2.3 trillion American Jobs Plan:
- Between $900 billion and $1 trillion focused on built environment.
- Includes traditional infrastructure plus school construction, public housing, federal facilities, and energy.
- Pay-fors problematic.
Infrastructure – Senate Republican offer

- Started at $568 billion over five years, grew to $1 trillion.
- Focused on traditional infrastructure plus rural broadband.
- Funded through diverting previously authorized COVID resources and user fees.
- Negotiations suspended.
Infrastructure Investment & Jobs Act

Major Components:
- Roads/bridges, transit, airports;
- Passenger rail, freight;
- Water, ports, waterways;
- Power, broadband.
- $550 billion in new spending over five years, $1.2 trillion total.
Infrastructure Package – New Investment

- $110 billion for roads, bridges.
- $32.9 billion for transit, $66 billion for rail.
- $65 billion for broadband.
- $25 billion for airports.
- $73 billion for power grid.
- $46 billion for resiliency.
Infrastructure – Water

- $55 billion for water projects:
  - Reauthorizes Clean Water & Safe Drinking Water SRF programs through FY’26;
  - Appropriates $11.713 billion for each; 49% for grants & forgivable loans to disadvantaged communities.
Infrastructure – Water

- $15 billion for lead pipe replacement;
- Funding for PFAS/emerging contaminants;
- $1.6 billion for SSO, stormwater reuse;
- $75 million for WIFIA;
- Resiliency, sustainability, technical assistance programs.
Infrastructure Package – Pay-Fors

Pay-Fors are Bipartisan:
- $205 billion from unused COVID relief.
- $49 billion from delay of Medicare rule.
- $56 billion in anticipated economic growth.
- SPR sale, Superfund & Customs fees.
Infrastructure – Path Forward

- Senate package passed 69-30; 19 Republicans in support.
- House vote next week.
- $3.2 trillion “reconciliation” package driving timing of House action.
- Speaker Pelosi balancing views of Democratic progressives and moderates.
$3.5 trillion Social Package

- “Reconciliation” bill the vehicle for the President’s social agenda.
- Includes more investments in built environment:
  - $82 billion for schools, $15 billion for VA facilities;
  - $30 billion for lead pipes;
  - Renewable energy;
  - $20 billion for transit, rail.
$3.5 trillion Social Package

- Includes problematic tax increases:
  - Phase out 199A 20% deduction for incomes over $400k;
  - Increase the corporate rate to 26.5%, capital gains to 25%;
  - Increase top individual rate to 39.6% for incomes over $400k.
- Senate wants smaller program – less than $2 trillion?
Additional Priority Issues

- Energy markets
- Vaccination policies/mandates
- Vertical markets – Section 179D
- Federal Markets – QBS & FAR compliance, cyber security
- Environmental – wetlands (WOTUS), Superfund, stormwater, etc.
- Labor – FLSA issues, H-1B visas
- International markets
Questions?