



# Infrastructure Investment & Jobs Act

## August 2, 2021

The U.S. Senate this week is expected to pass the sweeping Infrastructure Investment & Jobs Act (IIJA). Nearly half of the \$1 trillion measure would be allocated to federal highway, bridge and public transportation improvements. In addition to a \$370 billion, five-year reauthorization of the surface transportation programs, the package includes \$86 billion in supplemental resources for these programs.

The remaining funds would be invested in other physical infrastructure activities such as airports, rail, broadband, and energy.

The text of the 2,700-page measure was released late August 1. ARTBA's overview of the measure follows.

### Highways: \$347.8 Billion (35 percent of total)

#### Core Programs:

The measure's five-year reauthorization of highway and bridge programs through FY 2026 totals \$300.5 billion. It would be a 24 percent increase from the current year (\$46.4 billion) to the first year of the IIJA (\$57.5 billion).

- [State-by-state formula funding](#)
- [Funding by program](#)

#### Supplemental Investment:

Negotiators bolstered the Senate's highway reauthorization plans with an additional \$47.3 billion (\$9.5 billion per year) to be distributed as follows:

##### *Additional Formula Programs (\$32.5 billion):*

- \$27.5 billion distributed via a conditions-based formula for bridges (\$5.5 billion per year)
- \$5 billion distributed via existing program formula for EV Charging (\$1 billion per year)

##### *Additional Discretionary Programs (\$13.1 billion):*

- \$3.2 billion for the Nationally Significant Freight and Highway Projects Program
- \$9.235 billion for Bridge Discretionary Grant Program
- \$500 million Reconnecting Communities Pilot Program
- \$150 million for port emissions reduction

##### *Additional Programs (\$1.7 billion):*

- \$95 million additional for University Transportation Centers
- \$1.25 billion for Appalachian Development System
- \$342 million for Ferry Boats and Ferry Terminal Projects

As a result, total investment for highway programs for FY 2022–FY 2026 would be \$347.8 billion. The chart below shows the year-by-year funding levels proposed in the package compared to the last two years of core highway and appropriations spending—an \$18.6 billion (38 percent) increase.

## Federal Highway Program Obligation Limitation Under FAST Act, IIJ Act, and Annual Appropriations

FHWA and Senate Infrastructure Investment and Jobs Act.

### Policy Highlights

#### Project Delivery & Process Improvement:

- Enacts into law former President Donald Trump’s “One Federal Decision” Executive Order that sought to:
  - Consolidate all permitting decisions for major infrastructure projects into one single environmental document with a schedule set by the federal “lead” agency; and
  - Finalize the environmental review process within an average time of two years and complete all authorization decisions for a major project within 90 days of the issuance of a record of decision.
- Requires an annual report detailing progress made on improving project delivery, such as savings and identification of problem areas.
- Reduces the number of times states participating in the National Environmental Policy Act (NEPA) delegation program have to reapply.
- Decreases delays for projects already in an existing right of way and projects using limited federal funds by setting deadlines for permit approvals and increasing the use of categorical exclusions.



### **Planning & Performance Management:**

- Reforms the transportation planning process by eliminating the “fiscal constraint” requirements for projects beyond a four-year time frame. Fiscal constraint requirements often complicate long-term planning because funding could not be predicted beyond the scope of the current reauthorization bill.

### **Climate Change:**

- Makes \$7.95 billion in funding available to develop charging stations for alternative fuel vehicles and to encourage electrification of port facilities and the reduction of truck idling.
- Focuses new and existing grant programs on making infrastructure more resilient as well as congestion management. Establishes a carbon reduction program setting aside funds for projects aimed at reducing transportation related emissions. States participating in this program will submit carbon reduction strategies to U.S. DOT.

### **Transportation Infrastructure Finance and Innovation Act (TIFIA):**

- Expands eligibility for the TIFIA program to certain transit-oriented and airport projects.
- Requires clearer timelines for the TIFIA application review and approval process, an expedited decision process for certain borrowers, and periodic on-line reports regarding application status.

### **Private Activity Bonds (PABs):**

- Raises the cap on PABs from \$15 billion to \$30 billion to support U.S. public-private partnerships.

### **Buy America:**

- Expands Buy America to construction materials, which must be “produced in the United States.”
- Requires review of general waivers to the program.
- Exempts cement and cementitious materials, aggregates such as stone, sand, or gravel, or aggregate binding agents or additives” from the definition of construction materials.
- Tightens Buy America flexibility formerly given to commercially available off-the-shelf products.

### **Local Hire:**

- Allows state or local agencies to implement local, geographical or economic hiring preferences.
- Instructs the U.S. Department of Transportation (U.S. DOT) to provide Congress with a workforce diversity report relating to pre-apprenticeship programs, barriers to employment and other topics.
- Directs U.S. DOT to formulate a model plan for agencies to address employment diversity issues.

### **Workforce:**

- Instructs the U.S. DOT to conduct research related to workforce needs and allocates \$25 million for a public service announcement campaign.

## Safety:

- Provides the opportunity for safety contingency funds that can be used to improve safety in work zones prior to, or during, construction.
- Institutes numerous policy changes throughout the bill to protect ‘vulnerable road users,’ like pedestrians, bicyclists and people with disabilities.
- Requires updates to the Manual on Uniform Traffic Control Devices (MUTCD) every four years.
- Expands the focus of the MUTCD to include areas such as ‘vulnerable road users’ and automated vehicles

## Public Transportation: \$91.2 Billion (9.1 percent of total)

### Core Programs:

Public transit formula supported funding would grow from \$10.2 billion in FY 2021 to \$13.4 billion in FY 2022—a 31 percent increase. These resources can be invested in multiple areas, including bus grants and capital and station improvements. The five-year total investment for these programs is \$69.9 billion.

The Capital Investment Grant (CIG) Program would receive \$15 billion over five years (\$3 billion per year) to support light-rail and other capital-intensive transit projects. This would be a nearly 31 percent increase from the current \$2.3 billion. However, funding for this program must be secured through subsequent annual appropriations measures.

- [State-by-state core public transportation formula funding](#)
- [Funding for public transportation by program](#)

### Supplemental Investment:

- \$21.3 billion in guaranteed spending for public transportation programs, of which \$8 billion is for CIG program projects (\$1.6 billion per year for next five years).

## Aviation: \$25 Billion (2.5 percent of total)

- \$15 billion (\$3 billion per year) for capital improvement grants for runways, taxiways and other non-terminal upgrades that would enhance the \$3.35 billion appropriated annually to the Airport Improvement Program.
- \$5 billion (\$1 billion per year) for a new discretionary grant program for terminal construction projects.
- \$5 billion for air traffic control improvements.

## Multi-Modal Grants: \$19 Billion (1.9 percent of total)

- National Infrastructure Investments (\$12.5 billion broken into two programs):
  - National Infrastructure Project Assistance (\$5 billion; \$1 billion per year) to support regional or nationally significant projects that are highway, freight, freight rail, transit or multi-modal in nature.
  - Local and Regional Project Assistance (\$7.5 billion; \$1.5 billion per year) to support surface transportation projects that can be smaller, but still of local importance.
- Safe Streets & Roads for All Grant Program (\$5 billion; \$1 billion per year) to support local efforts to implement safety plans with the goal of preventing fatalities on streets.



- National Culvert Removal, Replacement & Rehabilitation Grants (\$1 billion; \$200 million per year) to enhance and improve fish passage where roads and waterways meet.
- Strengthening Mobility & Revolutionizing Transportation (SMART) Grant Program (\$500 million; \$100 million per year) to support autonomous, connected and other intelligent transportation system enhancements.

## Other Programs

- \$66 billion for freight and passenger rail improvements;
- \$1 billion for pipeline and hazardous materials programs;
- \$11.3 billion for highway and commercial vehicle safety programs;
- \$17.3 billion for port and waterway investments;
- \$73 billion for clean energy and grid enhancements;
- \$65 billion for broadband improvements; and
- \$55 billion for clean and drinking water investments

## Highway Trust Fund & Offsets

The bipartisan negotiators of the IIJA pledged throughout their deliberations not to use user fees or taxes to offset the \$118 billion Highway Trust Fund deposit from the General Fund and the other spending increases included in the legislation. Instead, to make the bill 'paid for,' they cobbled together a list of various offsets from throughout the government. As of release of this summary, an official evaluation from the congressional budget and tax estimators is not available. However, a document released by Senate negotiators has some of the pay-fors and estimates listed:

- Repurpose \$205 billion in unused COVID-19 emergency funding;
- \$56 billion from projected return in tax revenue from making infrastructure investments;
- \$49 billion by delaying a Medicare rule that was set to go into place soon;
- \$53 billion from some states that did not use all of their previously allocated Unemployment Insurance during the pandemic;
- \$87 billion from past and future spectrum auctions;
- \$28 billion from cracking down on potential cryptocurrency tax avoidance; and
- \$6 billion from selling oil from the strategic petroleum reserve.

## What's Next

The Senate will consider amendments to the legislation over the coming days and will likely pass the legislation by the end of the week. The bill then heads to the House, where it is not yet determined if the chamber will make changes to the measure and send it back or try and pass the package in its current version.

ARTBA will continue working to improve the legislation through the amendment process. Securing Senate passage of the measure is our top priority and all members should urge their senators to support this generational opportunity increase federal infrastructure investment.

Please contact ARTBA Senior Vice President of Congressional Relations Dean Franks at [dfranks@artba.org](mailto:dfranks@artba.org) or 202.834.6089 with questions.