



Basis Points – April 1, 2021

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Above the Fold

More Stimulus Could Be Coming With the American Jobs Act

President Biden announced a \$2 trillion proposal yesterday that targets both physical infrastructure, and what the President calls “human infrastructure.” The new measure would allocate funds to a multitude of projects, which both parties agree are much needed. According to the American Society of Civil Engineers (ASCE), our nation’s infrastructure has a grade of C-, as everything from water mains and levees to roadways and bridges need attention. From a monetary perspective, the plan includes:

- \$115 billion to repair and rebuild bridges, highways and roads
- \$100 billion to expand high-speed broadband across the entire country

- \$100 billion to upgrade and build new schools
- \$100 billion to expand and improve power lines and spur a shift to clean energy

But it doesn't take a mathematician to realize that industrial and commercial infrastructure spending is only about one-quarter of the total size of the proposal. Embedded in the plan are ambitious efforts to build-out America's clean energy infrastructure, along with Green New Deal inspired efforts, and big incentives and rebates to shift the country toward all-electric vehicles. Details about the human infrastructure portion, which includes education, child care and other social programs, are also likely to surface in the coming weeks. The President expects to finance this package through a series of tax hikes.

Three Things

1. *The Bid for Boxes* – Like many other commodities, the price of corrugated cardboard boxes is jumping as demand reaches all-time records. U.S. producers cranked out roughly 407 billion square feet (or about 480 square miles) of corrugated product. The rise in cost is happening alongside a meteoric leap in the cost of wood and wood pulp, whose prices have doubled and even tripled over the past year or so.
2. *The Demise of 3G Is Coming (No, Really)* – Verizon, which has targeted 2019 and 2021 for the end of its legacy 3G (CDMA) network, just released a statement that the service will indeed end on Dec. 31, 2022. The company was very clear that this date will not be extended this time. Verizon joins AT&T and T-Mobile, who are both set to cut their 3G services by February 2022 and January 2022, respectively. Consumers with 3G devices will need to upgrade to continue using these networks.
3. *Your Summer Dream Vacation Might Not Actually Happen* – While Americans look to escape the confines of their locales, airlines are looking to rebuild schedules and flights that were cut dramatically during the pandemic — but there's a catch. Instead of reinstating regular flight schedules, airlines are creating “placeholder” flights (to many vacation areas) that consumers can book. Flights that fill up to acceptable levels would actually take off, while flights with few advance purchases would be canceled, shifting those customers to other flights or refunding fares paid.

Did You Know?

More Than 420 Years of April Fools!

Originally popularized as All Fools' Day, the tradition was said to have gotten its start in England, where pranksters played practical jokes on each other starting back on this day in 1700. Though that's the popular theory, some historians believe April Fool's Day may have begun more than 120

years prior in France when the country switched from the Julian calendar to the Gregorian calendar. Those who didn't get the news, forgot, or failed to recognize that the new year had shifted from April 1 to Jan. 1 were the butt of jokes and pranks when April rolled around.

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