



MEMORANDUM

TO: Transportation Planning Board
FROM: Kanti Srikanth, Deputy Executive Director, COG
SUBJECT: Preliminary Summary of the Infrastructure and Investment Jobs Act (IIJA)
DATE: November 9, 2021

On Friday, November 5, the U.S. House of Representatives passed H.R. 3684, the Infrastructure Investment and Jobs Act (IIJA) estimated at \$1.2 trillion. The Bill was previously passed by the U.S. Senate on August 10, 2021. The Bipartisan Infrastructure legislation is set to go to President Biden to be signed into law.

The detailed [H.R.3684 Bill](#) is about 2,700 pages long and affects a number of federal agencies. Detailed breakdown of the \$1.2 trillion funding at the agency level is yet to become available. The summary provided in this memo is both preliminary and focus on the new funding. The information in the memo relies on staff review of general review of the Bill, articles, and other publications of national organizations, including American Association of State Highway and Transportation Officials, National Association of Regional Councils (NARC), National Association of Counties (NACo). It is important to note that details of the IIJA continue to emerge and evolve. As such, the information below represents a “point in time” summary.

OVERVIEW

The \$1.2 trillion figure includes funding normally allocated each year for several federal agencies plus new funding for all modes of transportation, water, power and energy, environmental remediation, public lands, broadband and resilience. About \$650B is towards the normal allocation (baseline spending levels) and includes supplemental appropriations for the U.S. Departments of: Agriculture, Commerce, Energy, Homeland Security, Interior, Environmental Protection Agency, Health and Human Services and Transportation. Another \$550B is new investments (above baseline spending levels) for all modes of transportation, water, power and energy, environmental remediation, public lands, broadband and resilience.

WHERE ARE THE NEW INVESTMENTS?

NaCo’s analysis indicates that of the \$550B in new funding above, the IIJA directs \$284 billion towards all modes of transportation and \$266 billion for other infrastructure sectors. According to the CBO, the total new investments above the baseline levels are in the following seven sectors and amounts:

1. Transportation	\$284B
2. Power infrastructure	\$65B
3. Broadband	\$65B
4. Water infrastructure	\$55B

5. Resilience	\$47B
6. Pollution remediation	\$21B
7. Western water infrastructure	\$8B
8. Other provisions	\$5B

HOW IS THE PLAN TO BE FUNDED?

Funding for the \$550B in new investments are derived from a variety of sources including: Repurposed 2020 COVID-19 relief funds, Delaying Medicare Part D rebate, Unused federal supplemental unemployment benefits to states, profits from WiFi spectrum auction, Enacting cryptocurrency reporting requirements, sale of Strategic Petroleum Reserves and extend fees on government-sponsored enterprises (i.e. Fannie Mae) and Dynamic scoring (estimating future impacts of proposed policy changes). The Bill is estimated to add about \$256B to the deficit, over a ten year period, according to the Congressional Budget Office excluding another \$90B in new “contact authority” that does not have any appropriations at this time.

It is important to note that the IIJA which includes the reauthorization of the national Highway Trust Fund (HTF) for another 4 years FY 2023-2026) and includes funding for the five year period of FY 2022-FY 2026, did not however address the structural deficit in the HTF (revenues of the HTF is inadequate to fully fund the HTF programs). The IIJA, instead, transfers \$118 billion (\$90 billion to the Highway Account and \$28 billion to the Transit Account) from the General Fund to the HTF.

DURATION OF FUNDING AVAILABILITY

The IIJA is not a onetime stimulus funding; rather it combines annual spending on well-established programs in several sectors with a 10 year window for new funds. Both the enhanced funding to existing programs and new investments will flow through various federal agencies, like the USDOT, USDOE, USEPA, who will oversee the surge in funding, including administering new grants and designing new programs. Federal process to develop and implement new programs and releasing funds under existing programs will vary depending on several factors including type of project and program. Due to its established nature, federal funds in existing federal programs, including those distributed by formula, typically become available sooner than funding in new programs, particularly new competitive grant programs, which could involve new rulemaking.

INCREASED FEDERAL FUNDING FOR STATES AND REGION

Individual state level fact sheets developed by the White House provides the following estimates of anticipated increased federal funds for the District of Columbia, Maryland, and Virginia. It must be noted that these estimates are likely to change as the program are finalized and when 2020 census population data is used in apportionments. The IIJA also extends the Passenger Rail Investment and Improvement Act of 2008 (PRIIA) through 2030 which provides \$150M annually towards WMATA’s Capital Program which is equally matched by the District of Columbia, Maryland and Virginia.

Infrastructure Sector	Formula Funds (5 years)			Compete For National Grants (Total Amount):
	D.C.	Maryland	Virginia	
Roads	\$1.100B	\$4.100B	\$7.000B	Major Projects (\$16B) Bridge Investment Program (\$12.5B)
Bridges	\$0.225B	\$0.409B	\$0.537B	
Public Transportation	\$1.200B	\$1.700B	\$1.200B	
EV Charging Infrastructure	\$0.170B	\$0.063B	\$0.106B	EV Charging (\$2.5B)
Broadband	\$0.010B	\$0.100B	\$0.100B	
Cybersecurity	\$0.010B	\$0.159B	\$0.021B	
Water Infrastructure	\$0.355B	\$0.844B	\$0.738B	
Extreme Weather ¹ (Wildfires)	-	\$0.079B	\$0.015B	
Airports	-	\$0.158B		

Note 1. The District of Columbia, Maryland and Virginia will also benefit from a proposed national level investment of \$3.5B in weatherization.

ENHANCED OPPORTUNITIES FOR COUNTIES

An analysis by NACo has identified the following major provisions for the counties.

1. Raises the off-system bridge set-aside by five percent, resulting in a \$330 million increase to \$1.035 billion annually
2. Increases the cap on Private Activity Bonds from \$15 billion to \$30 billion
3. Authorizes \$14.65 billion for the Environmental Protection Agency's Drinking Water State Revolving Fund and the Clean Water State Revolving Fund over five years
4. Provides \$1 billion for the Federal Emergency Management Agency (FEMA) Building Resilient Infrastructure and Communities (BRIC) program
5. Fully funds the Safeguarding Tomorrow through Ongoing Risk Mitigation (STORM) Act, which will allow state and local governments to utilize low interest loans for pre-disaster mitigation activities
6. Creates a new population band within the Surface Transportation Block Grant for communities between 50,000 and 200,000 to allow for a more equitable suballocation of funds
7. Establishes a new competitive grant program for local governments to address and eliminate at-grade rail crossings
8. Creates a new, \$40 billion Bridge Investment Program that off-system bridges will be eligible for to repair, replace and rehabilitate the nation's bridges
9. Codifies elements of the Trump Administration's "One Federal Decision" that will require one federal agency to be responsible for issuing a decision resulting from a National Environmental Policy Act (NEPA) review, among other reforms, such as limiting the allowable number of pages for a decision

10. Increases project cost thresholds for categorical exclusions, thereby making more projects eligible for streamlining
11. Authorizes \$3.5 billion for the Weatherization Assistance Program in FY 2022
12. Includes \$5 billion over five years for a new grant program to support activities that reduce the likelihood and consequence of impacts to the electric grid due to extreme weather, wildfire and natural disaster
13. Establishes a new State and Local Cybersecurity grant program

PRELIMINARY REPORTS OF NEW TRANSPORTATION FUNDING

Preliminary analysis identifies the \$284B in new above the baseline level investment to be distributed among the following programs and amounts. While a considerable portion of these funds are proposed to be disbursed under formula programs existing and new competitive grant programs have also been proposed to be used.

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| 1. Roads & Bridges: | \$110 billion |
| 2. Railroads: | \$66 billion |
| 3. Public Transit: | \$39 billion |
| 4. Airports: | \$25 billion |
| 5. Ports & Waterways: | \$17 billion |
| 6. Safety: | \$11 billion |
| 7. Electric vehicle chargers: | \$7.5 billion |
| 8. Electric buses: | \$7.5 billion |
| 9. Reconnecting Communities: | \$1 billion |

An AASHTO analysis indicates that the IJA increases funding for the following existing programs and creates new programs as well.

1. Creates a new \$27.5 billion formula-based FHWA bridge program
2. Creates a new \$5 billion EV charging infrastructure formula program. This funding provided to states to “strategically deploy electric vehicle charging infrastructure and to establish an interconnected network to facilitate data collection, access, and reliability”; Eligible uses include EV charging infrastructure acquisition, installation, operation, maintenance, and data sharing; funds distributed based on existing apportioned program state share at 80 percent federal share and state DOT plans required on use of funding for each fiscal year 2022 to 2026 (if actions are not taken, funds could be reallocated to localities and other states)
3. Substantially increases passenger rail funding by providing \$66 billion in advance General Fund appropriations, including for Amtrak, CRISI, fed-state partnership, and rail crossing elimination
4. A 31.6% increase in funding for the Mass Transit Account of the HTF
5. Increases funding for INFRA grant by \$3.2B, TAP program sub-allocation of STBGP funds increased from 10% to 59%
6. Creates a new Bridge Investment Program (in addition to bridge formula program): \$9.2 billion
7. Creates a new National Infrastructure Project Assistance (for megaprojects) at \$5 billion
8. Creates a new Safe Streets and Roads for All at \$5 billion
9. Creates a new Culvert removal, replacement, and restoration at \$1 billion

10. Creates a new Strengthening Mobility and Revolutionizing Transportation Grant Program at \$500million