

Republican Roadmap

MEMO

TO: President Biden

FROM: Senators Capito, Barrasso, Blunt, Crapo, Toomey, and Wicker

SUBJECT: Infrastructure Negotiations

DATE: May 27, 2021

Thank you for meeting with our group on May 13th and for the subsequent meetings with members of your Cabinet and White House staff. We appreciate your willingness to find a path to address America's infrastructure needs.

We recognize that your most recent offer leaves us far apart and, coupled with your Memorial Day deadline, leaves little time to close the gap. However, proceeding with reconciliation would undermine the good work we have done, and can continue to do, in a bipartisan manner. This week, the Senate took another significant step in moving forward with an infrastructure package. The Environment and Public Works Committee unanimously approved the bipartisan Surface Transportation Reauthorization Act of 2021 by a vote of 20 to 0. In addition, the Senate is currently working through a separate legislative package, the Endless Frontiers Act, which was included in your initial proposal.

When we recently met with you in the Oval Office, we discussed the parameters of an infrastructure package. Specifically, **you expressed a funding target of at least \$1 trillion over an eight-year period and that baseline funding levels could be included in that target.** As a group, we were explicit that **policies unrelated to physical infrastructure do not fit in this package.** This is not because we do not value these important issues. We simply believe that these policies should be addressed in separate legislation that does not dilute our shared objective of passing this package. **We can address these important issues separately without weakening our commitment to building America's infrastructure. Furthermore, we made clear as a Conference we will not revisit the 2017 Tax Cuts and Jobs Act that provided the fastest economic growth in years, prior to the COVID-19 crisis.**

This Republican Roadmap counteroffer is an eight-year infrastructure package that provides \$928 billion (inclusive of baseline spending) to address the needs of various types of infrastructure. As updated, the Roadmap includes a \$91 billion increase over baseline spending for roads and bridges and a \$48 billion increase over baseline spending for water infrastructure during that period. It also includes a one-time increase of \$25 billion for airports and \$65 billion for broadband, respectively; a \$22 billion increase over baseline spending for passenger and freight rail; and an additional \$6 billion for water storage in the West.

We propose to offset the Roadmap with a combination of repurposed funding from previous COVID relief packages, user fees, and infrastructure financing. We agree with you that raising taxes on hardworking Americans, especially as we come out of a pandemic, is not an acceptable solution.

With regard to repurposing funding from previous COVID relief packages, the Department of Health and Human Services has already demonstrated the Administration's willingness to repurpose billions of dollars Congress approved for testing and supplying the strategic stockpile, to address a completely unrelated matter on our southern border. We can identify funding from these packages that is no longer needed as we emerge from the pandemic, or that is not slated to

be spent for several years – if at all. As an example, billions of dollars will not be spent by those states that decided to encourage workers to return to work by not paying out unemployment insurance.

We believe that we can reach a bipartisan agreement on infrastructure legislation that will move through regular order. We share your commitment to building an infrastructure system that can meet the needs of our nation. We look forward to continuing our discussions around this framework.