## Negative

### Uniqueness---Will Pass

#### BBB can pass by the end of July. Dems are hopeful and are moving quickly because of looming midterms, but PC is key to resolve remaining issues.

Zhou 7/6 (Li Zhou is a policy reporter at Vox and formerly worked on tech policy at politico and former fellow at The Atlantic. “Democrats’ latest attempt at resurrecting Build Back Better, explained,” Vox. July 6, 2022. Accessed July 10, 2022. <https://www.vox.com/2022/7/6/23197398/build-back-better-prescription-drug-prices>, AK)

This month, Democrats are, once again, trying to resurrect parts of the Build Back Better Act after the broader package imploded last year.

To do so, the party is focusing on provisions aimed at lowering prescription drug costs, something that has the full support of all 50 Senate Democrats. Negotiations on more contentious climate and tax policies, meanwhile, are ongoing.

On Wednesday, following an agreement between Senate Majority Leader Chuck Schumer (D-NY) and Sen. Joe Manchin (D-WV) — one of the key holdouts on the original BBB package — lawmakers officially submitted the prescription drugs plan to the Senate parliamentarian for review. The parliamentarian, a nonpartisan procedural expert, will determine if the proposal can qualify for the budget reconciliation process, which enables policies that affect the budget to pass with 51 votes in the Senate, rather than the 60 needed if a bill is filibustered under normal rules.

Schumer and Manchin are still in talks about additional climate and tax provisions that could be included in the legislation, but it’s uncertain whether those will make it into a final bill. It also isn’t clear where Sen. Kyrsten Sinema (D-AZ), who once opposed certain corporate tax hikes in the original BBB bill, stands on those two issues. (Previously, Sinema appeared satisfied with some of the updated BBB tax policies that had been negotiated last year.)

Although there are still outstanding subjects to work on, Democrats are hopeful that movement on prescription drugs will both allow the party to achieve a longtime goal, and to signal to midterms voters that Democratic lawmakers can make progress on something.

The prescription drugs proposal — though much narrower than its previous iteration — is significant: It would enable Medicare to negotiate prices on a select group of drugs beginning in 2023 and cap Medicare patients’ out-of-pocket drug costs at $2,000 a year. But if it is all Democrats are able to pass, the party will have fallen far short of what it had initially strived to achieve with the Build Back Better Act, which included substantial funding for green energy tax credits and social programs as well.

What Democrats have agreed on so far

Thus far, Democrats are aligned on their prescription drugs plan and not much else. The plan aims to make some drugs more affordable, though it drops some original BBB proposals, like a $35 monthly cap on insulin costs.

As Manchin had previously said, his goal is for the legislation to be a deficit-reduction bill, with about 50 percent of the revenue it’s bringing in going to paying down the deficit, and the other half going to cover new spending. A major chunk of new revenue is likely to come from the prescription drug policies, since they could include billions in savings for Medicare. Here are the prescription drug provisions that Democrats agree on so far:

Allowing Medicare to negotiate drug prices: Medicare has historically been barred from negotiating on most prescription drug prices, meaning it pays drug prices set by the market. This bill would change that. In doing so, it could mean drastic price reductions on specific drugs for people covered by Medicare, since the government has huge buying and negotiating power.

The savings would not apply to people covered by private insurance, however, Reuters reports. The legislation guarantees that Medicare can begin negotiations in 2023, starting with 10 drugs, which will be chosen by the Department of Health and Human Services.

Capping out-of-pocket drug costs for Medicare recipients: The legislation would cap annual out-of-pocket drug costs for Medicare recipients at $2,000. After that, Medicare would pay for additional expenses. It would be a major change since there is currently no cap, meaning people can spend thousands more for a single drug.

Requiring rebates for price hikes: If pharmaceutical companies raise the costs of a drug at a rate faster than the rate of inflation, they would be forced to refund the difference to people paying for the drug.

Expanding prescription drug subsidies for low-income seniors: Currently, seniors who are at or below 150 percent of the federal poverty line are able to receive a partial subsidy for their prescription drugs. The legislation would enable them to receive a larger subsidy for these expenses.

Making vaccines free for seniors: The legislation would make all vaccines free for seniors, a notable change in coverage. Currently, Medicare covers some vaccines, like the flu shot, but not all immunizations are included.

Democrats are trying to do what they can before the midterms

Although Democrats’ electoral chances in the Senate are looking better than they are in the House, it’s possible the party loses control of one or both chambers of Congress following the November midterms. With the elections fast approaching, Democrats are scrambling to capitalize on their existing majorities in case they are no longer able to pass legislation next year.

This reconciliation bill could be the party’s last major chance to approve new prescription drugs, climate, and tax policy — all of which would be far less likely to advance if Republicans retake just one chamber of Congress. If they are able to make quick progress in the coming weeks, it’s possible that Democrats could hold a vote on the reconciliation bill as soon as the end of July.

Republicans are aggressively pushing back on these efforts: Senate Minority Leader Mitch McConnell has threatened to pull support on a bipartisan bill aimed at investing in the US’s supply chain unless Democrats abandon reconciliation. Democrats have responded by claiming McConnell is trying to deter the reconciliation bill in order to protect pharmaceutical companies.

To successfully push through a reconciliation bill, however, Senate Democrats need all 50 members of their caucus on board with the legislation, as well as approval from the parliamentarian — who can advise against including provisions if they aren’t seen as sufficiently related to taxing and spending. House Democrats, many of whom have pushed for a more ambitious bill in the past, would need to vote in favor as well. Recent comments from House Speaker Nancy Pelosi suggest that some lawmakers would be open to a smaller bill if it meant getting part of the package done.

For now, the submission of the prescription drugs proposal indicates that Democrats are at least trying to pass a bill, even if there’s no guarantee that other, more expansive provisions will be included.

#### A slimmed-down bill passes. Manchin and Schumer are on board and are negotiating in good faith, progressives agree, and the bill solves climate.

Berman 7/8 (Russell Berman is a staff writer at The Atlantic. Since joining The Atlantic in 2014, Russell has written extensively about Congress, political reform, and policy experiments in states and cities. He previously covered the House of Representatives for The Hill newspaper and served as a Washington correspondent for the New York Sun. “Democrats Try to Build Back (A Bit) Better,” The Atlantic. July 8, 2022. Accessed July 9, 2022. <https://www.theatlantic.com/politics/archive/2022/07/democrats-manchin-schumer-biden-deal-build-back-better-bill/661512/>, AK)

President Joe Biden’s economic agenda might be back from the dead. If the original proposal was Build Back Better, this is more like Build Back a Bit.

Democrats this week took the first formal step toward reviving a stripped-down version of the nearly $2 trillion plan that Senator Joe Manchin killed late last year. Majority Leader Chuck Schumer asked the Senate parliamentarian to review a proposed agreement that aims to reduce the cost of prescription drugs by allowing Medicare to negotiate prices directly—a long-sought Democratic priority that Manchin supports. That is one major component of a deal Schumer and Manchin have been discussing that would include hundreds of billions of dollars to combat climate change along with deficit-slashing tax increases on the wealthy.

The deal could be ready for votes on the Senate floor by the end of this month, according to a Democrat familiar with the talks who described the development as “major progress” toward enacting a chunk of Biden’s program before the midterm elections. Caveats abound: Schumer and Manchin have yet to complete either the tax or the climate portions of the bill, and the West Virginia centrist has abandoned negotiations before. With no Republican support, Democrats need the parliamentarian to determine whether their proposal can qualify for the process known as budget reconciliation, which would circumvent an expected filibuster and allow a bill to pass with a simple majority vote. A second Democratic aide, who like the first spoke anonymously to describe the delicate discussions, told me that a final deal would “probably take several weeks” and characterized the hopes for a vote before Congress breaks for its August recess as “ambitious.”

Yet the fact that the Schumer-Manchin talks have advanced even this far counts as a welcome surprise for Democrats, especially considering how acrimoniously the original Build Back Better negotiations collapsed in December. Manchin walked away after accusing the White House of putting his family at risk by singling him out in an otherwise anodyne statement describing the status of the discussions. In announcing his decision on Fox News, he further complained that the Democrats’ proposal was full of budget gimmicks and could worsen inflation. Because Manchin represented the crucial 50th vote in the evenly divided Senate, his departure ended Biden’s hopes of delivering on a progressive agenda that initially included a federal paid-leave program, universal pre-kindergarten, free community college, and an extension of the president’s expanded child tax credit.

The negotiations remained dormant through the winter. “There is no Build Back Better bill,” Manchin told reporters in February. “It’s dead.” But he and Schumer quietly began talking again in the spring, keeping their negotiations secret both to avoid the daily pestering of the Capitol Hill press corps and to prevent Democrats from getting their hopes up. Gone are many of the items on Biden’s original wish list, as is the original $3.5 trillion price tag. The total revenue Schumer and Manchin now hope to generate through tax increases and drug-pricing reform is likely to be in the area of $1 trillion, with about $500 billion in new spending on climate and energy policies.

Any deal that Schumer and Manchin strike will probably win applause from the bulk of the Democratic Party, including progressives. A $1 trillion bill might seem paltry next to the dream of $3.5 trillion, but it’s a lot better than the nothing that most Democrats have expected to get for the past six months. “The contours are fine,” Adam Green, a co-founder of the Progressive Change Campaign Committee, told me about the potential deal. He said the climate piece was “by far” the most important aspect of the package for progressives, especially in light of last month’s Supreme Court decision limiting the EPA’s ability to fight climate change. “We can’t reverse the Trump tax cuts if the planet disintegrates. The other two [proposals] are political winners,” Green said of the drug-pricing reforms and tax increases. “Climate change is just existential for the planet, and this might be our last chance.”

Another sign that the negotiations are serious is that Senate Minority Leader Mitch McConnell tried to torpedo them last week by threatening to pull GOP support from a bipartisan high-tech manufacturing bill if the Democrats moved forward with the one-party reconciliation progress. Schumer’s move today suggests that at least for now, McConnell’s warning hasn’t scared off Manchin.

#### BBB is top of Democrat’s agenda and can pass by August, but continued negotiations are key to iron out the details.

Everett and Levine 7/7 (John Burgess Everett is the congressional bureau chief for POLITICO, specializing in the Senate since 2013. He’s a native Mainer, a University of Maryland graduate and one of those people who goes by his middle name. Before covering the Senate, Burgess covered transportation policy for POLITICO and served on the production team. He’s also an alum of the Gazette in suburban Maryland and the Portland Press Herald in Maine. Marianne LeVine is a reporter for POLITICO, where she covers the Senate. She previously covered lobbying and co- authored POLITICO Influence. Prior to her stint on the lobbying beat, Marianne covered labor policy for POLITICO Pro, writing about regulations related to overtime pay, retirement advice and occupational health and safety. Her reporting in 2016 about domestic abuse allegations against President Donald Trump's first nominee for labor secretary, Andrew Puzder, was a key part of the debate surrounding his nomination, which he ultimately withdrew. Prior to working at POLITICO, Marianne was an intern in the Los Angeles Times' Washington, D.C. bureau. She graduated from Stanford undergrad in 2013, with degrees in International Relations and French and completed Stanford's Graduate Program in Journalism in 2014. Zack Colman contributed to the report. “Dems' climate and tax agenda to consume Congress in July,” Politico. July 7, 2022. Accessed July 10, 2022. <https://www.politico.com/news/2022/07/07/dems-climate-tax-agenda-july-00044482>, AK)

Democrats are taking tangible steps towards a deal on their party’s signature spending bill, expecting the proposal to dominate the rest of July and hoping it could reshape their political fortunes after six months of stasis.

Talks between Majority Leader Chuck Schumer and Sen. Joe Manchin (D-W.Va.) are beginning to yield concrete results on a potential climate, tax and prescription drugs package. Schumer told Senate Democrats recently that if he can reach a deal with Manchin, the bill could be on the floor as soon as this month, according to a person familiar with the negotiations.

Negotiators are still ironing out key details, but Democrats are signaling that as soon as next week they will begin arguing their case to the Senate rules chief on why the package should pass with a simple majority in the chamber. No one is getting their hopes too high in a party still reeling from Manchin’s rejection of Build Back Better, Democrats’ previous version of the legislation.

Democrats interviewed for this story ranged from near-certain there will be a deal to fretful that anything will ever materialize.

“I am generally optimistic. I’ll believe it when there’s a deal,” said Sen. Chris Coons (D-Del.) on Thursday. “I believe there is positive momentum, I believe there have been constructive conversations. But the specifics, the details, I think it’s best to let that work itself out.”

Democrats solved the easiest piece of their puzzle this week: finalizing a prescription drug pricing reform deal from last year, which both lowers prices and is expected to raise at least $250 billion in revenues. Democrats submitted that piece to the Senate parliamentarian for review, trying to ensure it doesn’t run afoul of the strict chamber rules that govern whether legislation can pass with a simple majority, known as budget reconciliation.

And they plan to soon submit an additional piece on a deal that extends Medicare solvency. Both those pieces are expected to have the support of all 50 Senate Democrats.

Shaving down the $555 billion energy package from the abandoned Build Back Better bill is proving tougher; Manchin is looking at energy spending of around $300 billion and ultimately new subsidies for electric vehicles could be cut, according to a second person familiar with the negotiations. Democrats are also trying to prevent health care premiums from skyrocketing this fall, and they need to detail tax increases and enforcement that would both pay for the bill and reduce the deficit, priorities of Manchin’s.

Roughly speaking, Manchin and Schumer are working toward legislation that provides $1 trillion in new revenues, half of which would go toward deficit reduction and half of which would go toward energy and health spending. Such a deal is hypothetical at the moment: The tax and energy pieces remain in major flux.

“Senator Manchin has repeatedly expressed his concerns about rising inflation, a pending recession and the state of American energy security. He continues to work in good faith to see if there is a pathway forward to shore up domestic energy production and reduce emissions, lower health care costs for seniors and working families, and ensure everyone is paying their fair share of taxes,” said Sam Runyon, a spokeswoman for Manchin.

Schumer declined to comment on negotiations but said recently that he and Manchin are “continuing to have very good and productive discussions.” Both men are keeping their talks close to the vest given their up-and-down history: Manchin and Schumer entered into a secret reconciliation agreement last July, Manchin rejected President Joe Biden’s Build Back Better bill in December and Manchin blanched at both Biden and Schumer’s attempts to weaken the legislative filibuster this year.

### Internal---Midterms

#### BBB is a massive victory for Democrats in midterms.

Berman 7/8 (Russell Berman is a staff writer at The Atlantic. Since joining The Atlantic in 2014, Russell has written extensively about Congress, political reform, and policy experiments in states and cities. He previously covered the House of Representatives for The Hill newspaper and served as a Washington correspondent for the New York Sun. “Democrats Try to Build Back (A Bit) Better,” The Atlantic. July 8, 2022. Accessed July 9, 2022. <https://www.theatlantic.com/politics/archive/2022/07/democrats-manchin-schumer-biden-deal-build-back-better-bill/661512/>, AK)

As I wrote last year, the political advantage of Biden’s economic agenda was always its size and ambition, because that meant with slim margins in Congress, it could withstand plenty of cuts and still represent a significant legislative accomplishment. That remains true today, perhaps even more so. An agreement on drug pricing, climate spending, and tax increases, combined with Biden’s $1.9 trillion American Rescue Plan, the $1 trillion infrastructure law, and the recent bipartisan gun-safety compromise, would make the president’s legislative record look a lot more robust.

Politically, a scaled-down bill that passes close to the midterm elections, when it will be fresh in voters’ minds, might be just as beneficial to Democrats as a larger bill enacted months earlier. Each of the major components has clear constituencies. Lowering the cost of prescription drugs is a particular hit with seniors, a key voting bloc, and Democrats also plan to sell the change as a way to offset the impact of inflation. Combatting climate change is a priority of progressive and younger voters, whom Democrats need to turn out in November. And polls have long shown that tax increases on the wealthy are among the most broadly popular proposals in Biden’s plan.

### Internal---Climate

#### BBB passes and is the last chance to meet climate goals. It’s valuable even if they win we can’t solve all of climate.

Peters 7/6 (Adele, A STAFF WRITER AT FAST COMPANY WHO FOCUSES ON SOLUTIONS TO SOME OF THE WORLD'S LARGEST PROBLEMS, FROM CLIMATE CHANGE TO HOMELESSNESS. PREVIOUSLY, SHE WORKED WITH GOOD, BIOLITE, AND THE SUSTAINABLE PRODUCTS AND SOLUTIONS PROGRAM AT UC BERKELEY. YOU CAN REACH HER AT [APETERS@FASTCOMPANY.COM](mailto:APETERS@FASTCOMPANY.COM). “After the Supreme Court’s EPA decision, where is Congress on a climate bill?,” Fast Company. July 6, 2022. Accessed July 10, 2022. <https://www.fastcompany.com/90766643/after-the-supreme-courts-epa-decision-where-is-congress-on-a-climate-bill>, AK)

The latest Supreme Court case made it harder for the EPA to regulate climate pollution from power plants, which could drastically limit the country’s ability to hit its climate goals. But there’s more that the government can do now to push for reduced emission, including passing new climate legislation—and there’s a chance, albeit an uncertain one, that Congress might be close to finally doing that.

“I think that [the Supreme Court] decision was yet another shot in the arm to Congress that they must legislate on climate action,” says Melinda Pierce, legislative director for the Sierra Club, who is optimistic that a climate deal could happen this month. Last year, West Virginia Senator Joe Manchin helped killed the Build Back Better Act, Biden’s plan that included more than $550 billion to fight climate change with clean energy tax credits, grants and loans for clean energy and zero-emissions vehicles, rebates for home-energy efficiency and electrification, and other measures. But Manchin has reportedly been meeting regularly with Senate Majority Leader Chuck Schumer to negotiate climate policy that he could support.

Last week, Democrats finalized a proposal to lower the price of prescription drugs for seniors, a key pillar that Manchin wants as part of the negotiations for a broad bill of various reforms Democrats could pass during reconciliation, which allows them to avoid needing 60 votes for a filibuster. And though nothing is certain—the discussions between Manchin and Schumer are happening behind closed doors, and Congress has failed to pass climate policy multiple times in the past—an announcement might come soon on climate legislation, which could be passed as part of the reconciliation package before the end of September. (In reality, a deal would need to happen this month, before the Senate takes its August vacation.) “It’s their last best chance to see if the Democrats can come to some deal to demonstrate they can legislate,” Pierce says. Depending on what happens in the midterm elections, there may not be another chance to pass strong climate policy soon enough to avoid the worst outcomes of climate change.

A study earlier this year found that it’s still possible to cut U.S. greenhouse gas emissions in half by 2030; that’s the goal of the Biden administration, and in line with what climate science says is necessary globally. Since most of the country’s emissions come from the power and transportation sectors, moving to clean energy that can also support electric cars is critical. The primary barrier isn’t cost, the study said, but enacting policy. The shift is already happening, but it’s happening too slowly and will need additional pushes from the government, in terms of both regulations and incentives, to get up to speed. Part of that can come from the executive branch, since the EPA can still regulate pollution from vehicles and has other options to cut pollution at individual power plants. Several states and many cities also have plans to reach 100% clean energy. But support from Congress is still also necessary.

Clean energy tax credits, which are likely to be the biggest part of the proposal under discussion, are “absolutely critical to meeting those 2030 goals that we’ve set for ourselves,” says Ben Pendergrass, senior director of government affairs for Citizens’ Climate Lobby, a nonpartisan climate advocacy group. “They don’t get us all the way there. But we know we have a definite timeline that we have to meet. And so, even if it didn’t get all the way there, we need to lock in wins while we can.”

#### Democrats are finalizing climate agreements.

Joselow and Romm 7/7 (Maxine Joselow is a staff writer who anchors The Climate 202 at The Washington Post. Joselow came to The Post from E&E News, an environmental publication that is part of Politico. Tony Romm is the congressional economic policy reporter at The Washington Post, tracking infrastructure reform, government spending and the financial impacts of federal decision-making nationwide. Romm previously covered the tech industry for about 12 years, chronicling the myriad ways that tech companies like Apple, Facebook and Google navigate the corridors of government -- and the regulations that sometimes result. In his time at The Post, where he last served as senior technology policy reporter, he broke many of the most resonant stories on the beat, revealing once-secret information about state and federal probes into Silicon Valley’s largest firms. Romm arrived at The Post in 2018, after previously serving as a senior technology reporter for Politico and a senior editor for policy and politics at Recode, a tech business news site owned by Vox Media. Romm is also an on-air contributor to NBC News and MSNBC. “Democrats race to clinch deal on climate, energy with Manchin,” Washington Post. July 7, 2022. Accessed July 10, 2022. <https://www.washingtonpost.com/climate-environment/2022/07/07/climate-reconciliation-bill-manchin/>, AK)

Democratic leaders are racing to finalize a revised proposal to tackle climate change and jump-start the nation’s transition to clean energy, part of a larger sprint to strike a deal with Sen. Joe Manchin III (D-W.Va.) on their stalled spending bill this month.

The frenzied deliberations reflect weeks of private talks between Senate Majority Leader Charles E. Schumer (D-N.Y.) and Manchin, a centrist who scuttled negotiations over the party’s last attempt at a broader spending package in December. A climate agreement would help the country meet President Biden’s ambitious clean-energy goals, even as Manchin pursues policies that would still promote fossil fuels.

While top Manchin aides say they are far from a deal, some Democrats are still hoping to finalize a retooled climate proposal as soon as next week, when lawmakers are set to return from recess, according to two people familiar with the matter, who spoke on the condition of anonymity because they were not authorized to comment publicly. Already, party leaders have held advanced discussions with the West Virginian on spending to combat climate change, including how to curb emissions of methane, a potent planet-warming gas, the individuals said.

Last year, Democrats proposed placing a fee on oil and gas companies’ methane emissions as part of their ill-fated legislative package, known as the Build Back Better Act. But Manchin raised concerns about the fee, saying it would be duplicative of proposed regulations from the Environmental Protection Agency. Democrats are now working out with Manchin a potential solution that would exempt companies from the methane fee if they comply with the EPA regulations once the rules are finalized, the two people familiar with the matter said.

#### BBB solves climate---it empowers state and local governments.

Murakami 7/7 (Kery, s enior reporter for *Route Fifty*. “What the Revival of ‘Build Back Better’ Could Mean for State and Local Funding,” Route Fifty. July 7, 2022. Accessed July 10, 2022. <https://www.route-fifty.com/infrastructure/2022/07/what-revival-build-back-better-could-mean-states/373963/>, AK)

Optimism is growing that Senate Democrats could try again to pass President Biden’s Build Back Better plan. While environmental advocates expect the previous $1.75 trillion proposal to be significantly scaled back, hundreds of billions of dollars in climate funding could still be headed to states and local governments.

“The chatter on the Hill is very hopeful. The bill could be very significant and game-changing for climate and communities,” John Reuter, the League of Conservation Voters’ vice president for state and local strategies, told Route Fifty in an interview.

Since the House version of the plan was blocked in the Senate by moderate West Virginia Democratic Sen. Joe Manchin last year, he and Senate Majority Leader Chuck Schumer of New York have been negotiating behind the scenes on a new, smaller proposal.

On Wednesday, Schumer sent an agreement the two have reached on an aspect of a broader deal, a proposal to lower drug prices, to the Senate’s parliamentarian.

That procedural move, to see if the drug pricing deal complies with Senate rules that would allow it to be passed without any Republican votes, has raised hopes that Schumer and Manchin are close to agreement on other aspects of a deal, including the climate provisions.

If so, Democrats could try to pass the overall package under a partisan budget procedure called reconciliation before Congress leaves for its August recess.

The funding would be a boon for states, particularly as even some headed by Republican governors try to combat climate change.

Last November, a bipartisan group of 24 governors, called the U.S. Climate Alliance, committed to trying to reach a number of ambitious goals, including reducing greenhouse gas emissions by half in their states by 2030 and achieving net-zero emissions no later than 2050.

It’s unknown how much of the proposal passed by the House last November will survive the Senate negotiations. That bill included $555 billion in climate funding, a plan the Biden administration touted as “the largest effort to combat the climate crisis in American history.”

Among other things, the House bill called for creating $250 million in grants to help states, local governments and tribes develop plans to reduce greenhouse gas air pollution, and an additional $4.75 billion to actually implement those plans.

“We’re sort of on pins and needles right now,” Reuter said of the wait to see what emerges from the closed-door negotiations.

Carolyn Berndt, the National League of Cities’ legislative director for sustainability, also said in an interview the proposal could be a “significant complement” to the climate-related funding in the bipartisan infrastructure law Biden signed last year.

Should it be similar to the House bill, a new proposal could fund an array of grants aimed at areas like retrofitting buildings, reducing greenhouse gas emissions, increasing electric vehicle purchases, removing lead pipes, and helping communities deal with air pollution from wildfires—all with an emphasis on helping disadvantaged communities.

### Internal---Drug Pricing

#### Dems are committed to passing BBB by next month---solves drug pricing.

Turner 7/6 (Trish, ABC News Coordinating Congressional Reporter. “Democrats Schumer and Manchin strike deal to cut costs for seniors,” ABC News. July 6, 2022. Accessed July 10, 2022. <https://abcnews.go.com/Politics/democrats-schumer-manchin-strike-deal-cut-costs-seniors/story?id=86318474>, AK)

Senate Democrats have reached agreement on a key portion of a revised domestic policy bill, once known as Build Back Better, which would allow Medicare to negotiate prescription drug prices, according to a source familiar with the matter.

Democrats have worked for years to give Medicare this power, always falling short in the face of GOP opposition, but this time they hope to move it forward as part of a broader, as-yet-unfinished economic package, anxious to provide relief to voters buffeted to tackle sky-high inflation and a possible recession.

Since centrist Democrat Joe Manchin of West Virginia abruptly scuttled President Joe Biden's signature domestic agenda proposal last December over fears of rising inflation -- surprising the White House and his party by announcing his decision on Fox News -- he has been working intensely behind the scenes with Senate Majority Leader Chuck Schumer on a smaller bill that would still advance under special rules that require a mere simple majority -- or in this case just Democratic votes -- for final passage, with Vice President Kamala Harris breaking an expected tie.

"Senator Manchin has long advocated for proposals that would lower prescription drug costs for seniors and his support for this proposal has never been in question. He's glad that all 50 democrats agree," Manchin spokeswoman Samantha Runyon told ABC News of the deal, first reported by the Washington Post.

Republicans have kept up a united front against the legislation, branding it Democratic socialism and claiming the broader legislation -- originally carrying a $2.2 trillion price tag but is expected to be dramatically reduced in the revised version -- would only exacerbate inflation.

The broader economic bill still has a long way to go and is not expected to be finalized for weeks, according to two Democratic aides, but this deal announced Wednesday was submitted to the Senate's rules-keeper, the parliamentarian, for her to begin the lengthy and detailed process of ensuring the measure fits within the strictures of the expedited process Democrats intend to employ, called "reconciliation," according to a source familiar with the matter.

The move by Sen. Schumer "demonstrates major progress and shows leadership's commitment to trying to move forward with a bill on the floor as early as next month," the source told ABC News.

#### High drug prices lead to millions of deaths and wastes billions of dollars---robust data set.

CISDA 20 (The Council for Informed Drug Spending Analysis (CIDSA), brings independent experts together to build consensus on effective, evidence-based policies to reduce drug spending. “High Drug Prices and Patient Costs: Millions of Lives and Billions of Dollars Lost,” November 18, 2020. Accessed July 10, 2022. <https://www.cidsa.org/publications/xcenda-summary>, AK)

Key Findings:

By 2030, on average:

112,000 seniors each year could die prematurely because drug prices and associated cost-sharing are so high that they cannot afford their medication.

Because high drug prices and patient costs mean seniors cannot afford their medications, Medicare is projected to spend an additional $17.7 billion annually on avoidable medical spending because of health complications.

Medicare negotiation is projected to reduce drug prices and seniors' cost-sharing, which could prevent nearly 94,000 seniors’ deaths annually and save $475.9 billion.

‍Existing Problem

Medication adherence refers to how well patients follow the instructions given by their healthcare providers for taking a medication regimen. While nonadherence can be a result of many factors, unaffordable drug prices can significantly impair medication adherence (we call this “cost-related nonadherence”). When patients are unable to adhere to their medications because of high prices, medical spending significantly increases to treat patients’ conditions; over time, these complications can lead to worse health outcomes and premature death.

The benefit design structure of the Medicare Part D program leaves many beneficiaries particularly vulnerable to complications from cost-related nonadherence. Under the standard benefit design, Medicare beneficiaries are responsible for 25% of a drug’s cost until they hit the out-of-pocket maximum. This means that even with Medicare insurance, what seniors pay is linked to a drug’s price. This linkage allows us to model how cost-related nonadherence would change under policies that would reduce drug prices, such as Medicare negotiation, and to simultaneously model changes in mortality and avoidable medical spending that would follow from lower drug prices.

Existing publications on the impact of medication adherence are dated, using models from the 1990s that do not reflect the efficacy, safety, and pricing of current treatments. The West Health Policy Center commissioned Xcenda, the research arm of drug distributor AmerisourceBergen, to model the current relationship between cost-related nonadherence and mortality and cost outcomes in the Medicare program. This analysis considers the impact of cost-related nonadherence on the general Medicare population, and on five individual conditions – Atrial Fibrillation, Chronic Kidney Disease, Chronic Obstructive Pulmonary Disorder, Type 2 Diabetes, and Ischemic Heart Disease –that significantly affect seniors and for which effective pharmaceutical treatments are available. Xcenda modeled the impact of cost-related nonadherence on a ten-year period, from 2021-2031.

Analysis of Results

Over the ten-year period, high out-of-pocket costs for drugs are estimated to cause 1.1 million premature deaths of seniors in the Medicare program and lead to an additional $177.4 billion in avoidable Medicare medical costs. The plurality of premature deaths is due to cardiac conditions (atrial fibrillation and ischemic heart disease), causing 354,800 seniors to die prematurely over the ten-year period. High drug prices are estimated to contribute to 70,400 premature deaths from chronic kidney disease, 69,300 premature deaths from chronic obstructive pulmonary disease, and 62,700 premature deaths from diabetes among seniors by 2031.

Reducing drug prices through Medicare negotiation could significantly reduce the number of premature deaths. After calibrating to the Congressional Budget Office’s score of H.R.3, the Elijah E. Cummings Lower Drug Costs Now Act, the model estimates that granting Medicare the authority to negotiate and limiting drug price increases could prevent 93,900 deaths per year. These policy changes are projected to reduce Medicare spending by $475.9 billion by 2030.

## Affirmative

### Uniqueness---Doesn’t Pass

#### The bill doesn’t pass. Manchin hates electric subsidies, the agenda is full, Leahy is not in Congress, and Sinema isn’t involved in talks.

Everett and Levine 7/7 (John Burgess Everett is the congressional bureau chief for POLITICO, specializing in the Senate since 2013. He’s a native Mainer, a University of Maryland graduate and one of those people who goes by his middle name. Before covering the Senate, Burgess covered transportation policy for POLITICO and served on the production team. He’s also an alum of the Gazette in suburban Maryland and the Portland Press Herald in Maine. Marianne LeVine is a reporter for POLITICO, where she covers the Senate. She previously covered lobbying and co- authored POLITICO Influence. Prior to her stint on the lobbying beat, Marianne covered labor policy for POLITICO Pro, writing about regulations related to overtime pay, retirement advice and occupational health and safety. Her reporting in 2016 about domestic abuse allegations against President Donald Trump's first nominee for labor secretary, Andrew Puzder, was a key part of the debate surrounding his nomination, which he ultimately withdrew. Prior to working at POLITICO, Marianne was an intern in the Los Angeles Times' Washington, D.C. bureau. She graduated from Stanford undergrad in 2013, with degrees in International Relations and French and completed Stanford's Graduate Program in Journalism in 2014. Zack Colman contributed to the report. “Dems' climate and tax agenda to consume Congress in July,” Politico. July 7, 2022. Accessed July 10, 2022. <https://www.politico.com/news/2022/07/07/dems-climate-tax-agenda-july-00044482>, AK)

The Schumer-Manchin negotiations come amid a mixed backdrop for Democrats, who have a shot at keeping control of the Senate but are battling Biden’s unpopularity and public outrage over rising prices. Other pieces of Democrats’ agenda regarding child tax credits, education and senior home support are almost certain to be sidelined due to Manchin’s narrower aspirations.

Another possible casualty moving forward, according to multiple sources, are more federal subsidies for electric vehicles and new infrastructure spending to support them. Manchin has publicly panned over-reliance on electric vehicles as “stupid” when other countries control much of the supply chain for critical parts and consistently questioned more federal investment for the growing industry. Separately, car companies are asking for Washington to lift a cap on how many electric automobiles are eligible for existing tax credits.

Manchin is also interested in advancing more domestic energy talks outside of the current negotiations, having held bipartisan discussions with the GOP earlier this year.

“It’s no secret that Sen. Manchin — and many others on both sides of the aisle — believe that permitting reform is essential to American energy security and our ability to decarbonize,” Runyon said, adding that Manchin will “explore all options to responsibly address these issues.”

Manchin previously signaled he would not support Direct Pay, which essentially gives cash to clean energy developers to free companies from having to rely on tax credits. Some Democrats and interest groups are making a late push with Manchin to include direct pay tax credits for clean manufacturers, adding those incentives would be technology neutral. Democrats are also discussing barring large power companies from the Direct Pay program and focusing on nonprofits.

In order to hit his rough goal of $500 billion in new spending while also incorporating extensions for expiring Obamacare subsidies that could cost roughly $200 billion, more energy spending may also be jettisoned.

Tax policy remains unfinished as well. Democrats have not finalized which tax increases on corporations and the wealthy will be used and international taxation policy remains in flux, according to a person with direct knowledge of the negotiations.

The push to wrap up the package comes as Democrats face two imminent deadlines. While the Obamacare subsidies are technically set to expire at the end of the year, insurers are locking in rate increases throughout the summer and fall. The practical deadline for staving off those rate increases is likely sometime in August. On top of that, Senate rules dictate that Democrats have only until the end of September to pass a party-line bill, otherwise they’d have to start from square one.

And there’s no margin for error. Senate Democrats need all 50 of their members’ support in the evenly divided Senate, and that means yes votes from Manchin and Sen. Kyrsten Sinema (D-Ariz.), plus a return from Sen. Patrick Leahy (D-Vt.), who is recovering from a broken hip. Coons said he’s “communicated” with Leahy and is “encouraged by his progress.” Leahy’s office hasn’t yet indicated when he’ll return to the Senate, though he was discharged from the hospital this week.

Some Democrats are concerned that Sinema is not involved in the Manchin and Schumer talks, given her different view of tax policy than her West Virginia colleague, who is more keen on reversing the Trump tax cuts than she is. Sinema maintains a line of communication with Democratic leadership, according to a Democratic aide.

#### Doesn’t pass. Democrats need an aggressive timetable to pass BBB before August but won’t commit to one.

Turner 7/6 (Trish, ABC News Coordinating Congressional Reporter. “Democrats Schumer and Manchin strike deal to cut costs for seniors,” ABC News. July 6, 2022. Accessed July 10, 2022. <https://abcnews.go.com/Politics/democrats-schumer-manchin-strike-deal-cut-costs-seniors/story?id=86318474>, AK)

Democrats involved in the matter dodged questions about timetables for passage of any final deal, cognizant of the fact that an intense focus on missed deadlines plagued the first iteration of the legislation.

But there is little doubt that the month-long August recess looms large with the focus afterward on funding the government by Oct. 1 and the crucial midterms that may very well alter the power structure in Congress. Democrats are also very wary of scaring off the mercurial Manchin with any pressure, despite knowing that a major economic package could potentially boost their political chances significantly.

### Uniqueness---Climate

#### Climate regulations won’t pass---Manchin disagrees with it and any compromise makes the bill too small for progressives.

Joselow and Romm 7/7 (Maxine Joselow is a staff writer who anchors The Climate 202 at The Washington Post. Joselow came to The Post from E&E News, an environmental publication that is part of Politico. Tony Romm is the congressional economic policy reporter at The Washington Post, tracking infrastructure reform, government spending and the financial impacts of federal decision-making nationwide. Romm previously covered the tech industry for about 12 years, chronicling the myriad ways that tech companies like Apple, Facebook and Google navigate the corridors of government -- and the regulations that sometimes result. In his time at The Post, where he last served as senior technology policy reporter, he broke many of the most resonant stories on the beat, revealing once-secret information about state and federal probes into Silicon Valley’s largest firms. Romm arrived at The Post in 2018, after previously serving as a senior technology reporter for Politico and a senior editor for policy and politics at Recode, a tech business news site owned by Vox Media. Romm is also an on-air contributor to NBC News and MSNBC. “Democrats race to clinch deal on climate, energy with Manchin,” Washington Post. July 7, 2022. Accessed July 10, 2022. <https://www.washingtonpost.com/climate-environment/2022/07/07/climate-reconciliation-bill-manchin/>, AK)

The individuals cautioned that lawmakers and their staff are still discussing the idea and that no final deal on methane — or the rest of their climate agenda — has been reached. Over the past year, Democrats have repeatedly thought they were close to striking an accord with Manchin, only to see negotiations collapse at the last moment because of misunderstandings, miscommunications and lingering policy differences.

“Suggestions that a reconciliation deal is close are false,” said Sam Runyon, a spokesman for Manchin, in a statement. “Senator Manchin still has serious unresolved concerns and there is a lot of work to be done before it’s conceivable that a deal can be reached he can sign onto.”

Justin Goodman, a spokesman for Schumer, said any mention of a final deal is “speculation,” adding: “We continue to have productive conversations.”

But Senate Environment and Public Works Chair Thomas R. Carper (D-Del.), whose panel has jurisdiction over the methane fee, believes the potential compromise would ensure that companies are reducing their methane emissions regardless of EPA regulations, those familiar with the matter said. Finding a legislative solution to the issue has taken on added significance since the Supreme Court last week limited the EPA’s powers to curb greenhouse gas emissions from power plants.

The haggling over climate provisions comes after Democratic leaders finalized a plan to lower prescription drug prices for seniors, signaling progress on another key pillar of their economic agenda. Under the plan, the federal government would for the first time be allowed to negotiate the price of certain drugs on behalf of Medicare beneficiaries. Some party lawmakers saw the development as crucial toward crafting a broader package that could come to the Senate floor as soon as the end of July, a timeline Schumer previously outlined to his caucus.

But a wide array of issues — about the size, scope and cost of the package — remain up for debate.

On climate, for example, Democrats are still wrangling with Manchin over a tax credit for electric vehicles. The West Virginia lawmaker has voiced concern that the tax incentive could be a handout for wealthy Americans who purchase expensive electric cars. While the issue is unresolved, a potential compromise could involve “means testing,” in which the tax credit would be restricted to consumers who earn below certain income thresholds.

Another unresolved issue concerns a suite of tax credits for producers of clean energy from sources such as wind and solar power. Manchin has indicated that he will not support a spending bill that includes what’s known as direct pay, in which payments are sent directly to companies that produce clean energy for consumers. A potential compromise could involve restricting eligibility for direct pay to nonprofits, according to one person familiar with the matter.

The overall price tag of the climate and energy provisions in the spending bill could total around $300 billion to $350 billion, though the amount will change as negotiations continue. That pales in comparison with the $555 billion climate package in the earlier version of the bill that passed the House last year.

Manchin has argued that such spending could add to the national debt and worsen inflation as prices are skyrocketing. But the smaller amount on environmental programs may be difficult to accept for some liberal House lawmakers, who view the measure as their last chance to pass robust climate legislation before the midterm elections this fall, when Republicans could wrest control of Congress.

“I wanted more than $555 billion to meet the moment on climate,” Rep. Ro Khanna (D-Calif.), deputy whip of the Congressional Progressive Caucus, said in an interview Thursday. “I was in meetings at the White House where I pushed for more."

However, Khanna said he would encourage fellow liberal House members to accept any climate deal that emerges in the Senate.

“The alternative is zero dollars,” he said. "Significant investment is much better than zero.”

### Internal---Inflation

#### BBB makes inflation worse. It kills innovation and drives aggregate demand.

de Rugy 7/7 (Veronique de Rugy, Ph.D., is a contributing editor at *Reason.* She is a senior research fellow at the [Mercatus Center](http://www.mercatus.org/) at George Mason University. “Democrats Are Trying To Push Through Another 'Build Back Better' Bill. It Would Only Make Inflation Worse.” Reason. July 7, 2022. Accessed July 10, 2022. <https://reason.com/2022/07/07/democrats-are-trying-to-push-through-another-build-back-better-bill-it-would-only-make-inflation-worse/>, AK)

The go-to policy for dealing with nearly every modern problem is more government spending. So it was just a matter of time before Democrats tried to revive the failed "Build Back Better" (BBB) program to address today's economic troubles. Of course, if they succeed, the result will be much the same as what we've experienced over the past 18 months: more debt and rising inflation.

As a reminder, the $2 trillion proposed BBB legislation came on the tail of an oversized $2 trillion third COVID-19 relief bill and a $1 trillion infrastructure bill. It was killed when Sens. Joe Manchin (D–W.Va.) and Kyrsten Sinema (D–Ariz.) joined all Republican senators in opposition. They rightfully worried that more spending would inflate our debt and produce inflation. But now, their party is back at it again. In the midst of the largest inflation in four decades, they've been negotiating behind the scenes for weeks in hopes of passing a slimmer BBB.

According to Politico, they hope to pass the bill before September by using the budget reconciliation process. The bill includes tax increases, deficit-reduction measures, prescription-drug reform, and renewable-energy subsidies, but most of the details are still unclear. If we wind up with more of the spending and favoritism that's become so common, it would be tragic.

First and worst, these policies are destined to be counterproductive. Subsidies to suppliers of green energy, for instance, increase the cost of that energy and hinder the innovation that could make it more commonplace. The Democrats' prescription-drug policy would be costly and in the long run perhaps even deadly. As the Paragon Institute's Brian Blase recently wrote in a newsletter, "Former Chairman of the Council of Economic Advisers Tomas Philipson…estimates that these proposals would lead to 135 fewer new drug approvals over the next two decades. This reduced innovation would translate into a loss of life years many times larger than the life years lost from COVID-19."

Second, as the spending flows through the economy, it will continue to fuel inflation. The recent price hikes are caused by irresponsible fiscal and monetary policies during the pandemic, followed by a failure to implement—or even talk about—policies for reducing the budget deficit and debt once the crisis passed. Indeed, one of the implicit fiscal rules that politicians have lived by until now is that while government can spend big during an emergency, it should go on a diet once the emergency is over. Doing otherwise might trigger a calamitous suspicion that the government will fail to repay its debt and instead rely on inflation to chip away at it.

Furthermore, another huge spending spike is costly especially if paid for with borrowed money. It is particularly expensive at a time when the Federal Reserve is hiking interest rates to tame inflation. Thirty percent of U.S. debt needs to be rolled over within a year. Higher interest rates mean higher interest payments on our debt, a difference in cost that will be felt rapidly.

Finally, higher interest rates and the resulting slowing of the economy could reduce inflation—but that could be a costly and short-lived victory unless Congress implements austerity. Any initial success in taming inflation could backfire by temporarily increasing households' real wealth and interest receipts from bond investments. In this scenario, more wealth and higher incomes end up boosting the aggregate demand that's been driving inflation. Implementing a fiscal consolidation plan would reduce the wealth effect and keep inflation under control. On the other hand, adding more spending to the economy, like most Democrats want to do, would aggravate the wealth effect and fuel demand-driven inflation.

As the Hoover Institution's John Cochrane reminds us, this is exactly what happened during the Great Inflation. He writes: "In 1970 and 1974, the Fed raised interest rates more promptly and more sharply than now, from 4% to 9% in 1970 and from 3.5% to 13% in 1974. Each rise produced a bruising recession. Each reduced inflation. Each time, inflation roared back." This is what will happen if the Biden administration fails to implement austerity or, even worse, if it uses fears of an upcoming recession as an excuse to increase spending and the debt further.

A soft landing was never a credible option. Once inflation starts, there's no easy way out. But there are plenty of ways to make things worse and more painful. This is what will happen if Democrats proceed with their current BBB plan.