



# NEW DEMS

# INFLATION ACTION PLAN

Lowering Prices and Fighting Inflation:  
What We Have Done and What We Need To Do





The American economy has made significant progress: we created more than six million jobs last year and, with over 220 million Americans now vaccinated, businesses and schools are open and many of us are able to return to our favorite shops and restaurants. Now our community and our country face rising prices as the world untangles all the knots in global supply chains caused by so many disruptions around the world over the last two years. Understanding now more than ever how connected our global market is, we also know that conflicts like Russia's unjust invasion of Ukraine are increasing prices of household budget items like food and gas. These increases hurt us all, and I am committed to doing what I can to lower these costs. That is why I was proud to help start the first-of-its-kind Inflation Working Group, to tackle this challenge head on.

The New Democrat Coalition Inflation Working Group immediately convened meetings with policy experts and economists from both the public and private sector to identify short- and long-term solutions to lower prices. After months of work, I'm pleased to share this comprehensive plan to tackle the challenge of inflation, which my colleagues and I are now working hard to implement. I'm proud to report that *Forbes* called our proposal the "best inflation-fighting blueprint to come out of Congress yet."

In addition to this plan, I have taken other steps to reduce inflation, and cut down the price of gas. I stand with my colleagues in calling on the President to tap into the Strategic Petroleum Reserve and to ban American crude oil exports. I helped get the bipartisan Ocean Shipping Reform Act signed into law which will make tangible improvements for American exporters, easing our international supply chains and helping keep prices down for consumers.

Lowering costs across the board must be a top priority, not only for groceries and gas, but also for other necessities like prescription drugs and childcare. I am proud that Congress is making progress on lowering these costs and am eagerly watching the implementation of the bipartisan Infrastructure Investments and Jobs Act which will rebuild our nation's ports, highways, and railways, to prevent these disruptions in the future.

I will continue to work with anyone to achieve real progress to remove supply chain bottlenecks, strengthen the American workforce, and lower prices for consumers. Our Inflation Action Plan is a good start.

Sincerely,



**Rep. Chrissy Houlahan**

Whip, New Democrat Coalition



## SUPPORT FOR THE PLAN TO FIGHT INFLATION

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"Inflation is a central national challenge for the next several years. The New Democrat Coalition has done something very valuable in putting forth a concrete action plan. Its elements should receive urgent policy consideration."

*Lawrence H. Summers*

Former Treasury Secretary

"The New Democrat Coalition knows the danger that inflation poses to families, businesses, and the economy. They have been a critical voice on this issue in Congress and established the only formal congressional working group to explore the causes of inflation and build forward-looking solutions to the problem. We applaud their leadership and encourage others to pay attention to their recommendations."

*Ladan Ahmadi*

Deputy Director, Third Way's Economic Program

"In their new package the New Democrats are offering serious ideas to tackle a serious set of challenges. With Russia's aggression in Ukraine likely to keep food and energy prices high here for some time, US policy makers must work very hard now to both keep growth strong and bring down inflation. This detailed set of ideas to tackle inflation is a very welcome addition to an important debate – let's hope Congress, particularly the Senate, has the courage to act."

*Simon Rosenberg*

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"PPI applauds the New Democrat Coalition's Inflation Working Group for tackling what Americans across the political spectrum agree is the top economic problem facing the United States today. Their new Action Plan to Fight Inflation includes many targeted policies that could meaningfully cut costs by strengthening supply chains, reducing barriers to trade, cutting onerous regulations, increasing clean energy production, investing in innovative research, and making fiscal policy more responsive to macroeconomic needs. This thoughtful menu of policy options demonstrates that pragmatic Democrats are getting serious with solutions."

*Ben Ritz*

Director, Progressive Policy Institute's Center for Funding America's Future

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As the Federal Reserve takes independent action through monetary policy to address inflation, Federal policymakers can take actions to deliver some short-term relief for Americans and enact sustainable fiscal frameworks that help stabilize prices, provide market certainty, and reinforce the [long-term trend of low inflation](#).

## 1 | Steps President Biden and Congress have taken to lower prices

Rapidly improved supply chains

Brought more people into the workforce

Cut costs by reducing trade barriers

Strengthened American energy security and lower energy costs

Invested in American agriculture to lower food prices

Provided direct relief to Americans

## 2 | The plan to address inflation further

Strengthen global supply chains

Get more people back to work

Suspend and reduce tariffs and other trade barriers

Lower energy prices and transition to a clean energy economy

Increase affordable housing

Lower the price of food

Reduce out of pocket costs for Americans

Invest in the long-term fiscal strength of our nation and families

**PRESIDENT BIDEN AND CONGRESS HAVE  
ALREADY TAKEN STEPS TO LOWER PRICES  
FOR THE AMERICAN PEOPLE**



## RAPIDLY IMPROVED SUPPLY CHAINS

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As the economy rapidly recovered from the COVID-19 public health and economic crisis, pent up demand that outpaced supply of goods and services and bottlenecks in our supply chains caused prices to rise across the globe. The Biden administration and Congress have taken a whole of government approach to strengthen and speed up supply chains and lower costs for the American people. As a result of the below actions, American consumers and businesses are starting to see ocean shipping and trucking costs decline.

- Congress and the Biden administration enacted the Bipartisan Infrastructure Law to reverse decades of underinvestment in our infrastructure and modernize our ports, roads, bridges, and railways to strengthen our supply chains and get goods to market faster.
- The Biden administration announced an [agreement](#) between the Department of Justice and the Federal Maritime Commission (FMC) to improve ocean freight transportation system competition by providing the FMC with additional attorneys and economists to support its oversight mission.
- The Biden administration created and delivered on a [Port Action Plan](#) to accelerate, expand, and increase flexibilities for port grants, fund new port and coastal infrastructure projects, and speed up the flow of goods through ports.
- The Biden administration implemented a [Trucking Action Plan](#) to increase the supply of truck drivers by reducing barriers to drivers obtaining commercial driver licenses, accelerating the expansion of registered apprenticeship programs, and continuing the Driving Good Jobs initiative to improve the quality of trucking careers.
- The Biden administration launched the [Supply Chains Disruptions Task Force](#) to address short-term supply chain bottlenecks as the economy reopened.



## BROUGHT MORE PEOPLE INTO THE WORKFORCE

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Our historic economic recovery created millions of good jobs at a rapid pace. In fact, the U.S. now has two job openings for every one unemployed person. This job growth led to increased earnings for many; however, the tight labor market also created challenges in ramping up the supply of goods and services to meet high, post-pandemic demand. Congress and the Biden administration have worked to bring more Americans into the workforce.

- Through the American Rescue Plan, Congress and the Biden administration increased access to quality, affordable childcare with \$24 billion in stabilization funding and \$15 billion for childcare and development block grants. This critical funding helped childcare providers stay open during and after the pandemic and helped parents get back to work.
- Congress and the Biden administration enacted the Bipartisan Infrastructure Law, which includes funding to modernize our nation's infrastructure and improve public transit, creating jobs and helping people get to and from work faster.
  - *The Bipartisan Infrastructure Law also included funding for workforce development and the [Low-No Program](#) to ensure workers are not left behind in the transition to low-and zero-emission transit buses.*
- The Biden administration issued an [Executive Order](#) to promote workforce competition and mobility by limiting or banning non-compete agreements and addressing burdensome occupational licensing requirements.
- The Department of Homeland Security and Department of Labor issued a joint temporary final rule to make available an additional 35,000 H-2B temporary non-agricultural worker visas from April 1, 2022, through September 30, 2022.





## CUT COSTS BY REDUCING TRADE BARRIERS

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**Congress and the Biden administration have taken actions to cut costs for American families and manufacturers by rolling back Trump-era tariffs and other costly trade policies.**

- The Biden administration made progress on agreements with the European Union, United Kingdom, and Japan to partially eliminate Sec. 232 tariffs on steel and aluminum, temporarily waived all 232 tariffs on steel from Ukraine, and is negotiating with other allies to reach similar agreements, all of which will lower prices paid by American consumers
- Congress took action to direct the Biden Administration to expand the Sec. 301 tariff exclusions process to lower prices for consumers and support American businesses. As a result, the Biden Administration reinstated tariff exclusions for 352 categories of products to lower prices for Americans and ease supply chain disruptions.

## STRENGTHENED AMERICAN ENERGY SECURITY TO LOWER ENERGY COSTS

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As the economy continues to reopen and Americans travel more, energy demand is outpacing supply. Russia's unjust invasion of Ukraine upended the global oil market and exacerbated rising prices at the pump. Congress and the Biden administration have taken a number of actions to lower prices at the pump and increase supply.

- The Biden administration has continued to release millions of barrels of oil from the Strategic Petroleum Reserve.
- The Biden administration temporarily waived the E15 gasoline summer ban to make more affordable, higher ethanol-content gasoline available year-round.
- The Biden administration restarted federal land lease sales for oil and gas exploration.
- Congress and the Biden administration enacted the Bipartisan Infrastructure Law, which includes provisions to help lower energy consumption and costs, including:
  - *Funding for weatherization assistance for lower-income households and energy grid modernization,*
  - *Funding for electric vehicle charging stations and additional alternative fuel infrastructure,*
  - *Improvements to our surface transportation system to reduce congestion; and*
  - *Investments to increase rail and public transit options and access.*





## INVESTED IN AMERICAN AGRICULTURE TO LOWER FOOD PRICES

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Global supply chain challenges, Russia's war on Ukraine, lack of competition in some agricultural sectors, and fertilizer prices that have more than doubled over the past year have all contributed to the inflation American families see at the supermarket. The Biden administration and Congress are committed to reducing costs for Americans at the grocery store.

- Congress and the Biden administration enacted the American Rescue Plan, which provided \$4 billion to fix disruptions in the food supply chain due to the global pandemic.
- The Biden administration allocated \$1 billion in American Rescue Plan funding to [expand independent food processing capacity](#) and increase competition and options for producers and consumers.
- Congress and the Biden administration passed the Bipartisan Infrastructure Law to help farmers and producers get their products to market faster.
- The Biden administration doubled the domestic investment for independent fertilizer production.
- The Biden administration doubled the number of counties eligible for dual cropping insurance to give farmers more security to start or expand double cropping.



## PROVIDED DIRECT RELIEF TO AMERICANS

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**Congress and the Biden administration have provided direct relief to the American people to lower out of pocket costs.**

- Congress and the Biden administration enacted the American Rescue Plan, which lowered costs for families by:
  - *Expanding SNAP benefits to help families afford food and nutrition and*
  - *Expanding premium tax credits to lower health care costs and increase insurance coverage for Americans.*
- The Biden administration issued a proposed [rule](#) to address the “family glitch” to allow more families to buy affordable, quality health insurance. As a result, a working family earning \$53,000 could see their health care costs [go down by more than \\$4,000](#).





## CONGRESS AND THE BIDEN ADMINISTRATION CAN DO MORE TO ADDRESS INFLATION

Despite the progress we have made, we know that more action is needed to address inflation and lower costs for the American people.

Listed below are concrete policy ideas to ease short- and long-term inflationary pressures and provide relief for American workers, families, and businesses. We are ready to work with our colleagues on both sides of the aisle to deliver durable solutions to help lower inflation.



## STRENGTHEN GLOBAL SUPPLY CHAINS

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By strengthening and diversifying domestic and global supply chains, easing barriers and expanding market access, and restoring American leadership and engagement on the global stage, we can increase the supply of critical technologies and materials, lower costs for American consumers, and ensure U.S. workers, farmers, ranchers, manufacturers, and businesses can compete in the global economy.

- Finalize and enact a bipartisan innovation act that will strengthen supply chains and lower costs for American consumers. The final bill should:
  - *Support supply chain resilience and domestic businesses through financial assistance, data sharing, and a new office at the U.S. Department of Commerce to oversee these efforts. ([H.R. 5495](#), [H.R. 6478](#))*
  - *Diversify and strengthen global supply chains in coordination with our allies and close trading partners.*
  - *Promote U.S. leadership on the global stage through diplomacy, economic engagement, and trade policy to expand market access for U.S. goods, reduce costs for U.S. consumers, coordinate with our allies to address the abuses of non-market economies, and ensure the U.S. writes the rules of the global economy of the future.*
  - *Include \$52 billion in funding to increase domestic advanced manufacturing of critical semiconductors, which are integral to the supply of in-demand products and technologies, such as household appliances, cars and trucks, and clean energy technologies.*
  - *Invest in next-generation basic and applied scientific research and development.*
- Enact House-passed legislation to address supply chain constraints:
  - *[H.R. 4996](#), the Ocean Shipping Reform Act, which would crack down on rising shipping costs and boost farmers' and exporters' ability to get their goods to the global marketplace.*
  - *[H.R. 3635](#), the Strengthening America's Strategic Stockpile Act, which would strengthen the national stockpile of critical supplies and medicines to ensure we can respond to future emergencies.*

## GET MORE PEOPLE BACK TO WORK

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Updating American workforce development programs and immigration policies and increasing the availability and affordability of childcare can help address labor market shortages. Congress and the Biden administration should take actions to better prepare people entering the workforce, upskill those in their careers, retrain dislocated workers, and increase the labor supply.

- Fund and modernize innovative approaches to workforce development and high-quality job training to get more workers into in-demand fields:
  - *Enact the House-passed [H.R. 7309](#), the Workforce Innovation and Opportunity Act to expand and improve America's workforce development system.*
  - *Invest in workforce development and career-oriented education to improve pipelines for in-demand industries, including housing, clean energy and utilities, and transportation and trucking.*
  - *Enact the House-passed [H.R. 447](#), the National Apprenticeship Act to expand opportunities and access to apprenticeships.*
  - *Pass [H.R. 2784](#), The STEM Restoring Employment Skills through Targeted Assistance, Re-entry, and Training (RESTART) Act, to allow mid-career workers to return or transition into the STEM workforce.*
  - *Enact policies to value skills-based careers over degrees by reorientating postsecondary education to prepare workers with career ready skills, investing in community colleges, increasing pathways to two-year degrees, improving credentialing, and promoting lifelong learning.*
  - *Enact [H.R. 3974](#), the TAA Modernization Act to expand and reauthorize the Trade Adjustment Assistance Program.*
  - *[Improve](#) credential attainment with reforms and additional funding for postsecondary occupational training for disadvantaged students and the creation of a permanent version of the Trade Adjustment Assistance Community College and Career Training (TAACCCT) grants.*
- Increase the availability and affordability of home care and childcare workers and services.
- Enact policies to support affordability, transparency, and accountability in higher education and credentialing programs, including by passing [H.R. 2030](#), the College Transparency Act, which would provide prospective students with more accurate data on completion and post-college outcomes.

- Finalize regulatory rules building on President Biden's [Executive Order](#) to address barriers to worker mobility, including reforms to non-compete clauses and addressing occupational licensing barriers, and pass [H.R. 1367](#), the Workforce Mobility Act.
- Enact immigration policies to increase the U.S. workforce:
  - *Enact provisions in the House-passed bipartisan innovation bill, the America COMPETES Act, to establish a new start-up and entrepreneur visa program, bolster apprenticeships, exempt immigrants with PhDs in a STEM field from green card limits, invest \$250M in the future STEM workforce, and promote workforce development through data collection and other investments.*
  - *Enact the House-passed bills, [H.R. 1603](#), the Farm Workforce Modernization Act and [H.R. 6](#), the American Dream and Promise Act, to increase legal immigration and bolster the U.S. economy and workforce.*
  - *Enact provisions in the House-passed Build Back Better Act to increase agricultural worker visas, recapture unused immigrant visa numbers, increase the care economy workforce, expand apprenticeship programs, and increase funding in workforce development programs.*
  - *Increase high-skilled worker and student/academic visas (H1As and J-1s) and family visas, and reform outdated country caps.*
  - *Pass [H.R. 3541](#), the Conrad 30 and Physician Access Reauthorization Act to reauthorize the Conrad 30 Program.*
  - *Pass [H.R. 7374](#), the Jumpstart Act to recapture unused visas.*
  - *Continue to push for comprehensive immigration reforms.*
- Address workforce needs in critical supply chain industries:
  - *Pass [H.R. 7348](#), the Strengthening Supply Chains Through Truck Driver Incentives Act, to establish refundable income tax credits for qualified commercial truck drivers.*
  - *Pass [H.R. 2187](#), the Truck Parking Safety Improvement Act, to provide additional assistance for safe and accessible trucker parking.*
- Fully implement and fund President Biden's COVID-19 Pandemic Preparedness plan to alleviate COVID-19-related labor shortages:
  - *Provide more COVID-19 tests at ports, manufacturing plants, and freight transportation facilities.*
  - *Provide additional funding for the provider relief fund and global vaccination efforts to get shots in arms.*
  - *Provide testing and PPE to schools and ensure schools implement HVAC upgrades to help keep schools and childcare facilities open.*



## SUSPEND AND REDUCE TARIFFS AND OTHER TRADE BARRIERS

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Congress and the Biden administration can continue to cut costs for American families, farmers, businesses, and manufacturers by rolling back Trump-era tariffs, suspending tariffs in other cases, and engaging with allies and close trading partners to lower prices and secure supply chains.

- Reduce barriers to trade that increase costs for American consumers and manufacturers. Actions should include immediately establishing a comprehensive, fair, and transparent exclusion process for existing Section 301 tariffs to cut costs for Americans and ease global supply chain constraints.
- Relaxing overly restrictive regulations in order to keep costs low while supporting American workers.
- Engage with allies and close trading partners to increase economic coordination and pursue trade agreements to further secure global supply chains, open new markets for U.S. goods, and strengthen coordination to counter the abuses and influences of non-market economies and adversarial powers.





## LOWER ENERGY PRICES AND TRANSITION TO A CLEAN ENERGY ECONOMY

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**We must act urgently to reduce prices at the pump today and make America truly energy secure by transitioning to a clean energy economy.**

- Continue to release oil from the Strategic Petroleum Reserve.
- Provide market certainty and incentivize short-to medium-term investments to ease supply constraints.
- Finalize and implement regulatory rules on improved emissions standards, energy efficiency standards, and oil well leakage and methane caps, while ensuring new regulations will not increase costs for businesses and families.
- Enact House-passed legislation to supercharge the clean energy transition to provide lower-cost, secure energy for Americans; get more electric vehicles and charging infrastructure on the roads; upgrade residential and appliance energy efficiency and renewable energy uptake; and invest in research, development, and deployment for next-gen climate technologies.
- Promote clean energy innovation with enhanced opportunities for technology transfer through U.S. Department of Energy laboratories; emphasize applied research on public good infrastructure that is less likely to receive private sector support and patience in evaluating project outcomes, with the ability to adjust decisions over time.
- Ease market and regulatory barriers to innovation, deployment, and adaptation of climate technologies.

## INCREASE AFFORDABLE HOUSING

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Affordable housing is increasingly scarce and housing costs have continued to rise throughout the country. Congress and the Biden administration should take additional actions to build more homes and reduce housing costs:

- Address materials shortages with strong public-private sector partnerships to address supply chain disruptions.
- Prioritize Bipartisan Infrastructure Law funding for projects that include planning, permitting, and zoning reforms for more inclusive and streamlined development.
- Prioritize Bipartisan Infrastructure Law funding for projects that coordinate housing and infrastructure planning and development, including transit-oriented development programs.
- Address prohibitive zoning and permitting policies, including by passing [H.R. 3198](#), the YIMBY Act and [H.R. 2483](#), the Build More Housing Near Transit Act.
- Remove [barriers](#) to affordable housing development, including by enacting and building on the House-passed Unlocking Possibilities Program to provide grants for states and localities and address permitting barriers for manufactured housing communities.
- Pass [H.R. 2573](#), the Affordable Housing Credit Improvement Act to expand and strengthen the low-income housing tax credit (LIHTC), which would create more affordable housing units and better serve at-risk communities.
- Finalize the administration's "income averaging" rule to support the expansion of affordable housing for a wider range of incomes.
- Increase homeownership opportunities by passing [H.R. 2863](#), the First Time Homebuyer Act, which would provide a credit of up to \$15,000 based on income and median area purchase price.



## LOWER THE PRICE OF FOOD

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The Biden administration and Congress can take action to support American farmers and producers and reduce the price of groceries so every American has access to affordable and nutritious food.

- The Biden administration should work with farmers and ranchers to identify additional opportunities to produce more food in America and bring down prices.
- The Biden administration and Congress should consider other policies to spur more competition in the food production, processing, and distribution sectors.
- Reform crop insurance to better cover all agricultural products and to provide farmers with certainty and incentives to produce more food.
- Suspend trade barriers that are limiting the supply of food.
- Extend cost-saving American Rescue Plan nutrition assistance and flexibility, including enhanced Supplemental Nutrition Assistance Plan (SNAP) benefits that expire at the end of September.
- Enact legislation to extend school and summer meal flexibilities to ensure no child goes hungry.
- Enact legislation to allow an unscheduled inflation adjustment for the Thrifty Food Plan (TFP) to reflect more recent prices due to current high inflation.





## REDUCE OUT OF POCKET COSTS FOR AMERICANS

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There are fundamental needs Americans cannot go without. Congress and the Biden administration can provide direct, targeted relief to the American people to help address the impact of rising costs.

- Enact a well-targeted enhanced Child Tax Credit ([H.R. 928](#), the American Family Act of 2021) to provide financial assistance to families to afford fundamental needs.
- Lower health care costs and expanding health care coverage by extending the enhanced premium tax credits and fixing the Medicaid gap.
- Enact the House-passed prescription drug reforms included in the Build Back Better Act.
- Enact the House-passed [H.R. 6833](#), the Affordable Insulin Now Act to cap insulin costs at \$35 per month.

## INVEST IN THE LONG-TERM FISCAL STRENGTH OF OUR NATION AND FAMILIES

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Over the last three decades, Democratic presidents have created jobs, raised wages, grew the GDP, and reduced the deficit at greater rates than Republican presidents. Congress and the Biden administration can continue this track record of success by leading on fiscal responsibility to ensure the American economy is on stable footing.

- Enact legislation to substantially reduce the deficit by reforming our tax code, increasing IRS tax enforcement to go after tax cheats, and reducing government expenditures on prescription drugs.
- Extend deadlines for states to spend American Rescue Plan funding over a longer period of time so states can enact more sustainable spending plans.
- Enact policies and increase incentives to promote personal savings and economic-security for workers and retirees.
- Prepare to phase out emergency stimulus programs as our economy recovers from the public health emergency.
- Implement new and update existing automatic stabilizers to better target future relief packages and ensure relief and stimulus spending starts and ends as needed, by passing legislation such as [H.R. 7821](#), the Worker Relief and Security Act.
- Invest in place-based economic policies to spread-out demand and lower concentrated price pressures in hot markets by enacting the pilot Recompete grant program included in the House-passed bipartisan innovation bill, the America COMPETES Act, and eventually the full [H.R. 4651](#), the RECOMPETE Act.
- Fully fund programs for pandemic preparedness and response.
- Pursue ambitious trade agreements with countries to lower prices for American consumers, expand market access for U.S. products, and create more resilient supply chains.
- Establish a [commission and issue a report on economic preparedness and recovery](#) to review our response to the 2009 and 2020 recessions and suggest preventative measures and fiscal policy responses for the [future](#).

## CONCLUSION

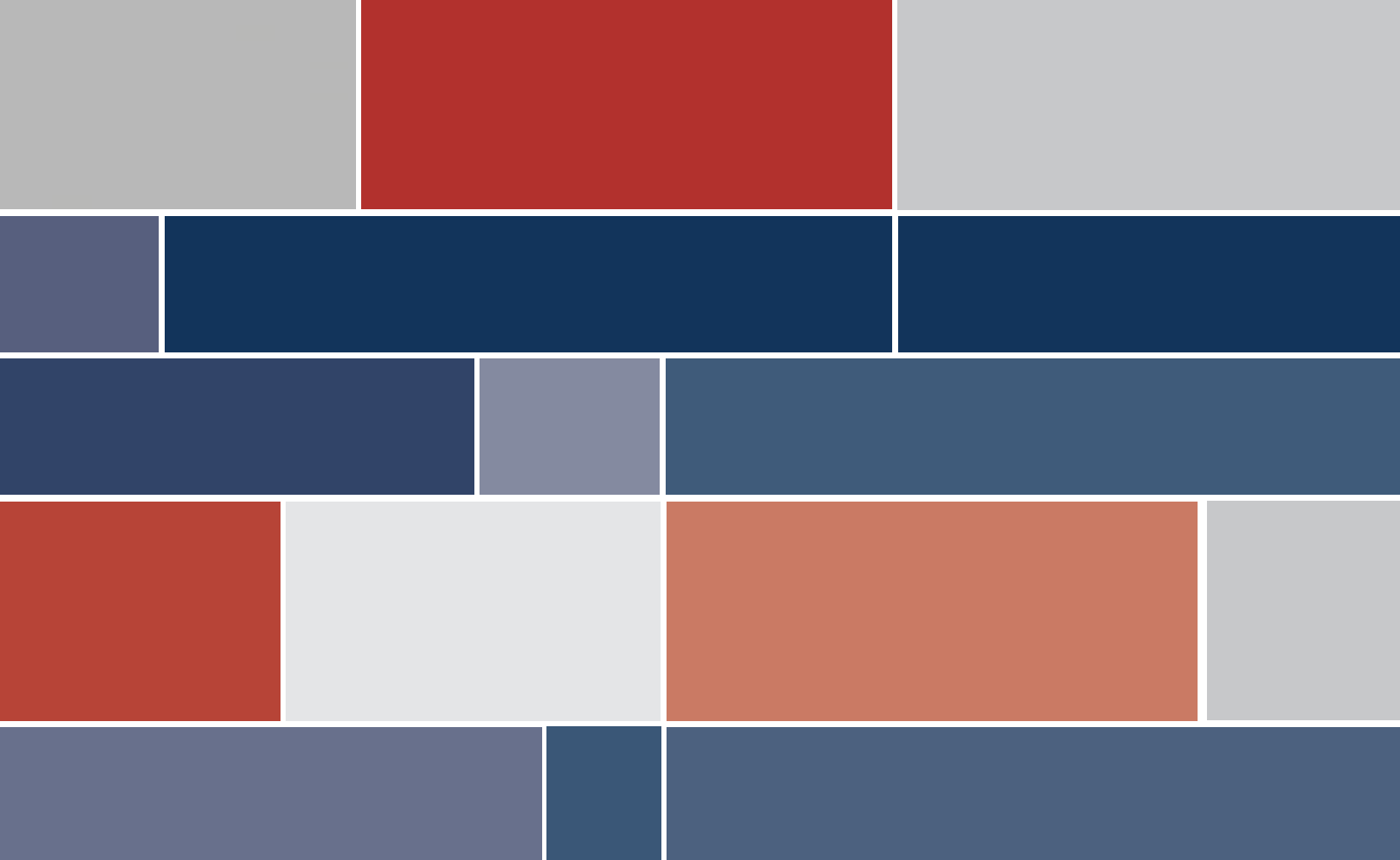
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***Tackling inflation is no small feat.*** New Dems know there is a lot of work ahead, but thanks to our members, we have a plan to get it done.

The Action Plan to Fight Inflation will serve as an essential guide for federal policymakers to take swift action on this urgent challenge and set up long-term, durable policies to keep prices low and our economy strong in the years to come.

The New Democrat Coalition will continue working closely with the Biden administration and our colleagues in Congress to ensure these policies are fully implemented so we can provide rapid relief and forward-looking solutions to Americans. As the “get stuff done” caucus in Congress, New Dems are working to ensure Americans have the opportunity to succeed in the 21st century global economy. We look forward to delivering on these unique challenges with effective solutions that will strengthen our economy, create new opportunities, and improve Americans lives for generations to come.





The New Democrat Coalition's  
Action Plan to Fight Inflation

