



# *Congressional Key Issues Briefing*

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# *New Congress, Administration*



- President Biden has embarked on an ambitious agenda:
  - \$1.9 trillion American Recovery Plan (ARP) – *done*
  - \$2.25 trillion American Jobs Plan – *released*
  - \$1.5 trillion American Families Plan – *coming soon*
- The proposed tax increases raise concerns, but infrastructure represents a major opportunity for 2021.
- Business community staying positive – keep the momentum going!

# *New Congress, Administration*



- Infrastructure likely to be the vehicle for other Administration priorities – such as climate change and social equity.
- A closely divided Congress presents a challenge:
  - Is a bipartisan deal on infrastructure possible?
  - Will the business community support tax increases to support a robust infrastructure package?
- Infrastructure is the opportunity for 2021, but protecting firms with PPP loans is a challenge and a priority.

# *ACEC Policy Priorities*



- ✓ 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



- The Paycheck Protection Program (PPP) was successful in accomplishing its intended goal – *to protect jobs*.
- Congress intended loans to be forgivable for businesses that qualify -- the current interpretation of the FAR credits clause invalidates that intent.
- The problem is most pronounced in the DOT market, where traditional cost-plus contracts trigger the FAR clause.
- ACEC has advocated for a waiver of the clause to federal agencies and to Congress.

# *Protecting PPP Loans*



## Engagement Timeline:

- May 2020 – ACEC leads coalition letter to OMB opposing the application of the credits clause to PPP loans;
- Spring/Summer 2020 – ACEC staff, member firms raise concerns with lawmakers over credits clause, deductibility;
- October 2020 – letters to agencies, congressional committees detailing concerns and requesting a waiver;
- December 2020 – Congress restores deductibility, credits clause still active.

# *Protecting PPP Loans*



## Engagement Timeline:

- January 2020 – ACEC launches new grassroots effort in coordination with the MOs;
- March 2020 – House Small Business Committee hearing features two ACEC witnesses detailing industry concerns;
- March 2020 – FHWA releases final guidance;
- March 2020 – House Transportation & Infrastructure Committee Chairman Peter DeFazio (D-OR) raises question on the PPP issue to DOT Secretary Pete Buttigieg.

# *Protecting PPP Loans*



- FHWA guidance a step forward:
  - Limited to federally funded contracts;
  - Clarifies that firm fixed price / lump sum contracts are not subject to adjustment;
  - Limits application on multi-year contracts.
- ACEC working group of CPAs, DOT representatives on new FAQ guidance.
- Legislative fix may be needed to limit separate state policies.



# *Protecting PPP Loans*



Congress needs to take action to:

- ✓ Clarify that the FAR credits clause will not apply to forgiven PPP loans;
- ✓ Prohibit State DOTs from implementing policies that go beyond the scope of the FHWA guidance.

# *Infrastructure-based Recovery Agenda*



Matt Reiffer  
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# American Jobs Plan

- \$2.3 T over 8 years

- Transportation:

- Roads/bridges: \$115 B
- Transit: \$85 B
- Rail: \$80 B
- Aviation: \$25 B
- Safety: \$20 B

- Restore/reconnect communities: \$25 B
- Ports and waterways: \$17 B
- EV charging: \$15 B
- Transformative projects: \$44 B



# American Jobs Plan



- Resilience: \$50 B
- Water: \$111 B
  - Wastewater: \$56 B
  - Drinking water: \$45 B
  - PFAS remediation: \$10 B
- Broadband: \$100 B
  - Includes service subsidies
- Energy grid: \$100 B
- Schools: \$100 B
- Public housing: \$60 B
- Community colleges: \$12 B
- VA facilities: \$18 B
- Federal buildings: \$10 B

# *American Jobs Plan*

- Pay-Fors:
  - Increase corporate tax rate from 21% to 28%
  - 15% minimum tax on “book income”
  - Minimum rate increase on multi-national corporations
- Oppose gas tax increase or other tax increases on individuals with income <\$400,000



# *American Jobs Plan*

- Key Unanswered Questions
  - What is the federal share on projects?
  - How will funds be distributed – by formula or discretionary grants?
  - Will legislative process follow “regular order” or will Congress use budget reconciliation?



# *Senate Republican Alternative*

- \$568 B over five years
- Roads and bridges: \$299 B
- Transit: \$61 B
- Rail: \$20 B
- Safety: \$13 B
- Airports: \$44 B



# *Senate Republican Alternative*

- Drinking water and wastewater: \$35 B
- Inland waterways and ports: \$17 B
- Water storage: \$14 B
- Broadband infrastructure: \$65 B





# *Senate Republican Alternative*

- Funding through “renewed federal policies and programs”
- Principles on pay-fors:
  - Avoid increasing the debt
  - Shore up Trust Funds
  - Ensure that all users are contributing
  - Repurpose unused federal spending
  - Preserve *TCJA*



# Outlook and Next Steps

- Congressional committees focused on reauthorization
  - House T&I Committee developing bill based on H.R. 2, *Moving Forward Act*
  - Senate EPW expected to mark-up reauthorization bill by Memorial Day
- Senate voting on bipartisan \$35 B water infrastructure bill this week.



# *Infrastructure Priorities*



- 1) Increased investment
  - Supplemental funding and financing across range of federal capital investment programs
  - Coupled with multi-year program reauthorizations for transportation and water
- 2) Emphasis on adaptation and resilience to address climate impacts on infrastructure
- 3) Contracting policies to promote innovative project delivery
- 4) Modernized regulations for efficient project delivery

# *Virtual Lobbying Visits*



- Meetings coordinated through your ACEC state organization with assistance from ACEC national staff.
- Fact Sheet for each issue; designate a lead presenter for each.
- Personalize the issues -- relate them to your business and local projects.
- ACEC staff available to participate in meetings, follow-up with lawmaker offices on action items.

# Virtual Lobbying Visits



- Share your virtual lobbying activity on social media:
  - Post to Twitter and include @acecnational and #ACECinDC.
  - Remember to include the Twitter handle of the office you're meeting with in your messages.
  - Send photos to Jeff Urbanchuk for use in ACEC's blog, *Last Word*, and in our upcoming Annual Report.

# *Virtual Lobbying Visits*



## Questions?