

PUBLICATION

Infrastructure Bill: Revitalizing and Rebuilding America – Issue Four

Authors: Sheila P. Burke, Nathan Daschle, Charlie Panfil

August 25, 2021

Baker Donelson's public policy group and the Daschle Group are pleased to provide our fourth update on developments regarding infrastructure legislation. This series is designed to keep you informed of the negotiations underway and the progress being made. Previous installments are available [here](#), [here](#), and [here](#).

In Short

House moderates and House Speaker Pelosi (D-CA) struggled over the timing of votes, but ultimately passed the \$3.5 trillion budget resolution and a rule that sets up a House vote on the Infrastructure Investment and Jobs Act by September 27. The deal does not solve a rift between the caucus on the size and scope of the reconciliation bill, but it does create a tight deadline to get it done. Any quick action on appropriations bills looks unlikely.

All The Moving Parts

Infrastructure investments will likely come from three sources over the next few months: the Infrastructure Investment and Jobs Act, appropriations legislation, and a reconciliation bill.

LEGISLATION	INFRASTRUCTURE INVESTMENT AND JOBS ACT	FY22 APPROPRIATIONS	FY22 RECONCILIATION
Price Tag*	\$1 trillion	\$211 billion (House)	\$3.5 trillion
Timeline	August – September	September – December	August – September
Senate Vote	60 or more		51 or more
House Vote	Simple majority vote (218 or more)		

* Final figures will depend on final negotiations between the House and Senate

Recap

The Senate passed the Infrastructure Investment and Jobs Act by a vote of 69-30 on August 10 and then passed the budget resolution with a party-line vote of 50-49 on August 11. While both the House and Senate were on recess last week, Congressional staff were busy drafting details of the reconciliation bill.

Major Developments This Week

On August 24, the House voted along party lines, 220-212, to pass the budget resolution, unlocking the reconciliation process. Also on August 24, the House passed a rule that sets up a vote on the Infrastructure Investment and Jobs Act by September 27. This deadline reflects the fact that the surface transportation authorizations expire on September 30 and would be extended by the Infrastructure Investment and Jobs Act. Democrats will need to pass the Infrastructure Investment and Jobs Act in the House before these expirations because Senate Republicans could block a short-term reauthorization as a show of their dissatisfaction with Democrats' approach to the reconciliation bill.

Rift Between House Democrats Going into Reconciliation

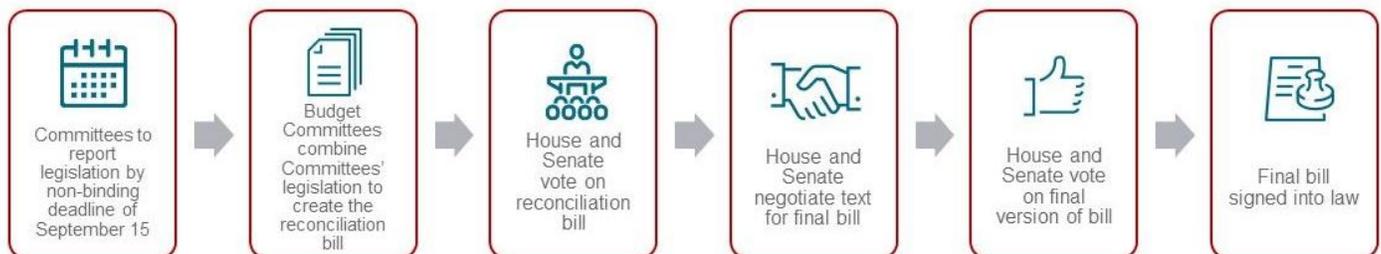
The votes on August 24 came after a delay during which Speaker Pelosi worked to reconcile a standoff with her party's moderate-leaning members. Speaker Pelosi had the support of President Biden to delay the vote for the Infrastructure Investment and Jobs Act and to instead vote on the budget resolution this week. The timing reflected progressive House Democrats' desire to gain leverage over moderate Democrats by delaying the process and threatening to pass their own version of the Infrastructure Investment and Jobs Act, which moderates want to pass as is. However, a group of moderate House Democrats seeking to slim down and shape the reconciliation bill threatened to vote against its advancement unless they first passed the Infrastructure Investment and Jobs Act.

The agreement with Speaker Pelosi could give moderates leverage if the reconciliation bill is not finished by September 27, which is when the Infrastructure Investment and Jobs Act will almost certainly pass the House. Progressive House members are still claiming that they will only vote for the Infrastructure Investment and Jobs Act if the reconciliation bill is secured. Democrats, with only a three-vote margin in the House, will need to stay united to pass both bills.

The Process for The Reconciliation Bill

The budget resolution passed the House this week. The resolution instructs the House committees to report legislation that is consistent with the budgetary targets to the House Budget Committee by September 15. While it is possible that committees will get their work done in time to meet with deadline, this deadline is not binding.

Once committees in both the House and Senate have reported out text for the bill, the Budget Committees will combine the legislation and prepare it for floor consideration. In the Senate, this will include an examination by the Senate parliamentarian's office, which will scrutinize the bill's text for items that do not follow the Byrd Rules regarding the reconciliation process. Certain items that do not have a budgetary effect, for example, could be taken out of the bill at this point. After the House and Senate pass their versions of the bill, they will need to reconcile major differences. Senate Majority Leader Schumer (D-NY), Speaker Pelosi, and President Biden will work to mollify moderate House and Senate Democrats to pass the final reconciliation bill.



Little Hope for Appropriations This Fall

Minority Leader McConnell (R-KY) has made clear that Republicans will delay the consideration of appropriations bills in the Senate without an agreement to address the debt ceiling or to allow Republican amendments to the reconciliation bill. Democrats will need Senate Republican votes to continue funding the government past September 30 and to raise or suspend the debt ceiling (the maximum amount the U.S. government can borrow) in October or November (depending on when Treasury runs out of money). Democrats are stressing that raising the debt ceiling has been a bipartisan effort traditionally. Political

brinksmanship over the issue could result in market turmoil, putting pressure on Democrats to come to a deal on the reconciliation bill sooner in the event Republicans make good on their commitments to not help raise or suspend the debt ceiling.

We will continue to track developments with this legislation and will provide updates. For more information, please contact one of the authors of this alert.