2022 Federal Legislative Action Plan - Talking Points

Economic Development, Fiscal Responsibility and Tax Reform for Business

We encourage lawmakers to increase economic success and quality of life by allowing more localized decision-making, Federal policies to support economic development are critical. Our membership continues to be concerned about the rate of spending, as well as, regulatory and tax burdens on businesses, which stifle innovation, affecting growth and jobs.

We support:

1. **ENERGY: Emphasizing policies to secure energy independence, encourage energy exports, and enable innovation in diverse energy sources, including nuclear energy. Reducing regulations to increase energy production on federal lands.**

    a. Support actions to reduce dependence on foreign oil and crude products.

    b. Support efforts to end the U.S. ban on oil and gas leasing on federal lands and waters, and accelerate permitting of new exploration. Production on federal lands and waters accounts for 22% of total oil production and 12% of natural gas.

    c. Oppose any attempt to shut down active pipelines, impose expensive requirements on the oil and gas sector, as well as restrict horizontal drilling and hydraulic fracturing on private or public lands. The Administration should call on the Federal Energy Regulatory Commission to reverse its new pipeline permitting policy that will dramatically hinder the ability to build the energy infrastructure needed to access the United State' plentiful domestic natural gas resources.

    d. Support reforms to the regulatory process that will streamline and expedite the permitting process for responsible energy growth projects.

    e. Support an all-inclusive strategy that utilizes a variety of energy options - from the traditional and important sources of coal, oil, and LNG to nuclear and innovative renewables.

    f. Support implementation of the Infrastructure Investment and Jobs Act to strengthen and secure energy supply chains to modernize the nation's energy infrastructure.

2. **WORKFORCE: Building and supporting a qualified workforce by investing funds at the state and regional service area levels which meets local employers' needs, including cybersecurity related areas to upskill or reskill employees. Addressing the national supply chain issues to end the shortage of critical supplies impacting local companies.**

    a. Strengthen the emerging workforce pipeline by streamlining training with employers to develop skilled, value-added jobs. Enhance the existing workforce with administration of federal funds at the local level. Encourage state facilitation of training by aligning federal workforce training funds the employers and industries need at the state and local level.

b. Encourage continuation of STEM education programs and extend funding for federal initiatives that encourage early interest and awareness in career pathways for students. Support the Department of Education's Career Technical Education at secondary and post-secondary education institutions to better prepare students for future career opportunities.

3. **FEDERAL PROGRAMS: Maintaining current authorities and increasing federal investment in economic development programs that support local communities. Facilitating the effectiveness of tools which encourage leveraging funds, creating job opportunities, and stimulating private investment. Creating and enforcing policies to reduce waste, fraud and duplication of federal programs. Eliminating unfunded mandates on state and local governments.**

   Maintaining funding for the Community Development Block Grant (CDBG), Economic Development Administration (EDA) grants, New Market Tax Credits (NMTC), and Historically Underutilized Business (HUB) Zones would greatly benefit our community. These grants and programs have the potential to revitalize our cities through targeted investments to meet local needs – transforming neighborhoods, providing preventative social services, and developing key areas of our economy. The grants provide a source of funds to address critical issues that often fall outside what general fund monies can, or should, do. Both the City of Bryan and the City of College Station used these funds to impact thousands of residents. Current statutory and regulatory requirements are outdated and present administrative burdens that reduce the effectiveness of these programs. Rules should be reviewed and changed where necessary to allow greater impact.

   EDA Grants
   Economic development grants and loans can help revitalize distressed communities in urban, rural, and tribal regions. Strategic investments help support local economies, create jobs, and attract private investments to better the lives of residents.

   In terms of federal grant making, economic development grants often come from the Department of Commerce's varied bureaus: the International Trade Administration (ITA), Economic Development Administration (EDA), National Institute of Standards & Technology (NIST), National Telecommunications and Information Administration (NTIA), National Oceanic and Atmospheric Administration (NOAA).

   New Market Tax Credits (NMTC)
   The New Markets Tax Credit (NMTC) was established in 2000. Congress authorizes the amount of credit, which the Treasury then allocates to qualified applicants. Since 2003, the program has parceled out credits worth nearly $60 billion. The NMTC has supported more than 7,000 projects in all 50 states, the District of Columbia, and Puerto Rico. Some 43 percent of the US's roughly 73,000 census tracts qualify for NMTC investments; by 2015, approximately 5,300 had received NMTC projects. In recent years, all applicants have pledged to place at least 80 percent of their NMTC projects in "severely distressed" census tracts. The credit is currently set to expire at the end of 2025, but Congress has extended it several times. 1700 Manufacturing and industrial businesses were financed, creating 1 million jobs.

NMTC investors provide capital to community development entities (CDEs), and in exchange are awarded credits against their federal tax obligations. Investors can claim their allotted tax credits in as little as seven years—5 percent of the investment for each of the first three years and 6 percent of the project for the remaining four years—for a total of 39 percent of the NMTC project. A CDE can be its own investor or find an outside investor. Investors are primarily corporate entities—often large international banks or other regulated financial institutions—but any entity or person is eligible to claim NMTCs.

The cost of the program has fluctuated over time, including bump-ups in response to Hurricane Katrina and again as a part of the American Recovery and Reinvestment Act (figure 1). Of late, the NMTC has held steady at around $1.4 billion per year.

Historically Underutilized Business (HUB) Zones

The Historically Underutilized Business Zones (HUBZone) program helps small businesses in urban and rural communities gain preferential access to federal procurement opportunities. These preferences go to small businesses that obtain HUBZone certification in part by employing staff who live in a HUBZone. The company must also maintain a "principal office" in one of these specially designated areas. This articles discusses characteristics and eligibilities for small businesses to be a part of HUBZone which can be helpful for the small business owner as well as the contracting officers. Contracting officers can find this information useful as well, in addition to some the information about regulations to cater to their needs in assisting small businesses which are qualified as HUBZones.

The SBA regulates and implements the HUBZone Program. The SBA does the following:

- Determines which businesses are eligible to receive HUBZone contracts
- Maintains a listing of qualified HUBZone small businesses that federal agencies can use to locate vendors
- Adjudicates protests of eligibility to receive HUBZone contracts
- Reports to the Congress on the program's impact on employment and investment in HUBZone areas

Opportunity Zones

Opportunity Zones are census tracts generally composed of economically distressed communities that qualify for the Opportunity Zone program, according to criteria outlined in 2017's Tax Cuts and Jobs Act. Since the passage of the law, Opportunity Zones have been designated in all 50 states in the US, the District of Columbia, and five US possessions (American Samoa, Guam, Northern Mariana Islands, Puerto Rico, and the Virgin Islands). In fact, 98 percent of Puerto Rico falls into an Opportunity Zone.

Up to 25% of low-income neighborhoods that meet the income qualifications of the program (and up to 5% of non-low income tracts that meet other income and geographic requirements) in each state, district, or territory can be designated as Opportunity Zones. In states, territories, and districts with fewer than 100 census tracts, up to 25 census tracts can be designated as Opportunity Zones. Areas certified as Opportunity Zones retain their designation for ten years. More than 8,700 Qualified Opportunity Zones have already been qualified in the US and US territories.

The Opportunity Zone program was created to stimulate private investment in Opportunity Zone communities in exchange for capital gain tax incentives. Instead of dedicating taxpayer money to developing thousands of low-income census tracts across the US, this program aims to stimulate the investment of the estimated $6.1 trillion of unrealized private gains held by US households. In exchange for investing in communities within Qualified Opportunity Zones, investors can access capital gains tax incentives both immediately and over the long term.

Unlike existing programs designed to encourage private investment in low-income areas through tax advantages, the Opportunity Zone program is less restrictive, less costly, and less reliant upon government agencies to function. Existing programs, such as the New Markets Tax Credit (NMTC) Program and Low Income Housing Tax Credit (LIHTC) Program, are more limited in supply and subject to annual Congressional approval and/or tax credit allocation authority. Because the tax credit system limits the number of credits issued each year, it inherently limits the number of investors who can participate, and therefore the amount of money that can be invested into the development of a community under the program.

Opportunity Zones don't operate through a tax credit program. Instead, Opportunity Zone designation and investment are governed through two Internal Revenue Code sections. This removes any limitation on the number of Opportunity Funds that can exist, making them more the product of an entirely new IRS rule that changes the tax treatment of capital gains than the subject of a more traditionally structured tax credit program

Unlike existing programs designed to stimulate private investment in low-income communities, Opportunity Funds can self-certify without the need for approval from the US Treasury Department. This means that Opportunity Funds are managed entirely in the private market with the administration of the funds falling solely on the shoulders of fund managers rather than government agencies or investors.

Most importantly, there is no cap on the amount of capital that can be invested into qualified Opportunity Zones through the program, and hence no arbitrary limit on the extent to which the program may help reshape downtrodden communities.

4. **INTERNATIONAL TRADE and IMMIGRATION REFORM: Facilitating fair, equitable international trade agreements thus creating jobs and wealth. Protecting our borders and eliminating loopholes that encourage illegal entry. Enacting comprehensive immigration reform, including guest worker programs that reward legal immigration and foster economic growth.**

   a. U.S. immigration policy is badly broken and is not designed to meet today's dynamic economic needs. We need policies that help grow U.S. businesses, attract capital and boost U.S. job creation.

   b. Border integrity is essential—both in the form of physical border protections to prevent illegal entry and reliable monitoring and tracking of immigrants who enter the U.S. on temporary visas and overstay the terms of their visa without permission.

c. Trafficking of illicit drugs, such as fentanyl, across the southern border of the U.S. is a threat not only to public health but to the strength of the U.S. economy. In 2018, according to the White House Council of Economic Advisers, the cost of overdose fatalities was $696 billion. With overdose deaths increasing in 2021, it is estimated that drug overdoses are now costing the United States approximately $1 trillion annually in addition to the tragic loss of life.

d. Ending Title 42 at the border without a plan to manage the inevitable influx of migrants risks a humanitarian crisis, endangers Texas border communities and threatens to overwhelm an already stressed immigration system.

e. Rational policy changes that could help stem the flow include: review of how asylum requests are handled, including consideration of a plan to allow asylum claims to be made from immigrants' home country; consistently applying Remain in Mexico protocols so immigrants can remain there while their asylum claims are reviewed; additional detention facilities so immigrants can be held while their asylum claims are being adjudicated rather than be released into the U.S. interior where a high percentage to not appear for their hearing; hiring more immigration judges to expedite review of asylum claims; eliminating the deportation restriction so illegal immigrants can be timely deported to a non-contiguous home country.

f. The current policy for issuing U.S. green cards favors family-based chain migration which tends to result in immigration of low skilled and unskilled workers and skews towards an older population.

g. The visa lottery system, similarly, awards green cards without regard to an applicant's education level and skills and is not always in the best interest of the U.S. economy. Any expansion of diversity visas should likewise consider U.S. economic interest.

h. The U.S. should do more to attract credible foreign entrepreneurs. Startups in the U.S. create jobs and attract capital. The U.S. does not have a special visa for immigrants who start companies in the U.S. and, in fact, current immigration rules discourage highly skilled and highly educated foreign workers in the U.S. on H-1B visas from innovating new start-ups. Visa eligibility can require active involvement in company management, benchmark growth, and ability to attract other investors.

i. U.S. businesses need a workable guest worker program to allow them to use foreign workers on a temporary basis when they are unable to fill positions with American workers. For example, currently the H-2A visa is the only agricultural visa available to U.S. farms and it is too expensive and cumbersome to work for many U.S. growers. Inefficient temporary worker visa programs do nothing to protect U.S. workers and only hurt the U.S. economy.

j. Federal immigration law should provide U.S. businesses with access to the international talent pool by allowing foreign students receiving graduate degrees at American universities in essential technical fields to qualify for permanent resident status.

k. International trade policy should strive to create a level playing field. Wealth and jobs are created through economic activity which benefits all parties equitably. Fair and honest trade practices must be enforced, and negotiated agreements should contain rules and codes of conduct, and penalties for violations.

l. Tariffs are a form of taxation on all parties, including consumers, and the ideal situation is zero tariffs. If needed to correct unethical, harmful activities, they should be targeted at the malefactors and not countries, entities or products which are not part of the problem.

m. Free trade is critical to the prosperity of our nation and the world, and equitable agreements, whether global, regional or bilateral, are essential for continued, long term economic growth and prosperity.

5. TAX and FINANCIAL REFORM: Continuing comprehensive tax reforms to help U.S. companies better compete in the global marketplace.

a. The waning pandemic and robust economic recovery have come with many benefits—plentiful jobs and fast-growing (nominal) incomes—but also serious challenges such as high and rising inflation.

b. Rather than pushing for more fiscal stimulus or leaving it to the Federal Reserve to handle inflation through higher interest rates, policymakers should focus on boosting the productive capacity of the economy by reforming the tax code to prioritize economic growth and opportunity.

c. In terms of business taxation, the tax code should be improved to encourage investment, innovation, dynamism, and competitiveness, leading to more and better jobs.

d. In terms of individual taxation, streamlining benefits, cleaning up complicated provisions, and eliminating tax penalties on saving would help families enjoy financial security and the returns to their work and saving.

Business Tax Reforms:

a. Better cost recovery for capital investment: Implementing full expensing for short-lived capital investments and indexing the depreciation schedules for buildings and factories (referred to as "neutral cost recovery") would remove tax and inflation penalties from investments in physical assets, encouraging more investment to benefit workers and businesses.

b. Better cost recovery and simpler treatment for Research & Development expenses: While the U.S. leads on many R&D fronts, our advantage is in jeopardy as tax and inflation penalties on R&D investments went into effect at the start of 2022. Reversing the penalties and simplifying the R&D tax credit so smaller businesses, start-ups, and entrepreneurs can effectively use the credit, will incentivize continued innovation.

c. Maintain a competitive corporate tax system: The combined federal-state U.S. corporate tax rate of 25.8 percent ranks slightly above the OECD average of 22.7 percent—a substantial improvement made by the Tax Cuts and Jobs Act (TCJA) of 2017, prior to which the U.S. had the highest corporate tax rate in the developed world. As countries continue to compete for international investment, the U.S. should strive to maintain a competitive corporate tax rate. Similarly, the U.S. should reduce and simplify international tax rules to be consistent with rules found in other industrialized countries.

d. Remove the double taxation of corporate income: Shareholder taxes on capital gains and dividends are layered on top of corporate taxes. Many countries have reduced the double taxation of corporate income by more fully integrating the individual and corporate tax codes, which reduces distortions, lowers the cost of capital, and encourages investment.

e. Clean up the structure of the business tax code: It is possible to raise large amounts of tax revenue while cleaning up the structure of the business tax code by eliminating unsound business tax expenditures. The additional revenue can offset the cost of other improvements to the business tax code while simplifying taxes for businesses.

f. Return to competitive, free trade policies: Since 2018, the United States has embarked on a trade war to shield legacy industries from competitive pressures while failing to address trade practices of other nations. Removing the tariffs, which have created higher prices for U.S. consumers and businesses, is another way to ensure industries remain competitive and consumers and businesses do not face disadvantages compared to others around the globe.

6. DEFENSE: Rebuilding national defense to increase U.S. credibility and influence globally while keeping the promises made to our military and veterans.

The actions of Russia in Ukraine, an independent nation, illustrate three key points:

a. We have not seen the end of armed conflict, and we must be prepared and strong enough to dissuade potential aggressors from engaging in hostile actions.

b. We have obligations to allies and other friends via agreements and treaties to be prepared to meet the commitments we have made, as well as to react to threats to peace as they arise in other arenas.

c. Organizations to which we belong such as NATO and the United Nations have an important role to play, and will be encouraged and more likely to play that role if and when they can rely on the United States for leadership in crisis situations.

d. Additionally, the hostile actions of China in the Western Pacific are also a current threat to America and our friends and allies in the region for the following reasons:

e. China has reneged on its agreements regarding Hong Kong and is acting in an aggressive and threatening manner towards Taiwan, an independent nation with whom we have agreements.

f. Xi Jinping has stated publicly the goal of becoming the world's number 1 superpower, both economically and militarily.

g. Militarily, they are building a powerful offensive naval capability, including more ships at sea between 2014 and 2018 than the total number of ships in the German, Indian, Spanish and British navies combined. The increasing Chinese submarine fleet includes upgraded nuclear ballistic missile boats that are stealthy. They are building islands with runways and hangars capable of handling their improved fighters and bombers, and claiming other islands and sea areas belonging to other nations, such as Indonesia. Their nine-dash line claims have been invalidated by a 2016 Hague ruling and are illegal, which China disregards.

h. China is using economic and military coercion to intimidate other nations and enforce its own goals. It also employs currency manipulation as an economic weapon.

We must not only do what is necessary financially to strengthen our military but also do it as rapidly as possible.

7. CONGRESSIONALLY DIRECTED SPENDING ITEMS: Allowing congressionally directed spending items (CDSI) for local development, provided the overall total of CDSIs occur after the federal budget is established, and the total is limited to no more than 1% of discretionary spending.

Congressionally directed spending items can improve the legislative process and direct funding to needed local projects. They should be made with full transparency, including a publicly posted description of the project, an explanation of how the project will benefit constituents and an attestation that the lawmaker has no personal or family connection to the project.

Healthcare

Americans continue to expect a healthcare system that provides choice for coverage options and providers; focuses on improving the experience of care; improves the health of the population; reduces the per capita cost of healthcare; and ensures financial stability for individuals and businesses. The COVID – 19 pandemic has underscored the importance to ensure access to healthcare as well as the financial viability of healthcare entities that provide care for those most vulnerable patients in healthcare.

We support:

1. **RENEWAL OF THE TEXAS 1115 WAIVER: Texas safety net hospitals rely on Medicaid supplemental funding provided through the 1115 Waiver. It is critical that our 1115 Waiver is renewed to help safety net providers care for the other 3.7 million residents who do not have healthcare coverage.**

2. **HEALTHCARE WORKER SHORTAGE: Increased funding of education for nursing school programs focused on acute and critical care to allow them to increase enrollment of healthcare providers who will pursue careers focused on acute and critical care. Buildup of this workforce will be critical to re-build the nurses, physicians, advanced practitioners and other clinicians to sustain the patient load experienced by hospitals.**

3. **MEDICAID EXPANSION: Support for the Medicaid Coverage Gap component of the Build Back Better Act, which could provide health care coverage for more than 750,000 of Texas' 4+ million uninsured residents through ACA marketplace. This is a significant step to reducing the large number of uninsured Texans – a group hit hardest by the Covid-19 pandemic.**

Talking Points:

1. Cancellation of the 1115 waiver renewal will cripple healthcare providers in both urban and rural areas. We encourage legislators and CMS administrators to find a resolution to continue the 1115 waiver for the State of Texas.

2. Texas, as well as the nation has been devastated by an increase in demand for acute care providers, while the supply has decreased due to a higher rate of retirements and healthcare workers escaping the stress of COVID by working at non-acute care settings. The need for front line acute care hospital workers has increased significantly due to increased demand of traveling healthcare workers and an increase in retirements.

3. Cost and supply of acute care focused healthcare workers has reached an unsustainable status. Health workers caring for ER, Critical Care and other medical hospital patients are commanding wage rates that are not supported with current reimbursement rates. Increasing the supply of these professionals will aid hospitals providing necessary acute care services in stabilizing the cost of labor in the future.

4. Medicaid expansion under the BBB Act would provide health insurance for approximately 771,000 working-age adult Texans who earn too much to qualify for Medicaid, but too little to afford commercial health insurance. These individuals will be able to enroll in free or low-cost coverage in the marketplace through 2025. This will be the first meaningful expansion of comprehensive health coverage for uninsured Texans in roughly a decade and will reduce the number of difficult choices people make about whether to seek medical care due to cost. The three-year window of this program would allow the state to measure the sustainability of the program and verify if individuals will utilize this program and access this form of insurance.

Transportation, Mobility and Infrastructure

Transportation and mobility impact every aspect of daily life. The priority is not only the maintenance of transportation infrastructure, it must also allow for multi-modal innovation and expansion in areas of high growth and in times of rapid economic development. As the Bryan/College Station/Brazos County area continues its rapid growth, it is essential that planning and funding for transportation improvements including new or improved corridors remain a high priority to mitigate future mobility impacts. We applaud our Congressional Delegation for recognizing our priorities by including I-14 and I-214 language in the Infrastructure Investment and Jobs Act.

a. New I-14 language moving away from generally following US 190 to naming communities to be connected by I-14.

b. Added a loop around Bryan/College Station and designated as I-214.

c. Will take 10-15 years to even consider construction and multiple years to build.

We support:

1. **INVESTMENT IN INFRASTRUCTURE: Exercising oversight to ensure that the Infrastructure Investment and Jobs Act is fully funded as authorized and is implemented expeditiously, fairly and efficiently in a manner that enables communities to leverage infrastructure improvements that stimulate economic growth and/or mitigate mobility impacts.**

    a. Infrastructure Investment and Jobs Act v. Bipartisan Infrastructure Legislation (they are the same!).

    b. Authorized v. appropriated v. obligated (Will need continued support for funding appropriations and obligations).

    c. Lots of new grants but regulations and funding opportunities have been developing slowly.

    d. It took the Federal Highway Administration (FHWA) a year the last time new transportation legislation was approved to publish Notice of Proposed Rulemaking that opens public comment and then almost a full year to finalize the rules.

2. **ENHANCED REVENUE STREAMS FOR THE HIGHWAY TRUST FUND: As auto makers produce higher mileage vehicles and with the growth of electric vehicles, fuel tax revenue is decreasing relative to vehicle miles traveled. Developing equitable funding mechanisms such as vehicle registration fees and/or vehicle miles traveled tax and increasing the fuel tax to stabilize and restore the Highway Trust Fund allows for investments in infrastructure maintenance and new transportation networks. We oppose legislative efforts to pause collection of gasoline taxes.**

a. Federal excise gas tax 18.4 cents for gasoline and 24.4 cents for diesel since 1993.

b. Makes up 82 percent of highway trust fund revenue; balance is excise tax on heavy truck tires, tractors and heavy trucks sales tax, and use tax for heavy trucks.

c. Purchasing power of the gas tax has declined by 45% since 1993.

d. Other funding mechanisms suggested include:
    i. Inflation adjustment would bring it to more than 33 cents for gas and 44 cents for diesel.

    ii. Sales tax system in which the fuel tax would be levied as a percentage of the retail price of fuel and not as a fixed amount per gallon.

    iii. VMT tax via electronic monitoring or collected annually at inspection time.

a. The Wharton Center for Policy states that suspending gas tax to December 2022 would save average driver only $16-$47. Federal revenue would decline by $20 billion.

b. Shortfalls in highway trust fund are back-filled by general fund appropriations which requires issuing debt.

3. **IMPROVED PASSENGER RAIL AND COMMERCIAL AIR SERVICE: Bryan/College Station's location within the Texas Triangle necessitates access to multiple modes for intercity travel. Ensure the Federal Railroad Administration and the USDOT support safe, sustainable and privately funded high speed rail. We support Amtrak service linking Houston and Dallas to Bryan/College Station as specified in Amtrak's Corridor Vision. Support Federal Aviation Administration funding for local and regional airports to enhance operational efficiency, safety and passenger convenience.**

    a. Amtrak service requires high population density along corridors (think NE corridor, California coast and Washington/Oregon coast). This allows lower density corridors to be subsidized.

    b. Amtrak stop locations can be politically manipulated.

    c. Private rail service sets prices, schedules and stop locations.

    d. Unlike Amtrak, private rail is competing price wise with air travel not competing with subsidized rail/greyhound travel.

    e. The Airport Improvement Program (AIP) airport grant program funds airport infrastructure projects such as runways, taxiways, airport signage, airport lighting, and airport markings.

f. Airports are entitled to a certain amount of AIP funding each year, based on passenger volume. If their capital project needs exceed their available entitlement funds, then the FAA can supplement their entitlements with discretionary funding.

g. Discretionary grants can be obtained by both Easterwood and Coulter.

4. **BRAZOS TRANSIT DISTRICT BUS STOPS, BUS SHELTERS AND ELECTRIC BUSES: Brazos Transit District is transitioning from flag stop to fixed stop service and diversifying their fleet. Grant funding from the Federal Transit Administration is needed to develop a network of bus stops and bus shelters that make travel corridors safe and accessible and allow for the purchase of electric buses.**

   a. Want to move away from picking up/dropping off anywhere along route (flag stop) to only stopping at certain locations.

   b. Safer for passengers and drivers.

   c. Improves reliability by allowing for fixed scheduling, and timetables.

   d. Provides relief from inclement weather/heat.

   e. Push from Federal Transit Administration to have more low/no emission vehicles.

   f. Funds can be via congressionally directed spending (earmark) or FTA grants.

   g. BTD submits multiple grant requests annually.

5. **PREPARING THE TEXAS ELECTRIC GRID FOR VEHICLE ELECTRIFICATION: Experts agree that electric vehicles (EVs) provide positive impacts, including improved air quality and reduced emissions from conventional vehicles. However, as EVs become more widely accepted and used, they will have an impact on the electric grid. The cost to the state of Texas to implement EV infrastructure will be substantial, and therefore it is important that it is done correctly. This initiative from the Texas A&M Transportation Institute will provide necessary data to the State of Texas, as well as private industry, to ensure investments in the electric infrastructure are made where there is the biggest gain.**

   a. The "grid", or transmission system, is the interconnected group of power lines and associated equipment for moving electric energy at high voltage between points of supply and points at which it is delivered to other electric systems or transformed to a lower voltage for delivery to customers.

   b. The TTI proposal requests $1.6 million for key equipment needed to establish this research initiative. This investment will leverage grant and contract funding to further develop the initiative in future years.

   c. The Texas A&M Transportation Institute has the research staff and experience to be a leading source of fact-based information that will be needed by private and public decision makers as EVs become a larger share of the transportation fleet.

d. According to the U.S. Energy Information Administration (EIA), fossil fuel–based power plants—burning coal, oil, or natural gas—create nearly 60 percent of the nation's power, while nuclear power accounts for about 20 percent.

e. The grid is highly vulnerable to extreme weather and cyberattacks.

f. By 2030, the nation will need to invest as much as $125 billion in the grid to allow it to handle electric vehicles. The $1.2 trillion infrastructure bill includes $62 billion for electrification projects and programs.

g. By 2050, electric cars, trucks and buses are projected to use 14-25 percent of total output. Overall demand on the electric grid could grow by as much as 50 percent.

Higher Education & Workforce Training

An educated workforce is vital to the economic growth and vitality of American families and every community. The educational partnerships of Blinn College, Texas A&M University, the Bryan/College Station business community, local governments, K-12 education, and nonprofits are working to share the responsibility of developing a dynamic as well as diverse economy to embrace productive citizens and new technology advancements.

The Collaboration among these partners is resulting in a more streamlined approach to identify and provide for our region's educational and workforce needs.

Enhancing federal funding for research, innovation and workforce training not only develops new technologies but it also supports local businesses and creates new jobs. These investments ensure the future success of the Brazos Valley.

We support:

1. **FEDERALLY FUNDED RESEARCH: Increasing annual budgets for competitive grants to institutions of higher education conducting top-tier research initiatives that will maintain American competitiveness in the world.**

    a. Particularly sponsored programs from:
        i. National Science Foundation (NSF)
        ii. National Institute for Standards & Technologies (NIST), Department of Commerce (DOC)
        iii. National Institute for Health (NIH), Department of Health & Human Services (DHHS)
        iv. National Aeronautics & Space Administration (NASA)

    b. Additionally, extramural priorities at mission agencies such as:
        i. Department of Agriculture
        ii. Department of Commerce (DOC)
        iii. Department of Defense (DOD)
        iv. Department of Energy (DOE)
        v. Department of Veteran Affairs

2. **FEDERAL FINANANCIAL AID: Strengthening the commitment to post-secondary education through continued prioritization by Congress, specifically via programmatic funding dedicated to supporting and expanding innovative measures, at community colleges and tier-one research universities as well as training for veterans and student financial aid.**

    a. Particularly, impacts on our community through Pell Grant recipients are profound in advancing opportunities for all.

    b. Doubling the available opportunities for students to participate in the Pell Grant program will ensure quality access.

3. **ADVANCED TECHNOLOGICAL EDUCATION: Developing broader commitments from mission agencies for apprenticeship programs, such as Research Security Operations (RSO), and increasing funding for the Advanced Technological Education (ATE) program at NSF are imperative to bolster national competitiveness in science, technology, engineering, and mathematics (STEM) fields.**

    a. Particularly ongoing efforts to enact these following legislative measures:
        i. United States Innovation and Competition Act (USICA)
        ii. America Creating Opportunities for Manufacturing, Pre-Eminence in Technology, and Economic Strength (COMPETES) Act

    b. Especially, endeavoring to authorize key programs:
        i. DOE: Advanced Research Projects Agency for Energy (ARPA-E)
        ii. NIH: Advanced Research Projects Agency for Health (ARPA-H)
        iii. DOD: Defense Advanced Research Projects Agency (DARPA)