



## House Passes American Recovery and Reinvestment Plan

January 29, 2009

Last night, the United States House of Representatives passed, by a vote of 244-188, the American Recovery and Reinvestment Act. The bill includes \$609 billion in spending and \$219 billion in net tax cuts over the next ten years. The Senate is expected to pass its version of the legislation next week and immediately convene a conference committee with the House so that President Obama can sign it into law by Presidents Day, February 16th. At this point, the Senate version contains \$4 billion in additional spending over the House-passed bill.

The scope of the legislation is very broad and includes funding for programs across nearly all federal departments. In addition to government spending on backlog maintenance and construction projects and on government salaries and expenses, the bill funds previously authorized competitive and formula grant programs for which many clients will be eligible. Much of the spending is also subject to enhanced "Buy American" provisions. Additionally, the tax portions of both the House bill and the proposed Senate version include incentives which will likely be of interest to corporate clients.

Examples of programs in the bill include: \$30 billion for highway and bridge construction projects; \$9 billion in transit capital assistance; \$20 billion for school construction projects, for renovation and modernization including technology upgrades and energy-efficiency improvements; \$2 billion to support U.S. manufacturers of advanced vehicle batteries; \$6.9 billion to help state and local governments improve energy efficiency; \$6 billion for broadband and wireless services in underserved areas; and \$43 billion for increased unemployment benefits and job training.

Dykema's government policy advisors in Washington, DC, have further details about the programs included in the bill, and their funding levels and eligibility requirements. These advisors are closely monitoring this important legislation and are maintaining high-level relationships with a wide range of key decision makers.

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