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President Biden Unveils American Jobs Plan

\$2.2 Trillion Infrastructure Spending Proposal Includes Targeted Investments In Domestic Manufacturing And Critical Technology Supply Chains

On March 31, 2021, President Joseph R. Biden Jr. proposed \$2.2 trillion in new government spending on America's infrastructure, which includes billions of dollars for domestic manufacturing, supply chain support, and research and development (the "American Jobs Plan" or the "Plan"). According to the White House, the American Jobs Plan "will create millions of good jobs, rebuild our country's infrastructure, and position the United States to out-compete China."

Although the American Jobs Plan still requires legislative enactment, it is notable that this proposal builds upon earlier policy pronouncements that were intended to strengthen the application of the "Made in America Laws" designed to maximize the use of goods, products, and materials produced in the United States.

DOMESTIC MANUFACTURING AND CRITICAL SUPPLY CHAINS

The American Jobs Plan proposal targets the following areas: (1) manufacturing, research and development ("R&D"), and supply chain infrastructure, (2) transportation infrastructure, and (3) utility infrastructure. The Plan also would incentivize domestic production of semiconductors, computer chips, battery technology, clean energy technology, and biotechnology, among other critical product supply chains.

- **Manufacturing, R&D, and Supply Chain Infrastructure** – The proposal would provide more than \$500 billion to invest in the manufacturing sector, worker training, and R&D, including:

- \$180 billion toward R&D and "new technologies" (artificial intelligence, biotechnology, computing, *etc.*) to advance U.S. leadership in critical technologies and to update America's research infrastructure.



- \$300 billion to retool and revitalize American manufacturers and small businesses for the conversion of research and innovation into sustained economic growth. The proposal would create a new office at the Department of Commerce to monitor domestic industrial capacity and to fund investments in support of critical goods production. The proposal also would allocate \$50 billion to semiconductor manufacturing and research. An additional \$30 billion would be invested in medical countermeasures manufacturing and R&D for “biopreparedness and biosecurity” matters.
- \$46 billion to enable the manufacture of electric vehicles, charging ports, electric heat pumps for residential heating and commercial buildings, clean materials, as well as critical technologies like advanced nuclear reactors and fuel for purposes of meeting the President’s goals of achieving net-zero emissions by 2050. The proposal is designed to employ the half-a-trillion-dollar federal buying power to drive innovation and clean energy production, as well as to create good-paying jobs and reinvigorate local economies, especially in rural areas.
- \$52 billion to domestic manufacturers to increase access to capital for domestic manufacturers. America’s manufacturing industry needs to innovate, adapt, and scale to win the industries of the future. The President is calling on Congress to invest in existing capital access programs with a proven track record of success, with a focus on supporting rural manufacturing and clean energy. The President’s plan also includes specific supports for modernizing supply chains, including in the auto sector, like extending the 48C tax credit program. He also will call for the creation of a new financing program to support debt and equity investments for manufacturing to strengthen the resilience of America’s supply chains.
- **Transportation Infrastructure** –The Plan includes the following proposed investments for improvements to roads, bridges, passenger and freight service, and other infrastructure:
 - \$174 billion to enable automakers to grow domestic supply chains for key inputs (including raw materials and parts), to retool factories to compete globally, and to increase the domestic production of batteries and electric vehicles;
 - \$25 billion for the nation’s airports, including a new program to support terminal renovations and multimodal connections; and
 - \$17 billion for inland waterways, coastal ports, land ports of entry, and ferries in order to facilitate the movement of freight.
- **Utility Infrastructure** – The proposal would allocate \$45 billion to the Environmental Protection Agency (“EPA”) Drinking Water State Revolving Fund (“DWSRF”) and to Water Infrastructure Improvements For The Nation (“WIIN”) Act grants. Absent a waiver, DWSRF and WIIN projects are subject to EPA’s American Iron and Steel (“AIS”) provision requiring assistance recipients to use iron and steel products that are produced in the United States for the construction, alteration, maintenance, or repair of a public water system or treatment works. Interested parties should closely monitor whether any legislation to enact the Plan results in changes to the AIS Requirement.

This aspect of the proposal demonstrates the Biden Administration’s continuing focus on strengthening the domestic supply chain for “critical and essential goods and materials,” which already was the subject of an [Executive Order](#) issued in February. Likewise, the Plan suggests that the Biden Administration is likely to pursue spending measures that would require the use of domestically produced goods, products, and materials, as articulated in a separate [Executive Order](#) issued in January.



INITIAL TAKEAWAYS

Although it is too early to know the extent to which the Biden Administration’s vision for The American Jobs Plan will change in any ultimate legislation, the proposal creates the potential for intensive government spending in infrastructure, transportation, and emerging technologies with accompanying American-origin (or U.S.-Ally-specific-origin) content requirements. This underscores the need for affected parties to monitor developments closely as spending proposals take shape in the coming months.

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