



MEMORANDUM

TO: Transportation Planning Board
FROM: Kanti Srikanth, TPB Staff Director
SUBJECT: Summary of President Biden's American Jobs Plan
DATE: April 20, 2021

In response to requests and suggestions received, this memorandum provides a summary of staff's understanding of the various elements of the American Jobs Plan (AJP) announced by President Biden on March 31, 2021.

The summary focuses on elements related to the transportation system. Information in this memorandum is based on staff's review of official White House documents describing the plan and webinars, articles, and other publications of national organizations, including American Association of State Highway and Transportation Officials (AASHTO), American Public Transportation Association (APTA), National Association of Regional Councils, and particularly the Eno Center for Transportation.

It is important to note that details of the AJP continue to emerge and evolve. As such, the information below represents a "point in time" summary. Additionally, the White House has issued a "need for action" fact sheet for the various U.S. states and territories. The fact sheets for the District of Columbia, Maryland, and Virginia are attached to this memorandum (pages 5 – 10).

OVERVIEW

On March 31, 2021, President Biden announced a \$2.3 trillion American Jobs Plan calling it "an investment in America that will create millions of good jobs, rebuild our country's infrastructure." The president noted the crumbling "roads, bridges and water system," vulnerability of our electric grid to "catastrophic outages," how "too many lack access to affordable high-speed Internet and quality housing," the state of employment, the "fragility of our caregiving infrastructure," and that the nation was "falling behind its biggest competitors on research and development." In describing the plan, the president noted that the plan "prioritizes addressing long-standing and persistent racial injustice" and "40 percent of the benefits of climate and clean energy infrastructure investments" will benefit "disadvantaged communities."

The plan organizes the proposed investments of the AJP under the following objectives:

- Fix highways, rebuild bridges, upgrade ports, airports, and transit systems.
- Deliver clean drinking water, a renewed electric grid, and high-speed broadband to all Americans.
- Build, preserve, and retrofit more than two million homes and commercial buildings, modernize our nation's schools and childcare facilities, and upgrade veterans' hospitals and federal buildings.
- Solidify the infrastructure of our economy by creating jobs and raising wages and benefits for essential home care workers.

- Revitalize manufacturing, secure U.S. supply chains, invest in research and development, and train Americans for jobs of the future.
- Create good quality jobs that pay prevailing wages in safe and healthy workplaces while ensuring workers have a free choice to organize, join a union, and bargain collectively with their employers.

WHAT IS IN THE PLAN?

The AJP calls for investing \$2.3 trillion into a set of specific projects and programs. Using the Office of Management and Budget (OMB) definition for “federal investments,” the Eno Center for Transportation (Eno) groups the proposed investments as below (Table 1).

TABLE 1: PROPOSED FEDERAL INVESTMENTS

INFRASTRUCTURE	OTHER PHYSICAL CAPITAL	OTHER INVESTMENTS
Transportation (\$571B)	Affordable housing (\$213B)	Research & development (\$180B)
Drinking/Wastewater (\$111B)	Build public schools (\$100B)	
Broadband (\$100B)	Build community colleges (\$12B)	Invest in manufacturing (\$300B)
Power/electric grid (\$100B)	Build childcare facilities (\$25B)	
Resiliency for the above (\$50B)	Upgrade VA hospitals (\$18B)	Workforce development (\$100B)
	Federal buildings (\$10B)	

Source: Eno Center for Transportation, Webinar, March 31, 2021

Eno reported that the total federal investments in FY 2019 was \$556B including national defense, and \$337B excluding defense. The investment proposed by the AJP is about four times the total FY 2019 investment (or about 5.5 times the FY 2019 investment excluding national defense amount).

It is reported that this investment would be made over an eight year period and that legislative budget proposals are typically evaluated over a 10 year period.

HOW IS THE PLAN TO BE FUNDED?

The AJP calls for an investment of about \$2.3 trillion based a set of new revenues outlined in what is referred to as the Made in American Tax Plan. The general elements of the revenue plan are:

- Reset the corporate tax rate to 28 percent.
- Establish a minimum tax rate for U.S. Multinational corporations at 21 percent.
- Eliminate the rule that allows U.S. companies pay zero taxes on first 10 percent on returns on investments located in foreign countries.
- Enact a minimum tax rate of 15 percent on large corporations’ “book income.”
- Eliminate tax preferences for fossil fuels and restore payments from polluting industries into the Superfund Trust Fund.
- Eliminate tax incentives for “foreign derived intangible income” (tax break for shifting assets abroad).
- Disallow deduction to foreign corporations based in countries without a strong minimum tax to strip profits out of U.S.
- Deny companies expense deductions for “offshoring” jobs and provide tax credit to support “onshoring” jobs.

QUESTIONS BEING EXPLORED

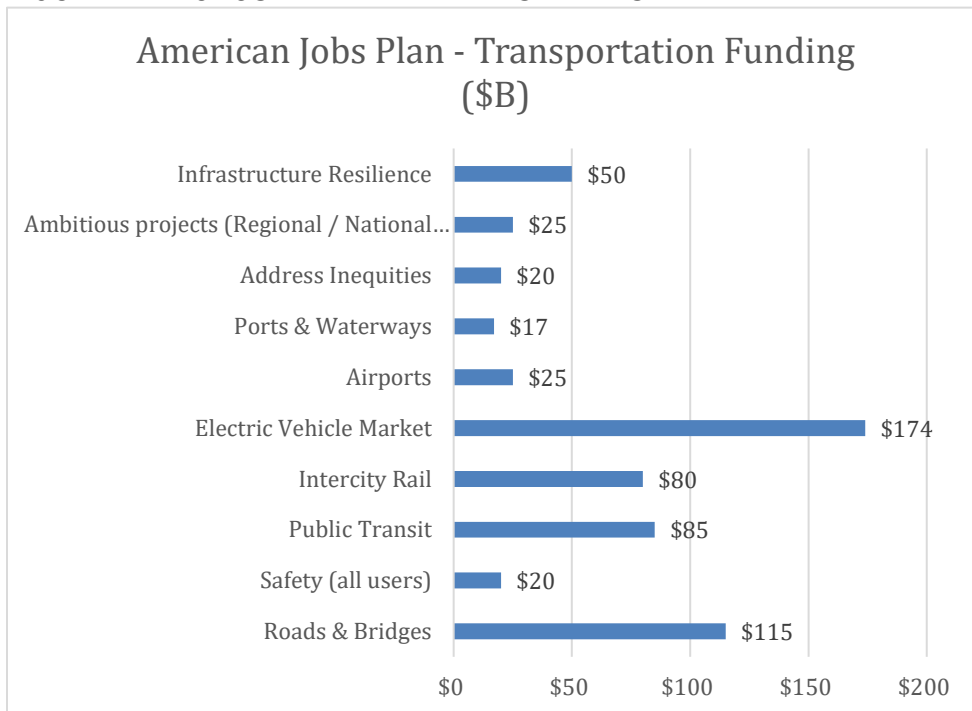
TPB staff are awaiting details on many aspects of the American Jobs Plan. The questions associated with the AJP include:

- How will the plan move through the Congress to become law and to include budget appropriations?
- What elements of the AJP and at what levels of funding will emerge at the end of the legislative process?
- Will this funding be additive to the regular federal funding and within the transportation related funding?
- What will the transportation related investments mean to the reauthorized Surface Transportation Act (and is there any growth in the underlying programs)?
- What will be the federal share of these funding amounts?
- How would these funds be distributed (formulas, dedicated, or discretionary grants)?

PRELIMINARY REPORTS OF TRANSPORTATION FUNDING

The original announcement noted the transportation and resiliency investments at \$621B¹ with the breakdown as shown below (Figure 1).

FIGURE 1: PROPOSED FEDERAL INVESTMENTS



Source: White House Fact Sheet: The American Jobs Plan, March 31, 2021

¹ The White House Fact sheet document cites \$621B while the breakdown amounts specified (as in Figure 1) adds up to \$611B

TPB staff are awaiting the details of the above category of funds, particularly from programs within the U.S. Departments of Transportation. An Eno newsletter citing media reports² of documents—apparently from an US DOT official—provided the following breakdown of \$456B in transportation related funding from the US DOT as below (Table 2). It is important to underscore the evolving nature of the details of the AJP and that the process for and prospects with congressional action is yet to be finalized. As such, the amounts, and program categories in this memo is subject to change.

TABLE 2: POTENTIAL BREAKDOWN OF TRANSPORTATION FUNDING IN AJP

Roads and Bridges	\$115B	Safety for All Users	\$20B
<i>“Fix it Right” Road Modernization</i>	\$50B	<i>Expand (FHWA) HSIP</i>	\$ 8B
<i>Bridge Investment Program</i>	\$40B	<i>Support Safe Driving Behaviors</i>	\$ 1B
<i>Community Transpo. Block Grant</i>	\$ 5B	<i>Safe Streets For All, Fund</i>	\$10B
<i>Transportation Alternatives</i>	\$ 5B	<i>Pipeline Safety Modern. Grants</i>	\$ 1B
<i>Carbon Reduction Bonus Program</i>	\$10B		
<i>CMAQ</i>	\$ 5B	Advancing Transformative Projects	\$44B
		<i>Transformational Infra. Projects</i>	\$25B
Public Transportation		<i>ARPA-I and Basic Research</i>	\$ 2B
<i>“Fix it Right” State of Good Repair</i>	\$50B	<i>Predevelopment & Planning Funds</i>	\$ 2B
<i>Replace Diesel Buses with Electric</i>	\$25B	<i>Infrastructure Grand Challenge</i>	\$ 5B
<i>Transit System Expansion</i>	\$25B	<i>Expand BUILD Program</i>	\$ 5B
<i>ADA Compliance Upgrades</i>	\$ 5B	<i>Expand INFRA Program</i>	\$ 3B
		<i>Other (RRIF, PAB, etc.)</i>	\$ 2B
Intercity Rail			
<i>Northeast Corridor Modernization</i>	\$39B	Restore/Reconnect Thriving Communities	\$25B
<i>AMTRAK National Network</i>	\$16B	<i>Thriving Communities Initiatives</i>	\$ 5B
<i>Other Intercity Passenger Rail</i>	\$20B	<i>Highways-to-Neighborhoods</i>	\$15B
<i>Freight Rail & Rail Safety Upgrades</i>	\$ 5B	<i>Transpo. Workforce Training</i>	\$ 2B
		<i>Tribal Transportation program</i>	\$ 3B
Aviation	\$ 25B		
<i>FAA NextGen Air Traffic Control</i>	\$ 5B	Build/Install 500,000 EV Chargers	\$15B
<i>“Airside” AIP Grants</i>	\$10B		
<i>“groundside” Airport Grants</i>	\$10B	PROTECT, Resiliency Grants	\$ 5B
Ports and Waterways	\$ 17B		
<i>USACE Parts & Inland Waterways</i>	\$ 8B		
<i>GSA Land Ports of Entry</i>	\$ 3B		
<i>Healthy Ports Initiative</i>	\$ 6B		

Source: Eno Center for Transportation, April 9, 2021 Newsletter

² Eno Newsletter, April 2, 2021: Reuters and POLITICO news outlets reported on the proposed US DOT programs to allocate AJP funds.

AMERICAN JOBS PLAN

The Need for Action in the District of Columbia

For decades, infrastructure in the District of Columbia has suffered from a systemic lack of investment. The need for action is clear:

The District of Columbia's infrastructure received a C- grade on its Infrastructure Report Card. The American Jobs Plan will make a historic investment in our nation's infrastructure.

- **ROADS AND BRIDGES:** In the District of Columbia there are 8 bridges and over 402 miles of highway in poor condition. Since 2011, commute times have increased by 2% in the District of Columbia and on average, each driver pays \$1,100 per year in costs due to driving on roads in need of repair. The American Jobs Plan will devote more than \$600 billion to transform our nation's transportation infrastructure and make it more resilient, including \$115 billion repairing roads and bridges.
- **PUBLIC TRANSPORTATION:** D.C residents who take public transportation spend an extra 25.2% of their time commuting and non-White households are 0.7 times more likely to commute via public transportation. 5% of trains and other transit vehicles in the state are past useful life. The American Jobs Plan will modernize public transit with an \$85 billion investment.
- **RESILIENT INFRASTRUCTURE:** The District of Columbia has experienced extreme weather events, costing the city millions in damages. The President is calling for \$50 billion to improve the resiliency of our infrastructure and support communities' recovery from disaster.
- **DRINKING WATER:** Over the next 20 years, The District of Columbia's drinking water infrastructure will require \$1.75 billion in additional funding. The American Jobs Plan includes a \$111 billion investment to ensure clean, safe drinking water is a right in all communities.
- **HOUSING:** In part due to a lack of available and affordable housing, 79,000 renters in the District of Columbia are rent burdened, meaning they spend more than 30% of their income on rent. The President proposes investing over \$200 billion to increase housing supply and address the affordable housing crisis.
- **BROADBAND:** Even where infrastructure is available, for many District residents, reliable broadband may be too expensive to be within reach. Nearly 13% of District households do not have an internet subscription. The American Jobs Plan will invest \$100 billion to bring universal, reliable, high-speed, and affordable coverage to every family in America.
- **CAREGIVING:** Across the country, hundreds of thousands of older adults and people with disabilities are in need of home and community-based services. The President's plan will invest \$400 billion to help more people access care and improve the quality of caregiving jobs.
- **CHILD CARE:** In the District of Columbia, 27% of residents live in a childcare desert. The American Jobs Plan will modernize our nation's schools and early learning facilities and build new ones in neighborhoods across the District and the country.
- **MANUFACTURING:** Manufacturers employ 1,000 residents in the District and account for \$300 million in total output. The American Job's Plan will invest \$300 billion to retool and revitalize American

manufacturers.

- **HOME ENERGY:** In the District of Columbia, many low-income families are forced to make tough choices between paying energy bills and buying food, medicine or other essentials. The American Jobs Plan will upgrade low-income homes to make them more energy efficient through a historic investment in the Weatherization Assistance Program, a new Clean Energy and Sustainability Accelerator to finance building improvements, and expanded tax credits to support home energy upgrades.
- **CLEAN ENERGY JOBS:** As of 2019, there were 15,383 District residents working in clean energy, and the American Jobs Plan invests in creating more good paying union jobs advancing clean energy production by extending and expanding tax credits for clean energy generation, carbon capture and sequestration and clean energy manufacturing.
- **VETERANS HEALTH:** The District of Columbia is home to close to 28,000 veterans, 14% of whom are women and 41% of whom are over the age of 65. The President is calling for \$18 billion to improve the infrastructure of VA health care facilities to ensure the delivery of world-class, state of the art care to veterans enrolled in the VA health care system. This includes improvements to ensure appropriate care for women and older veterans.

AMERICAN JOBS PLAN

The Need for Action in Maryland

For decades, infrastructure in Maryland has suffered from a systemic lack of investment. The need for action is clear:

Maryland's infrastructure received a **C** grade on its Infrastructure Report Card. The American Jobs Plan will make a historic investment in our nation's infrastructure.

- **ROADS AND BRIDGES:** In Maryland there are 273 bridges and over 2,201 miles of highway in poor condition. Since 2011, commute times have increased by 5.1% in Maryland and on average, each driver pays \$637 per year in costs due to driving on roads in need of repair. The American Jobs Plan will devote more than \$600 billion to transform our nations' transportation infrastructure and make it more resilient, including \$115 billion repairing roads and bridges.
- **PUBLIC TRANSPORTATION:** Marylanders who take public transportation spend an extra 66.3% of their time commuting and non-White households are 2.7 times more likely to commute via public transportation. 23% of trains and other transit vehicles in the state are past useful life. The American Jobs Plan will modernize public transit with an \$85 billion investment.
- **RESILIENT INFRASTRUCTURE:** From 2010 to 2020, Maryland has experienced 31 extreme weather events, costing the state up to \$10 billion in damages. The President is calling for \$50 billion to improve the resiliency of our infrastructure and support communities' recovery from disaster.
- **DRINKING WATER:** Over the next 20 years, Maryland's drinking water infrastructure will require \$9.3 billion in additional funding. The American Jobs Plan includes a \$111 billion investment to ensure clean, safe drinking water is a right in all communities.
- **HOUSING:** In part due to a lack of available and affordable housing, 353,000 renters in Maryland are rent burdened, meaning they spend more than 30% of their income on rent. The President proposes investing over \$200 billion to increase housing supply and address the affordable housing crisis.
- **BROADBAND:** 3.8% of Marylanders live in areas where, by one definition, there is no broadband infrastructure that provides minimally acceptable speeds. And 34.5% of Marylanders live in areas where there is only one such internet provider. Even where infrastructure is available, broadband may be too expensive to be within reach. 10.9% of Maryland households do not have an internet subscription. The American Jobs Plan will invest \$100 billion to bring universal, reliable, high-speed, and affordable coverage to every family in America.
- **CAREGIVING:** Across the country, hundreds of thousands of older adults and people with disabilities are in need of home and community-based services. The President's plan will invest \$400 billion to help more people access care and improve the quality of caregiving jobs.
- **CHILD CARE:** In Maryland, there is an estimated \$615 million gap in what schools need to do maintenance and make improvements and 51% of residents live in a childcare desert. The American Jobs Plan will modernize our nation's schools and early learning facilities and build new ones in neighborhoods across Maryland and the country.

- **MANUFACTURING:** Manufacturers account for more than 5.89% of total output in Maryland, employing 108,000 workers, or 3.92% of the state's workforce. The American Job's Plan will invest \$300 billion to retool and revitalize American manufacturers.
- **HOME ENERGY:** In Maryland, an average low-income family spends 6-8% of their income on home energy costs forcing tough choices between paying energy bills and buying food, medicine or other essentials. The American Jobs Plan will upgrade low-income homes to make them more energy efficient through a historic investment in the Weatherization Assistance Program, a new Clean Energy and Sustainability Accelerator to finance building improvements, and expanded tax credits to support home energy upgrades.
- **CLEAN ENERGY JOBS:** As of 2019, there were 84,549 Marylanders working in clean energy, and the American Jobs Plan invests in creating more good paying union jobs advancing clean energy production by extending and expanding tax credits for clean energy generation, carbon capture and sequestration and clean energy manufacturing.
- **VETERANS HEALTH:** Maryland is home to over 389,600 veterans, 13.3% of whom are women and 42.2% of whom are over the age of 65. The President is calling for \$18 billion to improve the infrastructure of VA health care facilities to ensure the delivery of world-class, state of the art care to veterans enrolled in the VA health care system. This includes improvements to ensure appropriate care for women and older veterans.

AMERICAN JOBS PLAN

The Need for Action in Virginia

For decades, infrastructure in Virginia has suffered from a systemic lack of investment. The need for action is clear:

- **ROADS AND BRIDGES:** In Virginia there are 577 bridges and over 2,124 miles of highway in poor condition. Since 2011, commute times have increased by 7.7% in Virginia and on average, each driver pays \$517 per year in costs due to driving on roads in need of repair. The American Jobs Plan will devote more than \$600 billion to transform our nations' transportation infrastructure and make it more resilient, including \$115 billion repairing roads and bridges.
- **PUBLIC TRANSPORTATION:** Virginians who take public transportation spend an extra 72.2% of their time commuting and non-White households are 1.6 times more likely to commute via public transportation. 10% of trains and other transit vehicles in the state are past useful life. The American Jobs Plan will modernize public transit with an \$85 billion investment.
- **RESILIENT INFRASTRUCTURE:** From 2010 to 2020, Virginia has experienced 40 extreme weather events, costing the state up to \$10 billion in damages. The President is calling for \$50 billion to improve the resiliency of our infrastructure and support communities' recovery from disaster.
- **DRINKING WATER:** Over the next 20 years, Virginia's drinking water infrastructure will require \$18.1 billion in additional funding. The American Jobs Plan includes a \$111 billion investment to ensure clean, safe drinking water is a right in all communities.
- **HOUSING:** In part due to a lack of available and affordable housing, nearly 500,000 renters in Virginia are rent burdened, meaning they spend more than 30% of their income on rent. The President proposes investing over \$200 billion to increase housing supply and address the affordable housing crisis.
- **BROADBAND:** 9.7% of Virginians live in areas where, by one definition, [there is no broadband infrastructure](#) that provides minimally acceptable speeds. And 39.4% of Virginians live in areas where there is only one such internet provider. Even where infrastructure is available, broadband may be too expensive to be within reach. 13.3% of Virginia households do not have an internet subscription. The American Jobs Plan will invest \$100 billion to bring universal, reliable, high-speed, and affordable coverage to every family in America.
- **CAREGIVING:** Across the country, hundreds of thousands of older adults and people with disabilities are in need of home and community-based services. The President's plan will invest \$400 billion to help more people access care and improve the quality of caregiving jobs.
- **CHILD CARE:** In Virginia, there is an estimated \$973 million gap in what schools need to do maintenance and make improvements and 47% of residents live in a childcare desert. The American Jobs Plan will modernize our nation's schools and early learning facilities and build new ones in neighborhoods across Virginia and the country.
- **MANUFACTURING:** Manufacturers account for nearly 9% of total output in Virginia, employing 246,000 workers, or 6.1% of the state's workforce. The American Job's Plan will invest \$300 billion to retool and revitalize American manufacturers, including providing incentives for manufacturers to invest in

innovative energy projects in coal communities.

- **HOME ENERGY:** In Virginia, an average low-income family spends 6-8% of their income on home energy costs forcing tough choices between paying energy bills and buying food, medicine or other essentials. The American Jobs Plan will upgrade low-income homes to make them more energy efficient through a historic investment in the Weatherization Assistance Program, a new Clean Energy and Sustainability Accelerator to finance building improvements, and expanded tax credits to support home energy upgrades.
- **CLEAN ENERGY JOBS:** Virginia has outsized potential for innovative energy technologies including carbon capture and sequestration and geothermal energy generation, that create good paying union jobs. As of 2019, there were 97,305 Virginians working in clean energy, and the American Jobs Plan invests in building that industry through a reformed and expanded Section 45Q tax credit and extending renewable energy tax credits.
- **VETERANS HEALTH:** Virginia is home to over 725,028 veterans, 14.3% of who are women and 36.3% who are over the age of 65. The President is calling for \$18 billion to improve the infrastructure of VA health care facilities to ensure the delivery of world-class, state of the art care to veterans enrolled in the VA health care system. This includes improvements to ensure appropriate care for women and older veterans.