



October 18, 2021

TO:	Interested Parties
FROM:	Matt Bennett, Third Way Jim Kessler, Third Way
RE:	Moderates and Progressives must reach a deal to mutually assure success

The Democratic Party's two main ideological factions have circled each other for months, negotiating and feuding through press conferences, tv appearances, op-eds, and Twitter commentary. By now, we all know enough about each side's priorities and political clout to cut a deal to pass both the infrastructure bill and the Build Back Better reconciliation package. It is time that the two sides reach a deal and reap the rewards of mutually assured success. If they don't, our Democratic majority will reap a whirlwind of political destruction.

We acknowledge that the distrust between the wings of the big and restive Democratic coalition is warranted. Enough moderates have been either lukewarm or opaque about the reconciliation bill that progressives *should* feel unsettled about their intentions. And enough progressives have been so eager to add more spending to the same package that moderates *should* feel alarmed that it's at risk of being too big and ill-defined.

The result of the present intra-party negotiation inevitably must be a compromise, and no one – not moderates or progressives, the House, Senate or White House – will get the process or the package of their dreams. For one thing, the fate of the bipartisan infrastructure bill is now affixed to the Build Back Better reconciliation package, despite lines drawn in the sand by some moderates. And the final bill's topline cost will be far south of the \$3.5 trillion that some progressives still are insisting is their bare minimum.

So as legislators return to Washington this week, it is critical for Democrats across the political spectrum to get a deal done and then rally in support of the agreement. Leave aside for the moment the overwhelming substantive imperatives of enacting this legislation. The climate crisis, our crumbling infrastructure, holes in the health care system, and staggering inequality all require the kind of big responses that these bills could offer.

But the raw political calculus is equally clear, and failure is not an option. Any Democrat who stands in the way threatens to squander a historic political opportunity and imperil Democratic majorities.

The downside risk is obvious. Democrats seeking to protect our tiny majorities in 2022 already face significant hurdles, like partisan gerrymandering and Republican vote suppression. The moderates in swing districts at the frontlines of this battle will suffer most if reconciliation fails. And if they go down, the progressives will lose their committee gavels and majority party power to Trump-serving Republicans.

Democrats flirting with voting “no” also should be mindful that the party's last two midterm collapses were preceded by major legislative fumbles. In 1994, the health care reform debate turned into a Democratic debacle, splintering the coalition over the most high-profile item on the president's agenda – the bill's informal moniker even carried the First Lady's name. Its

failure was a big part of the electoral fiasco to come. In 2010, House Democrats voted for the controversial cap-and-trade bill and then garnered only its political downside when it failed to pass in the Senate, despite Democrats holding 59 seats.

In 2020, Democrats won on a pledge of calm, capable leadership. That's going to ring hollow if we can't cut a deal inside our own party on two huge measures that we've been debating in public for months. We must show voters that when they elect Democrats, American lives improve. Inaction does not make anyone's life better.

With mutually assured destruction not an option, Democrats should embark on a strategy of mutually assured success. That means progressives and moderates must swallow their misgivings, hammer out a deal, and get it to the Rose Garden.

If they do, all Democrats will go home with a story of real success. We started the year with the American Rescue Plan, which put shots in arms and checks in pockets. Then we worked out a bipartisan infrastructure deal, which will put Americans to work and rebuilds our crumbling roads and bridges. Finally, the Build Back Better bill will provide a huge middle-class tax cut, other aid to working families, and a massive move toward clean energy, all paid for by restoring some semblance of fairness to the tax code. That is the kind of robust response to crises that voters would reward, just as they rewarded (prematurely, it turned out) the Republican reaction to 9/11 in the 2002 midterms. And indeed, polling from ALG and Tax March found that voters in seven highly competitive districts are far more likely to support Members who vote for the president's agenda.

We narrowly avoided a second term of the Trump presidency by uniting Democrats under a very big tent. Debates inside that tent are healthy, but now it's time to prove that Democrats can govern. That means moderates and progressives must reach a deal to mutually assure success.