

Washington Examiner

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Biden's 'Infrastructure' Plan



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What infrastructure means for you

Too often in recent years, journalists have forgotten or deliberately neglected what should be their principal mission — to inform readers. Stories given the front page “news” splash by the biggest media companies in America are often nothing more than opinion pieces with a few new facts sprinkled over the surface to camouflage old prejudices and lubricate a distorted ideological narrative.

These thoughts and concerns about this malign trend coalesced in conceiving and producing this special supplement for subscribers on the infrastructure debate in Washington. We hope you will find it richly informative. And we also hope it will help cut through the distortions about infrastructure being peddled by President Joe Biden and the Democrats.

The party of the Left has used “infrastructure” to camouflage all its oldest policy wishes and a clutch of IOUs to political clients. Everybody used to agree what infrastructure meant; it meant roads, bridges, ports, and newer hardware such as towers and cables for wider public internet access. In other words, as Tim Carney explains in his introduction (P.2), it was understood to be the subframe for the activities of our daily lives, whether commercial or personal. What no one ever before suggested is that infrastructure encompasses social programs such as taxpayer-funded care for children and the elderly. But that is what the Biden administration is doing.

At the *Washington Examiner*, we decided to produce this special magazine so we could offer subscribers an in-depth exploration of issues raised by legislation that might cost taxpayers and future generations another \$4 trillion. We want to do this not by hammering selected facts into a preconceived narrative but by examining the genuine needs of this huge country in gearing up for the next several decades of economic activity and competition, and by laying out the costs and the choices that will have to be made in how we’ll pay for it. That latter issue, the one of the sticker price, is of concern not only to current taxpayers but also to our children and our children’s children, who will have to repay the debt. And, because of its upward pressure on interest rates, it is also likely to affect economic growth, and our ability to accumulate wealth for ourselves and our dependents.

Our subscribers are part of a *Washington Examiner* community. We enjoy our interactions with you, whether it be in the political and cultural features of our weekly print magazine, in the news coverage we provide every day on our website, or in conference calls we’ll be introducing soon so we can talk with you directly and answer your questions.

The *Washington Examiner* is committed to conservative values and ideas that can restore the strength, prosperity, and admirable ideals of this country. Delivering straight news and sharp analysis is part of how we do that. This supplement is another venture on that mission. We’ll be publishing similar supplements on key subjects of public interest each quarter for the foreseeable future. We hope you’ll like them. ★

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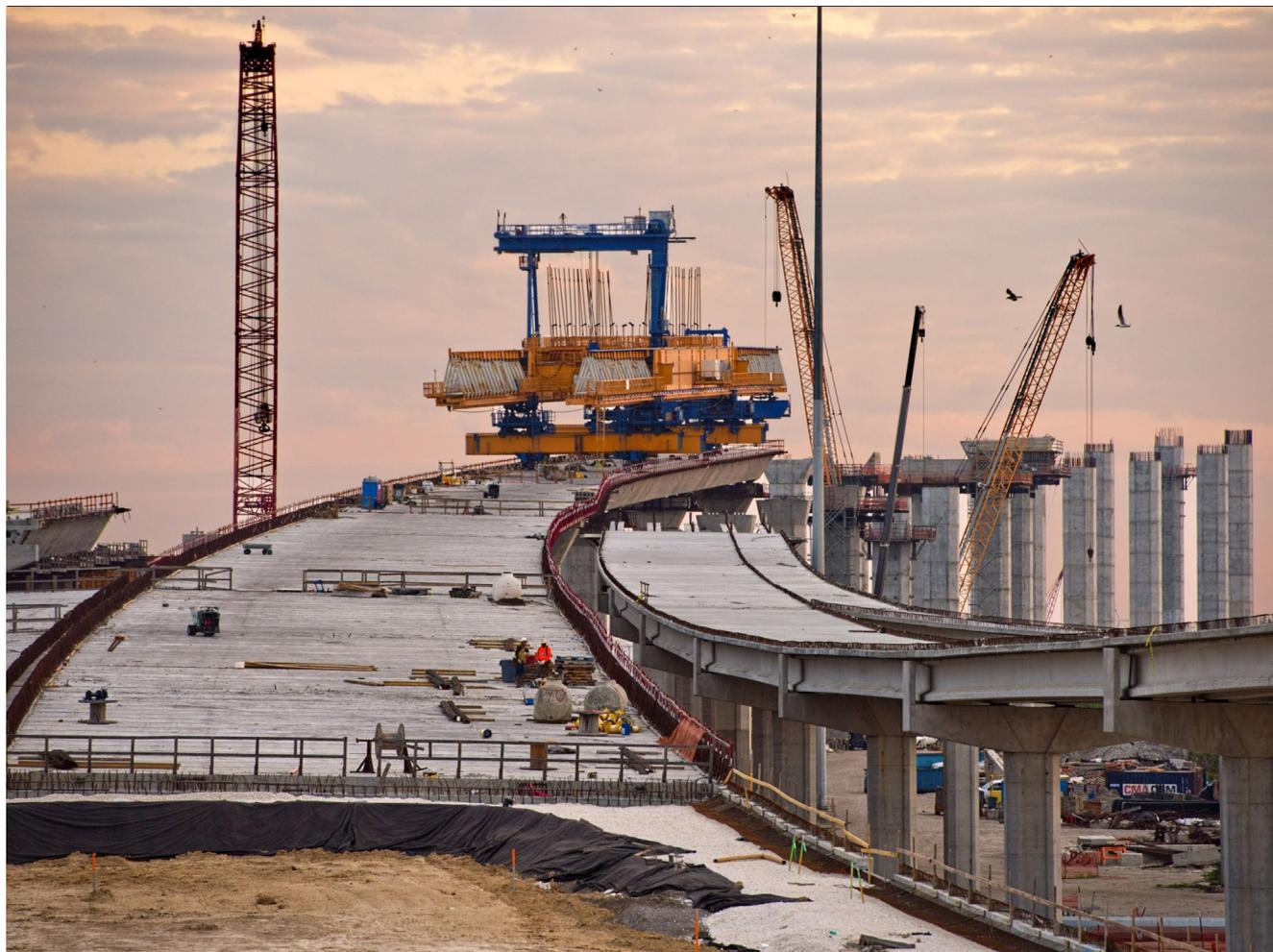
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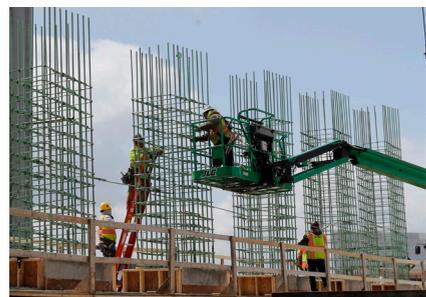
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COVER: Illustration by Dean MacAdam



What is Biden talking about?

Democrats have expanded the meaning of infrastructure to cover their entire policy wish list

By Timothy P. Carney

Of all the topics Jesus discussed, infrastructure may not have been the most exciting, but it nevertheless comes up a few times in the Gospels.

Jesus preached about the wise man and the foolish man who built houses. Both houses were buffeted by storms or floods. The difference: The wise man “dug deep and laid the founda-

tion on the rock” while the foolish man “built his house on the sand.” The house built on stone stood strong, and the one built on a foundation of sand collapsed.

Jesus, in giving Peter his name, declared, “On this rock, I will build my church.” And of course, he said, “The stone rejected by the builders will become the cornerstone.”

The foundation of a home or a church

is part of its structure. It is the part that lies *below* the visible parts of the structure. *Infrastructure*, then, if we consider the Latin, means something like the *below-structure*. It is the *foundation*.

In its civic sense, *infrastructure* has a slightly broader meaning. Politicians and bureaucrats speaking of infrastructure typically are talking about sewers and broadband, or even more likely about transportation, such as roads,

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bridges, airports, railroads, and ports.

Infrastructure, in its common usage, is the physical things on which we build civic and economic life.

These days, there's a debate over what *infrastructure* means, as Democrats have tried to expand the meaning. President Joe Biden argued that the definition of infrastructure "has always evolved to meet the aspirations of the

American people and their needs. And it is evolving again today."

"Aspirations of the American people" is far loftier verbiage than is typically deployed for pavement and fiber. That's because an infrastructure bill is now the vehicle on which the White House is pinning its own lofty aspirations. The infrastructure bill appears to be a rare opportunity for the Biden

administration to fund its priorities and imprint its expanding vision of the government's role in our lives.

A MEANS TO AN END

Infrastructure is not properly considered an end in itself. It's a means.

We need good infrastructure so that we can do the stuff that matters. This status, behind the scenes and beneath the surface, gives infrastructure its singular place in politics: oft-neglected, yet seemingly bipartisan in an intensely partisan age.

There's not much sexy about funding infrastructure, especially the most essential part of it, which is maintaining and repairing existing roads, wires, pipes, levees, and so on. It's the national-level analogy to weeding your backyard and tightening the screws on your kitchen cabinet doors.

While neglected, infrastructure is also privileged, precisely because it is such a nuts-and-bolts issue.

The ideological chasm is vast regarding the proper role of government. More and more Democrats are advocating an ever-more-expansive role of the state: government funding day care, Uncle Sam as the default health insurer and a commercial banker, and anything else you can think of. Meanwhile, the Republican side is in the midst of an intramural debate: Should Washington regulate tech platforms' content rules? Should states dictate private businesses' coronavirus measures?

But nearly everyone in politics agrees that the government, whether state or federal, has a primary role in building roads, bridges, sewers, and levees.

Funding infrastructure is also bipartisan for less salutary reasons. Current infrastructure proposals are in the trillions of dollars. Most of those dollars will flow through private contractors, U.S. manufacturers, and workers. That means some of the most powerful lobbies in Washington, including contractors and Big Labor, see gold in an infrastructure bill.

This brings us to one reason it's been so hard to get this "bipartisan"

matter handled: Special interests with their hands in the pot distort priorities. An infrastructure bill optimized to please the labor unions or the trade associations isn't one optimized to meet the needs of the nation.

Biden's original infrastructure proposal included \$175 billion in subsidies for electric vehicles. Tesla last year joined with Uber and electric utilities to form a lobbying organization called the Zero Emissions Transportation Association. ZETA employs in-house lobbyists, including former staffers to Democratic senators, but also hires outside lobbying groups. The members of this lobby group are the companies that would profit from hundreds of billions of dollars in electric car subsidies.

Biden proposed a \$25 billion "Child Care Growth and Innovation Fund," which would funnel taxpayer money to the Service Employees International Union through state-run child care facilities.

Dozens of other special interests have lined up and often secured funding in the name of infrastructure. With



An electric vehicle wears and tears at the roads as much as a gasoline vehicle does. In a sense, the rich people with Teslas are now free riders. That's why policymakers now propose alternatives. How to fund infrastructure, though, is a simpler question than, 'What is infrastructure?'

all these special favors sprinkled in the bill, there's a bigger price tag, less room for real priorities, and more things to disagree about.

WHO PAYS?

Whether the spending is for "infrastructure," or infrastructure proper, or special-interest goodies, it needs to be paid for somehow. Here, there are plenty of philosophical debates and policy disputes to bog down progress.

Biden wants to fund his bill with higher corporate income taxes. Republicans and some Democrats reject that.

Much infrastructure can be funded through user fees. Highways and bridges, for instance, can be funded by charging the drivers who use them. There's a logic to this, but it's not always popular, and there's no agreement on the best form of user fee.

Currently, on the federal level, gas taxes are the model. There's a logic there: You burn gasoline to drive, and so gas taxes can pay for the roads. But this ignores the impact of electric vehicles, hybrids, and increasing fuel efficiency. If the point of gas taxes was reducing fuel consumption, pollution, or carbon dioxide emissions, it would be fitting that Tesla owners don't pay anything.

But if a gasoline tax is supposed to fund highways, this makes no sense. An electric vehicle wears and tears at the roads as much as a gasoline vehicle does.

In a sense, the rich people with Teslas are now free riders.

That's why policymakers now propose alternatives. One of the most direct is a tax on electric vehicles to fund roads. More high-tech solutions include a mileage-based user fee, with which drivers are charged based on mileage driven rather than gasoline consumed.

How to fund infrastructure, though, is a simpler question than, "What is infrastructure?"

EVERYTHING IS INFRASTRUCTURE

The *New York Times* put it gently when describing Biden's vision. "Mr. Biden is thinking much bigger," the paper's reporters commented. "His proposal includes not just trillions in spending for

highways, bridges and other physical facilities, but also huge new investments in areas that have not traditionally been seen as infrastructure, such as paid leave and child care."

Biden's initial proposal stretched the definition of "infrastructure" beyond its limits. The White House requested \$400 billion to "solidify the infrastructure of our care economy by creating jobs and raising wages and benefits for essential home care workers."

It's hard to get more "service economy" and less "infrastructure" than home care workers.

There's almost nothing in that industry that isn't literally humans doing labor. Not only is this a purely metaphorical use of "infrastructure" in an infrastructure bill, it's a bad metaphor to boot.

Had the White House simply omitted the words "the infrastructure of," the line would have made more sense, but then, how could they justify sticking this line item, a bonbon for the Service Employees International Union, into the bill?

Thus was the norm for Biden's "infrastructure" proposal, which included tens of millions of dollars for airy goals such as reducing racial disparities in mathematics.

Even the stuff that involved building didn't involve anything we would normally call "infrastructure." For instance, Biden requested billions to "build, preserve, and retrofit more than two million homes and commercial buildings, modernize our nation's schools and child care facilities, and upgrade veterans' hospitals and federal buildings."

This is building structures, not infrastructure.

Expanding the definition of infrastructure is an attempt to smuggle ideological or partisan priorities into a vehicle that has bipartisan support.

ROLE OF GOVERNMENT

Something deeper is going on here, though. It's not simply an effort to co-opt a term for popular projects into paying for less popular undertakings. It's

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part of a deliberate and long-term effort by the center-left to stretch the popular understanding of the proper role of government.

President Barack Obama made this same gambit, in a famously inartful way, in a 2012 campaign speech. To justify tax hikes, Obama cited the Golden Gate Bridge and the Hoover Dam and explained, “If you were successful, somebody along the line gave you some help. There was a great teacher somewhere in your life. Somebody helped to create this unbelievable American system that we have that allowed you to thrive. Somebody invested in roads and bridges. If you’ve got a business, you didn’t build that. Somebody else made that happen. The internet didn’t get invented on its own. Government research created the internet so that all the companies could make money off the internet.”

This was an extension of an argument

then-Senate candidate Elizabeth Warren made a year earlier. In arguing that nobody in America ever “got rich on his own,” Warren said:

“You built a factory out there? Good for you. ... You moved your goods to market on the roads the rest of us paid for. You hired workers the rest of us paid to educate. You were safe in your factory because of police forces and fire forces that the rest of us paid for. You didn’t have to worry that marauding bands would come and seize everything at your factory and hire someone to protect against this because of the work the rest of us did.”

These weren’t elementary lectures about public works. This was an effort to change how we view “earnings.” You don’t really deserve the money you “earned,” this argument goes, because you earned it in the context of a society. If Warren or Obama were simply saying

that humans don’t realize their full potential outside of society, it would be a fine (if possibly banal) point. But “you didn’t build that” was an attempt to justify higher taxes, such as the ones Biden is proposing in his infrastructure measure.

That is, the Warrens, Obamas, and Bidens of the world want to establish that everything foundational to civil society and the economy is the sort of infrastructure that is properly in the realm of the government. Thus, government becomes not an institution among many but the undergirding of our whole lives.

That’s an ambitious building project. ★

Timothy P. Carney is the senior political columnist at the Washington Examiner and a resident fellow at the American Enterprise Institute. He is the author of Alienated America: Why Some Places Thrive While Others Collapse, The Big Ripoff, and Obamanomics.

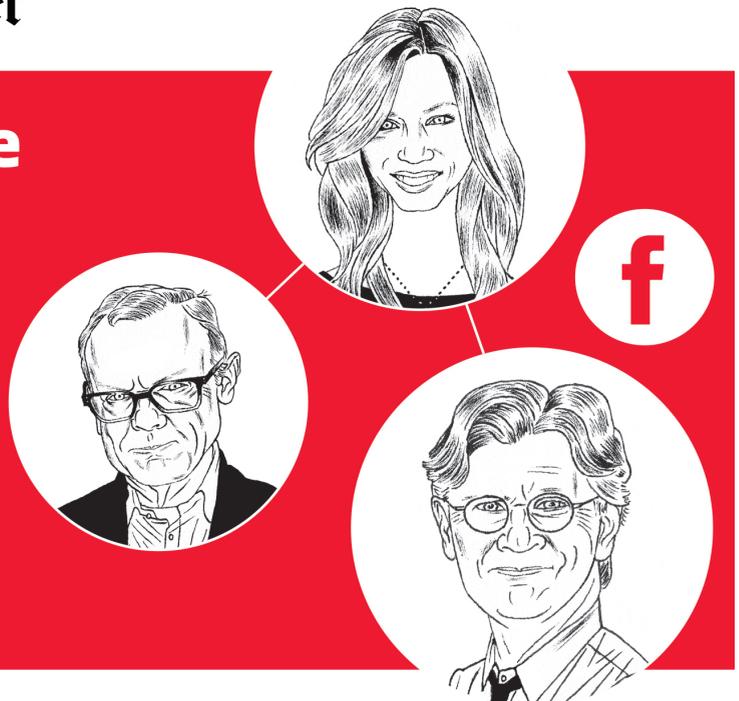
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The surprising interests desperate for spending on roads and bridges

‘People not only use roads for business purposes but also for pleasure’

By Zachary Halaschak

President Joe Biden and Republicans are still struggling to reach an amenable infrastructure deal. As the two sides work to craft a deal, several interested parties, some surprising, are watching what happens with bated breath.

Hundreds of business organizations and other groups signed a coalition letter in February urging lawmakers to adopt a fiscally and environmentally responsible infrastructure spending package. Among the signatories was Westminster Speed and Sound, a Maryland-based company that specializes in car audio and other mobile electronics.

Mark Miller, CEO of the company, told the *Washington Examiner* that improving hard infrastructure is of interest to his company because everything it does revolves around automobiles, for example, upgrading vehicle audio systems. “People in this country not only use roads for business purposes but also for pleasure,” he said. “Whether going for a weekend getaway or the annual family vacation, good roads are important to us as Americans.”

Another group that signed the coalition letter is the International Sign Association, which represents some 2,500 members who produce on-premise signage. David Hickey, vice president of advocacy with the group, explained during an interview that for every infrastructure project, signs need to be made, and he added that infrastructure spending doesn’t just affect large corporations. “For the most part, these are mom and pop-type, small, many times family-owned manufacturing businesses that design, manufacture, install, and maintain signage,” Hickey said of his association’s membership.

He told the *Washington Examiner* that

while many people never even think about the need for signs or who produces them, there is actually an entire industry that revolves around their usage, and a sizable infrastructure package would be a major deal.

“There is going to be a huge need for signage when it comes to all the different kinds of projects that come with it,” Hickey said. “Just going with your basic construction and street signage, that’s going to be huge. ... There’s a lot of signage need.”

The real estate industry also has a vested interest. According to Charlie Oppler, president of the National Association of Realtors, a substantial and sustainable infrastructure package that includes investments in surface transportation, broadband, and water infrastructure is needed.

Oppler said the past year has shown the importance of investing in telecommunications infrastructure as it is essential for virtual learning and entrepreneurship.

“More broadly, surface transportation modernization and improvement will provide untold benefits to our nation’s communities and property owners,” he told the *Washington Examiner* in a statement.

Some environmental groups are also on board for an infrastructure package. Eileen Murphy, vice president of government relations with the New Jersey Audubon, told the *Washington Examiner* that one proposed piece of an infrastructure package that stands out to her group is the creation of a Civilian Climate Corps that would create jobs to help the environment.

Roads are also crucial to the retail food and baking industries, which rely on vehicles to transport food and baked goods to thousands of stores across the country. Andy Harig, vice president of tax, trade, sustainability, and policy development at FMI, the Food Industry Association, pointed out the importance of strong in-

frastructure and noted that pandemic-era supply chain issues showed how crucial improvements are.

“Modernizing our nation’s infrastructure is an important issue that will benefit both the food retail industry and our customers, given that all the product we sell is transported via roads, rails, bridges, and ports,” he said.

While varied industries are calling for Congress to pass an infrastructure package, funding is also a major concern. David Ditch, a policy analyst at the Heritage Foundation, said that while members of both parties want to see bolstered infrastructure, agreeing on how to pay for it is a heavy lift.

“There’s a much bigger appetite for the spending than there is for paying for the spending,” Ditch emphasized.

Biden’s proposal to hike the corporate tax rate to pay for infrastructure has not only been met with enmity by Republicans, but also by many of those same varied industries hoping for an infrastructure package to come to fruition.

The Chamber of Commerce, which organized the coalition letter, announced its public opposition to Biden’s plan to raise the corporate tax rate and called the notion “dangerously misguided.” “We strongly oppose the general tax increases proposed by the administration which will slow the economic recovery and make the United States less competitive globally — the exact opposite of the goals of the infrastructure plan,” the group said in a statement.

It is yet to be seen when and if a package will make its way to the Oval Office, but hundreds of businesses and industries across the country are now holding their breath. ★

Zachary Halaschak is a reporter for the *Washington Examiner*.

Biden inches toward YIMBYism

President is siding against local-level opponents of construction

By Joseph Lawler

The Biden administration is steering the federal government toward housing market deregulation in an effort to boost supply and lower prices.

A provision in President Joe Biden's infrastructure proposal calls for a new \$5 billion grant program to reward local governments that cut back land use regulations to allow for more construction of housing.

The measure is just part of the housing portion of the plan, which also calls for hundreds of billions of dollars in subsidies for new housing and generally stretches the common meaning of "infrastructure." But it is different in that it targets the supply side of the housing market rather than the demand side.

And, notably, it is one of several signs that officials within the administration see the regulatory barriers to housing construction as a serious problem that needs to be addressed.

The shortage of housing is a "dire" crisis, the National Association of Realtors declared earlier this month, citing an underbuilding gap of 5.5 to 6.8 million housing units since 2001. The group called for a "once-in-a-generation" policy response, including the easing of zoning and permitting rules to allow for more construction.

With housing costs and rents rising, increasingly pricing middle-class families out of the country's most productive cities, opponents of restrictive land-use policies are hopeful that the Biden administration is joining their cause.

They see the zoning reform provision in the infrastructure plan as an indication that Biden is siding against local-level opponents of construction, often criticized as practicing "Not In My Back Yard," or NIMBY, and with the proponents of density and construc-

tion, known as "Yes In My Back Yard," or YIMBY.

Laura Foote, the executive director of YIMBY Action, a network of pro-housing activists, described the Biden proposal as a modest step toward encouraging lower-level governments to allow more construction.

The plan, Foote said, is a "reasonable, good step in the right direction."

"There's going to have to be bigger thinking on this from the federal level," she said.

Indeed, Biden's campaign plan was more aggressive. In addition to pro-

posing grants for towns that reduce land use regulations, it called for conditioning existing federal grants from the Department of Housing and Urban Development on recipients agreeing to "eliminate regulations that reduce the availability of affordable housing and contribute to sprawl."

Still, support has been growing in both parties for having the federal government weigh in against restrictive zoning and permitting.

For example, this March, Sens. Todd Young, an Indiana Republican, and Brian Schatz, a Hawaii Democrat, reintro-

The shortage of housing is a 'dire' crisis, the National Association of Realtors declared earlier this month, citing an underbuilding gap of 5.5 to 6.8 million housing units since 2001.



CHRIS DELMAS/AFP VIA GETTY IMAGES

duced the Yes In My Backyard (YIMBY) Act, which would require localities that receive HUD Community Development Block Grants to lay out policies deemed “pro-affordability,” such as expanding by-right multifamily zoned areas and reducing minimum lot sizes. Some of the most left-wing members of the Senate, such as Sen. Elizabeth Warren of Massachusetts and Cory Booker of New Jersey, have backed similar ideas.

A similar idea briefly gained purchase in the Trump administration. Ben Carson, the conservative secretary of Housing and Urban Development, moved in 2018 to overhaul an Obama fair housing rule, one that had been aimed at discouraging segregation, to tie grants to land-use deregulation. The effort was abandoned, though, when President Donald Trump began attacking the Obama version of the rule as a war on the suburbs.

The Obama fair housing rule, known as Affirmatively Furthering Fair Housing and meant to implement part of the 1968 Fair Housing Act, drew heated criticism from many conservatives and libertarians, who saw it as a federal intrusion into local governance.

The Obama rule, though, which the Biden administration this month partially restored, was aimed at segregation, not housing supply or zoning policies in general.

Emily Hamilton, a researcher at the libertarian Mercatus Center, said that the federal government has a legitimate interest in reducing exclusionary zoning at the local level given its past involvement in encouraging minimum lot sizes and single-family housing through regulatory guidance, court cases, and federal mortgage programs that subsidize single-family housing.

“The federal government would be

taking relatively small steps to reverse course now that some of the problems of housing supply constraints are widely recognized,” Hamilton said of the Biden proposal.

In general, economists maintain that land-use restrictions hurt growth, especially by limiting workers’ abilities to move to hotbeds of productivity, such as New York City and the San Francisco Bay Area. The economists Chang-Tse Hsieh and Enrico Moretti concluded in a 2019 journal article that housing constraints lowered economic growth by 36% between 1964 and 2009.

Biden’s Council of Economic Advisers framed the issue in terms of race in a June blog post, saying that exclusionary land-use policies create “racial disparities in the housing market.”

“Exclusionary zoning laws enact barriers to entry that constrain housing supply, which, all else equal, translate into an equilibrium with more expensive housing and fewer homes being built,” the economic advisers wrote.

Whether or not Biden’s grants proposal is enacted as part of an infrastructure program, it appears the White House is becoming a force, at least in terms of messaging, in favor of land use deregulation. ★

Joseph Lawler is the policy editor for the Washington Examiner.



“With housing costs and rents rising, increasingly pricing middle-class families out of the country’s most productive cities, opponents of restrictive land-use policies are hopeful that the Biden administration is joining their cause.



Biden infrastructure pitch puts labor unions in the spotlight

Tethering the spending to prevailing wages would drive the cost up

By Zachary Halaschak

Total union membership has been on a decadeslong decline as workers move further away from organized labor, but President Joe Biden's infrastructure plan is meant to arrest or reverse the trend.

While the scope and scale of a possible bipartisan infrastructure plan are still in flux, Biden's proposed \$2.3 trillion infra-

structure spending package prioritizes unions and puts organized labor right upfront every step of the way — even if it means spending more money on fewer projects.

In a fact sheet about the infrastructure spending proposal, the American Jobs Plan, unions are mentioned some two dozen times. Union membership hovered at just over 10% last year, a precipitous drop from nearly one-third of workers

50 years ago. Biden has made it clear on the campaign trail and since coming into office that federal policy will be more amenable to organized labor under his administration.

"The policy of our government is to encourage union organizing, and employers should ensure their workers have a free and fair choice to join a union," he said in February.

The White House fact sheet said the administration "is calling on Congress to create new, good-quality union jobs for American workers by leveraging their grit and ingenuity to address the climate crisis and build a sustainable infrastructure."

At the heart of the proposal is a call for Congress to enact the Protecting the Right to Organize Act, known as the PRO Act. The PRO Act would essentially nullify 27 "right-to-work" states, which prevent employees from being required to pay union dues or fees as a condition of employment.

Additionally, the proposal would require employers and unions to begin bargaining within 10 days of a written request, allow the National Labor Relations Board to impose new civil penalties for labor violations, and help gig workers unionize. But even without the PRO Act, Biden's package puts a lot of emphasis on organized labor.

The spending proposal, which focuses on many industries typically associated with union jobs, such as transportation and construction, also includes a demand that employers who benefit from the federal infrastructure investments "follow strong labor standards and remain neutral when their employees seek to organize a union and bargain collectively."

The American Jobs Plan also envisions work associated with the investments being subject to prevailing wage laws, which Rachel Greszler, an economics research fellow at the Heritage Foundation, told the *Washington Examiner* effectively means the jobs would have to be union jobs or paid at the union wage rate.

Biden's plan doesn't just stop at hard infrastructure such as roads and bridges. It also proposes billions of dollars of investments in things including child care facility infrastructure, which may also be subject to prevailing wage laws. Tethering

the spending to prevailing wages would drive the cost up, but unions would be pleased with the move.

Teamsters General President Jim Hoffa and his union, which is one of the largest in the world and represents more than 1.3 million members, praised the Biden plan and hailed its pro-union proposals.

“At its core, the American Jobs Plan is not only [a] commitment to investing in our infrastructure, but also investing in the American people,” Hoffa said in a statement. “Not since Roosevelt’s New Deal has a president undertaken such a comprehensive plan to help set America back on course.”

While Biden’s infrastructure package is being eyed enthusiastically by unions and pro-union forces, business groups are not big fans of some of the proposals to bolster organized labor. The Chamber of Commerce, which does support a bipar-

tisan package, has attacked the notion of the PRO Act.

“A bill cannot be ‘pro-worker’ if it harms employees, threatens job creation, and undermines our economic recovery,” Suzanne Clark, president and CEO of the Chamber, said in a statement. She called

“**The policy of our government is to encourage union organizing, and employers should ensure their workers have a free and fair choice to join a union.**”

the provisions a “wish list of union-sponsored priorities” and vowed that the Chamber will fight to prevent them from being enacted.

Biden’s plan will also not be as fulsome as it could be because it sacrifices costs for union support, according to Greszler. Because of proposals like prevailing wages and making it easier for employees to unionize, the money earmarked for infrastructure won’t stretch as far as it would without those provisions, so the number of projects that can be undertaken is limited by cost.

Biden’s infrastructure package might not make it to his desk for signing as he proposed, but the signal to unions that the administration has their back is still quite clear. ★

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How Trump's missed opportunity handed infrastructure to Biden

Trump and congressional Republicans ended up only publicly negotiating with themselves and getting nowhere

By W. James Antle III

We have a deal," President Joe Biden announced to reporters outside the West Wing, as he stood with Democratic and Republican senators who came together on a \$1.2 trillion infrastructure package. If recalcitrant liberals can be kept in line, there may be a bipartisan deal that can pass with a filibuster-proof majority in the Senate.

A lot of disagreements will need to be ironed out in order to turn this potential into a political reality. But it remains a tremendous opportunity for Biden. The bipartisan talks at the White House that

initially failed were revived and have produced a viable proposal. "We made serious compromises on both ends," the president said. "They have my word, I'll stick with what we've proposed, and they've given me their word as well." This leaves Biden closer than ever before to having an infrastructure bill sent to his desk and validates his "two-track" approach to passing one — strike a deal with Republicans on traditional physical infrastructure projects while preparing to pass a bigger spending bill full of Democratic priorities through reconciliation.

It is also a reminder to Republicans closely aligned with former President Donald Trump of an opportunity that slipped

away. Infrastructure was supposed to be one of the keys to Trump rebuilding the GOP as a "workers party." There was talk of a massive plan to rebuild roads, bridges, and railways that would win bipartisan support in Congress. There were multiple planning sessions and Infrastructure Weeks. "One of my biggest disappointments is that we didn't get it done," said a former administration official.

Few were as effusive about the prospects of infrastructure in reshaping the GOP's future as Steve Bannon, the former White House chief strategist. "Like [Andrew] Jackson's populism, we're going to build an entirely new political movement," he told the *Hollywood Reporter* after the



2016 election. “It’s everything related to jobs. The conservatives are going to go crazy. I’m the guy pushing a trillion-dollar infrastructure plan. With negative interest rates throughout the world, it’s the greatest opportunity to rebuild everything. Shipyards, ironworks, get them all jacked up. We’re just going to throw it up against the wall and see if it sticks. It will be as exciting as the 1930s, greater than the Reagan revolution — conservatives, plus populists, in an economic nationalist movement.”

Whatever the merits for the Republican Party, infrastructure also was something that could get real bipartisan support. “To the degree that Mr. Trump is serious about pursuing policies that improve the lives of working families in this country, I and other progressives are prepared to work with him,” Sen. Bernie Sanders, who had been Hillary Clinton’s challenger from the Left in the Democratic primaries, said in a

statement after the election.

Later pushed to elaborate, Sanders put infrastructure at the top of his list of possible areas of common ground. “There are issues that of course we’re gonna work with him,” he said. “Our infrastructure is crumbling. If Trump comes up with a reasonable proposal, of course that’s something we should work together on.”

Incoming Senate Democratic leader Chuck Schumer was also on board. “We think it should be large,” he told ABC News’s Jon Karl and Rick Klein in a podcast the month after Trump was elected. “He’s mentioned a trillion dollars. I told him that sounded good to me.” Schumer said Democrats were “not going to oppose something simply because it has the name Trump on it.”

As late as 2019, Democratic congressional leaders came away from a White House meeting convinced they were on the cusp of a \$2 trillion infrastructure deal. House Speaker Nancy Pelosi told reporters she was “very excited.” Schumer said both Trump and the Democrats “want to get something done on infrastructure in a big and bold way.” Then-Trump press secretary Sarah Sanders concurred, describing the exchange as “excellent and productive” and adding in a statement, “We have to invest in this country’s future and bring our infrastructure to a level better than it has ever been before.”

It never came to pass, for several reasons. First, Trump did not lead with infrastructure in 2017, when Washington was still in a state of shock over his upset victory. Republicans retained control of both houses of Congress. Trump did not enjoy good relations with the party’s congressional leadership during the campaign. Then-Senate Majority Leader Mitch McConnell said, “I hope we avoid a trillion-dollar stimulus.” Then-House Speaker Paul Ryan said of a big infrastructure bill, “That’s not in the ‘Better Way’ agenda,” referring to his own blueprint for a GOP majority.

The decision was made to focus initially on the agenda Trump and Republican congressional leaders had in common. That meant a failed bid to repeal and replace Obamacare and a successful effort to cut taxes, including lowering the corporate

tax rate to 21%. Neither endeared Trump to Democrats.

Second, Bannon, perhaps the White House’s biggest infrastructure true believer, was fired before the end of 2017. Much as movement conservatives in the early Reagan administration found themselves outmaneuvered by old-guard Republicans with more government experience, the populists found themselves sidelined, with the exception of the immigration-focused Stephen Miller.

Third, the infrastructure plans to come out of Trump’s White House rather than his mouth were much leaner on government spending and got to \$1 trillion or more thanks to private investment. For Democrats, this was a nonstarter.

“We aren’t going to use an infrastructure bill to be a vehicle for tax breaks, instead of an investment in the future,” Pelosi told the *Washington Post*. “We know that we have to make some compromises. But the compromise is not to make infrastructure a gift of tax breaks.” Sanders dismissed Trump’s plan as a “scam that gives tax breaks” to “large companies” and “billionaires.”

Republicans fear their party may have an infrastructure problem to this day. “One would think that after President Obama and Pelosi’s first stint as speaker, congressional Republicans would have a clue about how to effectively negotiate with Democrats,” said GOP strategist Ford O’Connell. “Yet, they still look like a sad clown show, because they end up only publicly negotiating with themselves and getting nowhere, while congressional Democrats ultimately get just about everything they want anyway.”

It doesn’t look that way to liberals, who fear Democratic leaders are wasting their own chance at transformational legislation by passing even one bill that falls short of the expansive definition of infrastructure Biden previously embraced. But if this results in Biden being able to sign a bipartisan infrastructure plan into law, he’ll be able to quote Obama to the real estate developer Trump: You didn’t build that. ★

W. James Antle III is the politics editor for the Washington Examiner.

Biden's clean power plans could get tripped up without new wires

Long-distance transmission projects are notoriously difficult to build

By Josh Siegel

President Joe Biden's success in pursuing 100% carbon-free power by 2035 could come down to wires.

Interstate transmission lines are critical to transporting electricity from places, typically rural areas such as the Great Plains, that have an abundance of wind or solar to consumers in population centers that don't generate significant renewable electricity.

Biden's goals of carbon-free power by 2035 and net-zero emissions across the entire economy by 2050 will require a doubling or tripling of the U.S. transmission system, according to a report from the Energy Systems Integration Group, a nonprofit organization that advises on grid planning.

The problem facing Biden is that major long-distance transmission projects are notoriously difficult to build, often crumbling due to public opposition, and the primary siting authority lies with individual states, not the federal government.

"Everyone knows from an engineering perspective that more transmission makes all the sense in the world, but from a societal aspect, it just runs into roadblocks," said Aaron Bloom, a board member of the Energy Systems Integration Group.

Bloom said the current transmission system is inadequate to support generating even half of the nation's power coming from clean or zero-carbon sources, let alone 100%.

Transmission projects, which can require 10 or more years to be approved and developed, must undergo a diffuse permitting process that is subject to



delay because of local opposition from people living near the planned power lines, a problem known as not-in-my-backyard-ism, or NIMBYism.

And the places where power lines would need to get built don't necessarily benefit from using or generating the power, making it harder to get their approval to build.

"We sometimes see the biggest push-back when transmission lines appear to be an extension cord across a state," said Heath Knakmuhs, vice president and policy counsel of the Chamber of Commerce's Global Energy Institute.

Biden faces risks if Congress enacts his proposed clean electricity standard, a key plank of his infrastructure plan that would require utilities to generate 100% carbon-free electricity, without sufficient transmission built to spread massive amounts of clean energy between states.

"The biggest risk is you are going to end up not developing the most cost-effective resources you can," said Jeff Dennis, managing director and general counsel of Advanced Energy Economy, a group representing clean energy companies. "You end up with a clean energy solution that costs more than it should."

Biden's \$2.25 trillion green infrastructure plan being debated in Congress envisions a significant role for new transmission, which his administration is pitching as not just important to boost clean energy use, but to enable different regions to share power during crises, such as the recent blackouts in Texas.

The president, during a March speech in Pittsburgh, also touted building power lines as a job creator, noting that transmission is generally a union-heavy field.

Biden's infrastructure plan calls for an investment tax credit to spur the construction of at least 20 gigawatts of long-distance transmission lines, a subsidy that proponents say can encourage independent developers who have to find their own financing to start construction.

He also proposes the creation of a federal transmission authority within the Department of Energy to coordinate planning, design, permitting, and the construction of new lines.

Separately, in April, the Transportation Department issued guidance to states on how to build transmission lines along existing highway right-of-ways.

Transmission along highways and roadways could break open quicker construction because the lines can be built underground, which is more expensive than an above-ground line but avoids the public backlash caused by visible power lines.

Previous administrations have promised action on transmission without fulfilling it. President Barack Obama entertained the idea of including transmission in the 2009 stimulus spending package after the recession, but advisers talked him out of it because constructing a new grid would take too long, and money needed to get out fast.



But experts say Biden's ideas and actions amount to more than just baby steps.

"The administration is very serious about transmission," said Rob Gramlich, executive director of Americans for a Clean Energy Grid, a coalition of clean energy groups that aims to expand the nation's transmission system. "Joe Biden personally knows the importance of it both for jobs and climate."

Biden also has an important ally prioritizing transmission policy in Richard Glick, the Democratic chairman of the Federal Energy Regulatory Commission, an independent body that oversees interstate energy infrastructure.

Unlike with natural gas pipelines, FERC has little power to approve transmission lines.

Glick, however, has suggested FERC might redefine who benefits from new transmission to allow the costs of projects to be spread more widely among users across the entire line.

Generally, new transmission lines are paid for by power generators building new projects, such as a wind farm, that require more transmission capacity.

But electricity users across different states that are connected to the same grid would benefit from the new transmission because they would be paying cheaper power prices resulting from

more wind energy. So, those customers should bear some of the costs, say proponents of reforming the rules.

FERC already took interim policy steps this month, setting up a federal-state task force to explore how to resolve tensions between them in siting projects, along with nudging states to develop their own interstate projects jointly.

Michael Skelly, a clean energy entrepreneur known for his failure in the 2000s to build a big interstate transmission line, told the *Washington Examiner* he's confident the changing policy environment will push projects across the finish line.

Skelly folded his company, Clean Line Energy Partners, in 2017, after local orga-

“We sometimes see the biggest pushback when transmission lines appear to be an extension cord across a state.”

—Heath Knakmuhs, vice president and policy counsel of the Chamber of Commerce's Global Energy Institute

nizing, political agitating, federal government delays, and utility disinterest killed his plan to build a 720-mile line through the middle of the country.

But he notes that today, state and federal governments, along with utilities, are setting clean electricity goals that recognize the value of transmission.

"It is a somewhat different time now," Skelly said. "At Clean Line, we knew transmission was the big problem, but now, everybody knows that."

Americans for a Clean Energy Grid released a report in April identifying 22 "shovel ready" transmission projects across the country that, if constructed, would increase wind and solar generation in the U.S. by nearly 50%.

Many of the 22 projects have been underway for more than a decade, and most are already permitted, meaning construction could start soon if developers got help from the federal government, Skelly said.

After being out of the game for a few years, Skelly announced this month he is launching a new transmission development company called Grid United.

"Maybe, at Clean Line, we were too early, and so now feels like a good time to try again," Skelly said. ★

Josh Siegel is an energy and environment reporter for the Washington Examiner.

Is it Biden's Green New Deal, or is it Obama's stimulus revisited?

Democrats learned nothing from the \$5 billion home energy efficiency program in the former president's 2009 stimulus package

By David Freddoso

Never mind the old aphorism. In 2021, it seems the road to hell is actually paved with “infrastructure.”

The early Biden administration was consumed with the task of selling a completely new definition for that word. In the past, “infrastructure” referred to roads, rails, bridges, waterways, and then electrical and telecommunications grids. Then, over the years, and over the objections of fiscal conservatives, people even came to accept the idea that bicycle paths and other purely recreational transportation options should be included under that umbrella as well.

But President Joe Biden has taken the redefinition to a whole new level. Surely, Transportation Secretary Pete Buttigieg never dreamed, as he played with his model trains as a boy in South Bend, Indiana, that he would one day serve his country by going in front of a media firing squad to defend “elder care” and paid leave as genuine examples of “infrastructure.”

That was the fun part of Biden's \$2.3 trillion infrastructure proposal — to pass off as “infrastructure” (or as “human infrastructure”) basically every bad idea liberals have had in the last 70 years. But dig into the details, and the intentions were considerably more malevolent than that.

That “elder care,” for example, is actually a variation on a well-known scam by which labor unions have been allowed in some states, by unscrupulous governors, to steal from sick and elderly Medicaid patients. The idea is to force their unwilling caregivers to pay union dues in order to prop up dying unions that need the cash.

It's a great way of converting taxpayer funds into Democratic campaign funds.

The Supreme Court intervened in its 2014 *Harris v. Quinn* decision to strike down just such a corrupt arrangement in Illinois. And even if this new scheme were to survive judicial scrutiny, it seems unlikely that it would survive a good public shaming. But then, there are few bones that Biden is unwilling to throw to a dying base of organized labor.

In contrast, Biden's infrastructure deal has saved all the good, meaty parts for the growth demographic of the Democratic base — the wealthier, whiter social and environmental Left, which has sprung up as the party's blue-collar base has faded. It may not create jobs, but they already have jobs. This proposal is designed to appeal to their sense of moral superiority.

So great is the influence of this constituency that Biden's so-called infrastructure proposal originally spent hundreds of billions obsessing over his stated goals of “100 percent carbon-free electricity by 2035” and “net-zero emissions by 2050.” To that end, many of its priorities come straight from the pages of Alexandria Ocasio-Cortez's infamous Green New Deal.

“**Many of its proposals would create what can only be called busy-work jobs and at great cost.**”

Fully \$213 billion was dedicated to green construction and retrofitting.

Many of its proposals would create what can only be called busy-work jobs and at great cost. For example, it is hard to imagine just how one could get less stimulative bang for one's \$27 billion than by using them to retrofit perfectly adequate homes and commercial buildings.

It's really as if Democrats learned nothing from the \$5 billion home energy efficiency program in former President Barack Obama's 2009 stimulus package. According to congressional investigators, there was a “stunning lack of oversight of this program” at the Department of Energy, with “no one checking the quality of the work performed, allowing poor workmanship to go undetected and undeterred.” Many contractors, their report stated, “did not do the work promised by DOE and many of them actually damaged homes, created hazards, hazards and actually made houses less energy efficient.”

Nor, as the *Wall Street Journal's* editors observed, does anyone appear to have learned from the \$1,973 per apartment that it recently cost the New York City Housing Authority to have unionized electricians do something as simple as install LED lights. Biden hopes to spend \$40 billion on such green projects in public housing.

When the administration killed the Keystone XL pipeline, it was eliminating infrastructure jobs in the short run that cost the taxpayers nothing, all the while constricting the economy in the long run. But with his infrastructure bill, Biden promises to spend \$35 billion on clean energy research that may not produce anything for decades and may never produce a single job.

And “green jobs” are no substitute for the good-paying jobs that environmentalists want to abolish. The closure of turbine manufacturer MFG in South Dakota, attributed in large part to foreign competition, is a reminder that the wages of wind turbine production are not the good wages that Biden is promising when he talks about manufacturing jobs “modernizing power generation and delivering clean electricity.” More than half of all new global wind capacity is already built in China. If it can be built in China, then it won’t pay too much more than what Chinese workers make, plus shipping.

Another very short-sighted proposal is Biden’s plan to extend the renewable investment and production tax credit as part of the plan to phase out all fossil fuel electricity by 2035. One might believe that this cannot make things too much worse — after all, it is just an extension. But for

context, these credits often let renewable producers sell their electricity profitably for nothing. This undercuts more reliable electric producers using nuclear and natural gas. The folly of this should be evident.

In February, when uninsulated natural gas pipelines failed in Texas due to freezing weather, the state could not compensate because so much of its generation capacity, a nation-leading 17% of the total, was wind power, which cannot be counted on for much of anything in such weather conditions. The excuse made repeatedly by the apologists, that the state’s wind capacity was not being counted on to produce much electricity that day anyway, only begs the question. Maybe wind has a role, but if it cannot be relied upon when you really need it, why subsidize so much of it instead of letting it grow at market prices? Wouldn’t you rather have

a grid whose capacity is always available to make up for sudden shortfalls?

In the end, Biden’s infrastructure plan was too ambitious in redefining infrastructure and not very ambitious about building it up. Much like AOC’s Green New Deal, it was not really about its stated purpose, but a thinly veiled effort to change society, to reward friends, to mollify zealous environmentalists, and to reshape and fix an economy that didn’t need it because it was really not broken in the first place.

If Biden finally lets himself be dragged into a smaller infrastructure package, one that focuses more tightly on infrastructure, it will only be because Democrats need a few more votes in the Senate before they can misbehave as they would like. ★

David Freddoso is the online opinion editor for the Washington Examiner.

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