



MEMORANDUM

TO: Climate, Energy and Environment Policy Committee
FROM: Kanti Srikanth, Deputy Executive Director, COG
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SUBJECT: Preliminary Summary of the Infrastructure Investment and Jobs Act
DATE: November 17, 2021

On Monday, November 15, the President signed H.R. 3684, the Infrastructure Investment and Jobs Act (IIJA) into law. The IIJA is a sweeping \$1.2 trillion infrastructure bill that reauthorizes the nation's surface transportation, drinking water, wastewater legislation with significant additional funding for new programs in transportation, energy transmission, resilience, broadband, and many other sectors. The Bill was previously passed by the U.S. Senate on August 10, 2021 and Friday, November 5 by the U.S. House of Representatives.

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 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 Congressional Budget Office (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 total package of \$1.2 trillion is derived from existing sources, such as the Highway Trust Fund (HTF) and a set of new sources. 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 CBO excluding another \$90B in new “contact authority” that does not have any appropriations at this time.

DURATION OF FUNDING AVAILABILITY

The IJA 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 programs are finalized and when 2020 census population data is used in apportionments. The IJA 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.

CLIMATE CHANGE AND RESILIENCY FOCUSED NEW FUNDING

The IIJA increases funding levels of several existing federal programs and establishes new programs focused on mitigating the effects of and building resiliency in face of climate change. Details of how the new programs will be implemented, the lead federal agencies, program eligibility and funding allocation process (formula funds or competitive grants,) and other details are yet to be finalized. Climate change focused funding opportunities relevant to COG members identified thus far include:

Infrastructure Sector	Program Description	Funding
Transportation	<u>Carbon Reduction Program under Roads and Bridges</u> : States are apportioned funds via USDOT. States are required to sub-allocate 65% of funds to counties and other local governments on a per-capita basis. Eligible projects include public transit projects, bike/ped and other projects to facilitate non-motorized users of the road, the replacement of streetlights with energy-efficient alternatives, purchase or lease of zero-emissions construction equipment, etc.	\$6.42B over 5 years
	<u>Promoting Resilient Operations for Transformative, Efficient, and Cost Saving Transportation (PROTECT) Program</u> : Funds projects that enhance resiliency of infrastructure assets, including projects to improve coastal infrastructure and evacuation routes. There is state apportioned funding plus	\$8.7B over 5 years (\$7.3B formula, \$1.4B competitive)

	counties can apply directly to USDOT for competitive grants at 80-100% Federal cost-share.	
	<u>Charging and Fueling Infrastructure Grants:</u> Funds deployment of EV, hydrogen, propane, natural gas infrastructure. 50% of the funds will be distributed annually through competitive community grants for the installation of EV and alternative fueling infrastructure on public roads, schools and in other publicly accessible locations. Communities can apply directly to USDOT and there is a Federal cost share 80%.	\$2.5B over 5 years
	<u>EV Charging Infrastructure Formula Program:</u> This funding will be allocated 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.	\$5B over 5 years
	<u>Electric Buses Program:</u> \$2.5B is for new “zero-emissions” or electric school bus purchases and \$2.5 billion is for “low-emissions” school buses, including CNG, propane and biofuel buses.	\$5B over 5 years
	<u>Carbon Dioxide Transportation Infrastructure Finance and Innovation (CIFIA) Program:</u> This is a flexible loan program via USDOE that will provide flexible, low-interest loans for carbon dioxide transportation infrastructure projects and grants for new infrastructure to facilitate future growth. This could include transportation alternatives, like low-pollutant emission vehicles, mass transit and carpool programs.	\$2.1B over 5 years
	<u>Healthy Streets Program:</u> Census blocks with over 50% non-white residents are eligible to apply directly to USDOT for expansion of tree cover, reducing urban heat centers, installing cool and porous pavement at 80-100% cost share.	\$0.500B over 5 years
Energy and Power	<u>Electric Grid Resiliency Grant Program:</u> Counties that serve as operator/generator/ transmission owner/ etc. can apply to USDOE for projects that reduce likelihood and impact to extreme weather and natural disasters.	\$5B over 5 years
	<u>Weatherization Assistance Program:</u> Funding comes from USDOE to local WAP programs providers to support projects that reduce energy costs for low-income households. Eligible applicants apply directly to the local provider.	\$3.5B in FY 2022
	<u>New Carbon Utilization Grant Program:</u> State and local government eligible to apply to USDOE to procure and use products from captured carbon oxides.	\$0.310B over 5 years
	<u>Transmission Lines New Revolving Loan Fund:</u> USDOE can issue loans to or enter into public-private partnerships with counties and other eligible entities to carry out replacement or enhancement projects on eligible transmission lines.	\$2.5B over 5 years
	<u>Transmission Facilitation Program:</u> Counties and other eligible entities can apply directly to USDOE for competitive funds to	\$0.050B over 5 years

	carry out projects such as constructing or replacing an electric power transmission line, increasing transmission capacities, or connecting an isolated microgrid to an existing infrastructure corridor.	
	<u>Energy Efficiency in Public Schools</u> : Local education agencies and public schools can apply to USDOE competitive grants to implement projects that reduce energy costs, improve health, alternative fuel infrastructure, and procurement of alternative fuel vehicles.	\$0.500B over 5 years
	<u>Energy Efficiency and Conservation Block Grant Program Eligibility Expansion</u> : New eligible projects under this USDOE program include financing energy efficiency, renewable energy and zero emission transportation; capital investments; programs that leveraging public-private partnerships; and programs that provide rebates, grants or incentives.	\$0.550B in FY2022
Resiliency	<u>Safeguarding Tomorrow Through Ongoing Risk Mitigation (STORM) Act</u> : FEMA provides capitalization grants to state and local governments to create hazard mitigation revolving loan funds for resilient infrastructure.	\$0.500B over 5 years
	<u>Building Resilient Infrastructure and Communities (BRIC) Program</u> : A FEMA competitive grant program for states and local governments to implement resilient critical infrastructure, including transportation, energy, water, and communications.	\$1B over 5 years
	<u>Flood Mitigation Assistance (FMA) Grants</u> : A FEMA competitive grant program for state and local governments to implement projects that reduce flood damage.	\$3.5B over 5 years