

American Jobs Plan Detailed Briefing Points

Context

- Since before the President took office, he has been laser focused on two things: COVID-19 and the economy.
- And in the first 50 days, his top priority was passing the American Rescue Plan and getting shots in arms to stem the pandemic.
- Because of competent execution and partnership with Congress, we've passed the ARP.
- And there have been a number of encouraging signs in the weeks following passage.
- Vaccinations are increasing. More than 35% of American adults have received at least one dose of the vaccine. By April 19, 90% of American adults will have access.
- And we have seen some encouraging signs in the economy too. Economic forecasters are projecting significantly increased growth this year. The OECD projects growth at 6.5% and Goldman Sachs projects 7.1% growth.
- But our country continues to face significant economic challenges. 9.5 million Americans remain out of work, 1 in 3 households are struggling to afford basic expenses, and millions of small businesses are hanging on by a thread.
- More fundamentally, even before the pandemic, our country faced significant and structural economic challenges.
 - Even though we are the wealthiest country in the world, our infrastructure ranks 13th.
 - We're also falling behind China in research and development, manufacturing, and training – leaving our economy and national security exposed.

AJP Overview

- President Biden believes this is no time to build back to the way things were before. This is the moment to reimagine and rebuild a new American economy.
- The American Jobs Plan will create millions of good-paying jobs, rebuild our country's infrastructure, and position the United States to out-compete China.

- This is a once-in-a-century capital investment in America. By investing about \$2 trillion over the next eight years, we can transform our current and future infrastructure and fundamentally change life for Americans.
- If passed alongside President Biden's Made in America corporate tax plan, the plan would be fully paid for within the next 15 years and reduce deficits in the years after.
- This plan will bring public investment as a share of the economy back to where it was in the 1960s, the last time we made transformative investments in our nation's infrastructure.
- But this time, we will tie those investments to creating good-quality jobs that pay prevailing wages in safe and healthy workplaces. Jobs that ensure workers have a free and fair choice to organize, join a union, and bargain collectively.
- This time, we are not going to leave behind communities that have been systematically excluded for generations. This includes communities of color and rural communities.
- And this time, our investments will allow us to take on the climate crisis and transition to a clean energy economy.
- This plan has four parts, all of which will affect our everyday lives:
 - The first is how we move – investments in our roads, bridges, rail, and other elements of our transportation infrastructure.
 - The second is how we live at home – investments in broadband, water, power, housing, and buildings.
 - The third is how we care for one another – investments in home- and community-based care for older family members and people with disabilities.
 - The fourth is how we make – investments in manufacturing, next-generation research and development, high-quality workforce development, and critical supply chains.

How We Move

- Let's start with how we move.
- Ranking 13th in the world in infrastructure has real costs. Delays caused by traffic congestion alone cost over \$160 billion per year, and motorists are forced to pay over \$1,000 every year in wasted time and fuel.

- The plan invests \$620 billion in our transportation infrastructure.
- It will modernize 20,000 miles of highways, roads, and main-streets.
- It will fix the ten most economically significant bridges in need of reconstruction and repair the worst 10,000 smaller bridges, reconnecting communities across the country.
- It will double federal funding for public transit, buy down the repair backlog, and bring bus and rail service to new communities and neighborhoods, especially those that have been structurally excluded from resources and opportunity.
- It will spark the electric vehicle revolution, building a network of 500,000 EV chargers, replacing 50,000 diesel transit vehicles, electrifying at least 20 percent of our yellow bus fleet, and helping consumers purchase the vehicles of tomorrow.
- And, it will make our infrastructure more resilient to climate change, in addition to targeting 40 percent of the benefits of the climate and clean infrastructure investments to disadvantaged communities.

How We Live at Home

- Again, the second part of this plan is about investments in the way Americans live at home.
- Right now, too many families live without access to internet at minimally acceptable speeds. More than 35% of households in rural areas.
- As many as 10 million families live in homes that still receive drinking water through lead service lines and pipes.
- Too many families live through power outages that cost lives and cost the U.S. economy billions every year.
- And, too many families live in homes that they struggle to afford.
- The plan invests around \$650 billion to reconnect communities and transform the way we live. It invests in broadband, clean water, the electric grid, and the building of high-quality affordable housing.
- The plan will deliver universal broadband access, including to the more than 35% of rural Americans who currently lack access, in addition to the underserved communities that

currently can't afford it.

- It will replace 100 percent of the nation's lead pipes and service lines, and reduce lead exposure in 400,000 schools and childcare centers.
- It will lay thousands of miles of transmission lines, making our electric grid more resilient.
- It will build, renovate, and retrofit more than 2 million homes and housing units.
- The plan will also repair our schools, community colleges, child care facilities, and federal buildings, including our veterans' hospitals.
- And, it will cap hundreds of thousands of orphan oil and gas wells and abandoned mines, putting hundreds of thousands of people to work in communities that have been affected by the market-based transition to clean energy.

How We Care

- The third part of this plan is about investing in how we care for one another.
- Right now, hundreds of thousands of seniors and people with disabilities who need better care are unable to access it.
- And, one in six essential care workers, who are disproportionately women of color and work full time providing care to our loved ones – our parents and children – live in poverty.
- The American Jobs Plan invests \$400 billion in the care economy.
- The plan will support well-paying caregiving jobs that include benefits and the ability to collectively bargain.
- The plan will also expand access to quality, affordable home- or community-based care for hundreds of thousands of seniors and people with disabilities, including by extending the longstanding Money Follows the Person program that supports innovations in the delivery of long-term care.

How We Make and Create

- The fourth part of the plan is investing in how we as Americans create and make.

- We are one of the few major economies whose public investments in R&D has declined as a percentage of GDP in the past 25 years. At the same time, China now ranks number two in the world in R&D expenditures.
- Over the last 30 years, we lost over a quarter of our small and medium sized manufacturing plants. Meanwhile, over half of all high growth, high wage jobs are concentrated in only 41 counties.
- The plan invests around \$580 billion in R&D, manufacturing, and training.
- The plan makes an historic \$180 billion investment in R&D – the biggest increase in non-defense public R&D spending in history – with a specific focus on high-growth sectors like clean energy.
- On manufacturing, we will make more of what is discovered here in America by offering new incentives to help companies work with researchers and local leaders to rebuild our supply chains.
- This plan will make a \$50 billion investment in domestic semiconductor manufacturing, securing U.S. leadership in a global market that supplies critical inputs for almost all our goods—from our cars to our refrigerators to our computers.
- We will build a more inclusive stem workforce through focused investments in the more than 30% of students that study at HBCUs and other minority serving institutions.
- And, the plan will support clean energy manufacturing projects in coal communities and reinvest in our industrial heartland by providing incentives for companies – large and small – to locate manufacturing jobs there.
- Finally, the plan will double the number of registered apprenticeships from where we are today to over 1 million – ensuring these programs reach workers and students who have typically been left out.

Corporate Tax Reform

- The corporate tax system is broken, and it was made worse by the 2017 tax law.
- In the wake of the 2017 tax law, the average tax rate for U.S. multinationals on profits reported here fell from 16 percent in 2017 to 8 percent in 2018.
- Corporate revenue as a share of GDP fell from an average of 2.0 percent from 2000 to 2017 to 1.0 percent in 2018 and 2019, one-third the average of the OECD.
- The law in a number of ways aggravated incentives to ship both profits and jobs overseas.

- The President is proposing to fundamentally reform the corporate tax code so that it incentivizes job creation and investment here in the United States, stops unfair and wasteful profit shifting to tax havens, and ensures that large corporations are paying their fair share.
- Altogether, the reforms will add about 0.5% of GDP per year in corporate revenue, fully paying for the investments in this plan over the next 15 years, and reducing deficits on a permanent basis. Corporate revenue as a share of the economy will remain well below the OECD average.
- One key element of the plan is to raise the corporate tax rate to 28%. The rate will remain lower than at any point since World War II other than the years since the 2017 tax act.
- Another key element is fundamental reform of how we tax multinational corporations. The President's plan will strengthen the global minimum tax applied to U.S. corporations by raising the rate to 21%, calculating it on a country-by-country basis, and eliminating the current exemption that allows profits on foreign investments to entirely avoid the tax. This will address the incentives U.S. corporations now have to ship jobs and profits abroad.
- We also have to address how other countries tax their corporations and stop the race to the bottom in corporate tax rates.
- The President's plan will fundamentally reform the tax code's anti-profit stripping provision and replace it with one focused on foreign corporations based in countries that don't join the United States in adopting strong corporate minimum taxes.
- These foreign corporations will see deductions denied for payments that can be used to strip profits out of the United States, and, again, this will only apply if their home countries fail to adopt a strong minimum tax.
- With this provision, the United States can lead the world and help establish a fair playing field – one in which countries can't try to gain a competitive edge by serving as a tax havens. This will also show the United States' commitment to the success of ongoing multilateral negotiations.

Conclusion

- With that, I'm happy to take your questions. We see this as a beginning of a conversation with Congress and the American people. The President is proud of the plan he has laid out and looks forward to a conversation over the coming weeks about what we can do to invest in our infrastructure, boost our competitiveness, and make our tax code fairer.