

ASLRRRA Update: Legislative and Regulatory Issues

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Job Well Done!!



Legislative Update

45G – It's permanent!

Infrastructure Investments and Jobs Act - IIJA



“This has become a long running joke where Infrastructure Week is less a date on the calendar than it is a Groundhog Day-style fever dream doomed to be repeated.”

Katie Rogers, New York Times



IIJA

- \$1 TRILLION – over 5 years

– \$550B above baseline

- Rail
- Roads and Bridges
- Public transit
- Ports and waterways
- Airports
- Drinking and wastewater, broadband, electric vehicle infrastructure, and the power grid



Grant Funding (Over 5 Years)

- CRISI - \$5 Billion
- INFRA - \$8 Billion
 - Increase in multi-modal flexibility
 - Increase in Small Project Set Aside
- RAISE – Successor to BUILD and TIGER - \$7.5 Billion



IIJA - Additional Funding

- New Mega Projects Program - \$5 Billion
- New Grade Separation Program - \$3 Billion
- Section 130 Funding - \$1.2 Billion
- Port Infrastructure - \$2.2 Billion
 - with land-side rail eligibility
- State Rail Formula Program - \$7 Billion
 - more multi-modal flexibility than before
- Passenger - \$11B



It's a lot!

IIJA - Policy

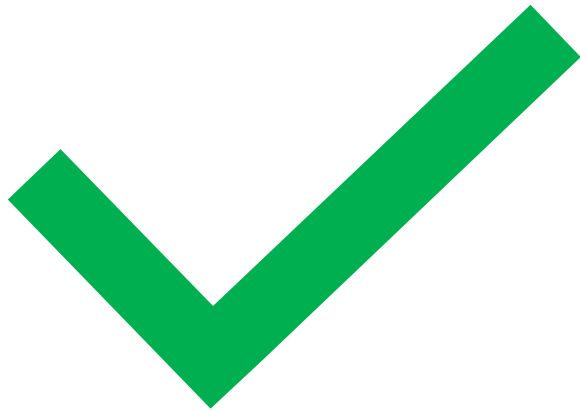
NO:

2 – person Crew Mandate

Locomotive Phaseouts

LNG by rail ban

Blocked crossing penalties, etc.



IIJA

- Is it paid for?
 - Continuing the gas tax at current rates
 - Canceling unused coronavirus relief spending
 - 5G spectrum auctions
 - Delaying a Medicare rule on pharmacy benefit managers
 - Debt

- Will it pass? Probably, yes.



And next on the list....

- Reconciliation
- Debt Ceiling
- Appropriations/CR

“I have no idea how it all works out. No idea.”

House T & Chairman Peter DeFazio (D-OR)



Reconciliation

Up to \$3.5 Trillion

Programs under consideration include

- Paid family and medical leave
- Universal pre school
- Free Community college
- Continuation of the new Child tax credit
- Expansion of the EITC
- Expand Medicare to include dental, vision, and hearing.
- Medicaid expansion
- Obamacare expansion
- Prescription drug changes
- Increase in wages for childcare workers
- Funds for recruiting more elder care workers

How to Pay?

- Corporate Tax Rate: 25%
- Individual Rates: 39.6%
- Cap Gains Rate increases
- Maybe more debt?



Other Legislative Issues

- The debt limit – the 2-year suspension expired 7/31.
 - Treasury Department will be out of money on 10/18.
- The “regular” Annual Appropriations process.
 - \$1.5 Trillion in annual funding for domestic agencies plus defense.
 - Extended today until December 3 when we get to have this debate again



Regulatory Policy

FRA

- Awaiting Amit Bose Confirmation
- Crew size rule will be reconsidered

STB

- Expressed concerns about the state of the industry, and will likely be acting to correct some issues



What else?

Executive Orders:

- Biden's EO on Competition
- Vaccine EO – Government & Contractors
- Expected OSHA Emergency Temporary Standard (ETS) – companies over 100 Employees

Job Market





Phoenix Convention Center - November 17 – 19, 2021

