Infrastructure Investment and Jobs Act: An Overview

EESI Congressional Climate Camp

March 9, 2023
Overview

1. Introduction to the IIJA
2. Transportation Programs
3. Implementation Status
$1.2 Trillion for Infrastructure

IIJA includes $550 billion in “new” funding (increase over existing funding)

Source: Government Finance Officers Association
Unique Characteristics of IIJA

• Bundles multiple infrastructure sectors together
  o Congress typically considers transportation, water, etc. in separate legislation

• Includes both authorizations and appropriations
  o Typically authorizations and appropriations are done in separate bills

• Did not move through ordinary legislative process
  o Did not pass through House and Senate committees
  o No House-Senate conference
  o Instead, negotiated by bipartisan group of 21 Senators and the White House

IIJA ultimately passed in November 2021 with bipartisan support
• Senate vote: 69-30
• House vote: 228-206
$660 billion of IIJA funds flow by formula. Most of that is for transportation.

% of Highway Program Distributed by Formula
Formula funds controlled by states

% of Transit Program Distributed by Formula
Bulk of formula funding to local governments and transit agencies

Source: Congressional Research Service
IIJA Includes >100 Competitive Programs

<table>
<thead>
<tr>
<th>Program</th>
<th>RFA Section</th>
<th>Agency</th>
<th>Total Funding</th>
<th>Eligible Recipients</th>
<th>Eligible Projects</th>
<th>Federal Share</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water Infrastructure Development Program</td>
<td>Division J</td>
<td>USDOT</td>
<td>$250 million</td>
<td>Not specified</td>
<td>Purchase of electric or low-emission ferries and electrification or emission reduction from existing ferries</td>
<td>Not specified</td>
<td></td>
</tr>
<tr>
<td>Port Infrastructure Development Program</td>
<td>Division J</td>
<td>USDOT</td>
<td>$1.5T billion</td>
<td>States, special purpose districts, state-supported public entities, tribal entities, etc.</td>
<td>Projects to improve port infrastructure and multimodal connections</td>
<td>80%</td>
<td>Core(s) may be higher for small and rural ports</td>
</tr>
<tr>
<td>Airport Terminal Program</td>
<td>Division J</td>
<td>USDOT</td>
<td>$5 billion</td>
<td>Not specified</td>
<td>Terminal buildings and terminal access projects</td>
<td>80%</td>
<td>For large and medium hubs, 75% for small, rural hubs, and primary airports</td>
</tr>
<tr>
<td>Contract Term Program</td>
<td>Division J</td>
<td>USDOT</td>
<td>$100 million</td>
<td>Airports in the contract term program or contract term concerts program</td>
<td>Projects to construct, operate, or maintain a metropolitan or regional airport system and airport equipment and maintenance of remote towers</td>
<td>100%</td>
<td>This is a report within the Airport Infrastructure Grants Program</td>
</tr>
</tbody>
</table>

Excerpt from BPC’s IIJA Competitive Grant Tracker
$200 Billion Has Already Been Announced

Source: Build.gov
Transportation Funding Mostly Goes to State DOTs

- **National Highway Performance Program** ($148 billion)
  - Expansion and repair of highways and major arterials

- **Highway Safety Improvement Program** ($15.5 billion)
  - Road safety projects

- **NEW PROTECT Program** ($7.3 billion)
  - Projects to increase resilience of transportation infrastructure

- **NEW Charging and Fueling Formula Program** ($5 billion)
  - EV charging and alternative fueling infrastructure

- **Surface Transportation Block Grant Program** ($72 billion)
  - Most flexible; 10% set-aside for “transportation alternatives”

- **Congestion Mitigation & Air Quality Improvement Program** ($13.2 billion)
  - Projects to reduce congestion or emissions, including transit

- **NEW Carbon Reduction Program** ($6.4 billion)
  - Projects to reduce emissions

The three programs above are shared with regional Metropolitan Planning Organizations.
### Which Are the Climate Programs?

<table>
<thead>
<tr>
<th>Program</th>
<th>Cost</th>
<th>Focus</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Highway Performance Program</td>
<td>$148 billion</td>
<td>Expansion and repair of highways and major arterials</td>
</tr>
<tr>
<td>Highway Safety Improvement Program</td>
<td>$15.5 billion</td>
<td>Road safety projects</td>
</tr>
<tr>
<td><strong>NEW</strong> PROTECT Program</td>
<td>$7.3 billion</td>
<td>Projects to increase resilience of transportation infrastructure</td>
</tr>
<tr>
<td><strong>NEW</strong> Charging and Fueling Formula Program</td>
<td>$5 billion</td>
<td>EV charging and alternative fueling infrastructure</td>
</tr>
<tr>
<td>Surface Transportation Block Grant Program</td>
<td>$72 billion</td>
<td>Most flexible; 10% set-aside for “transportation alternatives”</td>
</tr>
<tr>
<td>Congestion Mitigation &amp; Air Quality Improvement Program</td>
<td>$13.2 billion</td>
<td>Projects to reduce congestion or emissions, including transit</td>
</tr>
<tr>
<td><strong>NEW</strong> Carbon Reduction Program</td>
<td>$6.4 billion</td>
<td>Projects to reduce emissions</td>
</tr>
</tbody>
</table>

These four programs are focused specifically on reducing emissions or increasing resilience, but.....
Which Are the Climate Programs?

- **National Highway Performance Program** ($148 billion)
  - Expansion and repair of highways and major arterials

- **Highway Safety Improvement Program** ($15.5 billion)
  - Road safety projects

- **NEW PROTECT Program** ($7.3 billion)
  - Projects to increase resilience of transportation infrastructure

- **NEW Charging and Fueling Formula Program** ($5 billion)
  - EV charging and alternative fueling infrastructure

- **Surface Transportation Block Grant Program** ($72 billion)
  - Most flexible; 10% set-aside for “transportation alternatives”

- **Congestion Mitigation & Air Quality Improvement Program** ($13.2 billion)
  - Projects to reduce congestion or emissions, including transit

- **NEW Carbon Reduction Program** ($6.4 billion)
  - Projects to reduce emissions

The much larger NHPP and STBGP can also be used for climate-friendly projects, if state DOTs choose to do so.
State DOTs Have Flexibility in Spending Federal Funds

• Besides road repair and expansion, many “highway” programs can also fund:
  • transit
  • bicycle and pedestrian infrastructure
  • ferries
  • traffic management
  • charging infrastructure
  • road safety improvements
  • resilience projects
  • travel demand management programs
New Competitive Programs with Climate Focus

Low- and No-Emission Buses ($5.6B)
- Grants to transit providers for purchase of low/no emission transit buses and related infrastructure

Charging and Fueling ($2.5B)
- Grants to states, MPOs, local governments for community charging infrastructure

PROTECT ($1.4B)
- Grants to states, localities, MPOs, transportation authorities to increase resilience of transportation assets

Reduction of Truck Emissions at Ports ($400M)
- Grants to reduce idling at port facilities
## New Competitive Programs with Possible Climate Impact

<table>
<thead>
<tr>
<th>Program</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Infrastructure Project Assistance ($5B)</td>
<td>Grants to states, localities, MPOs, transportation authorities for large surface transportation projects</td>
</tr>
<tr>
<td>Local and Regional Project Assistance ($7.5B)</td>
<td>Grants to states, local governments, MPOs, transportation authorities, and transit agencies for any type of surface transportation</td>
</tr>
<tr>
<td>Reconnecting Communities ($1B)</td>
<td>Grants to remove or retrofit highways that present barriers to connectivity</td>
</tr>
<tr>
<td>Safe Streets and Roads for All ($5B)</td>
<td>Grants to MPOs, local governments, tribal governments to develop Vision Zero plans and for related projects</td>
</tr>
<tr>
<td>Strengthening Mobility and Revolutionizing Transportation (SMART) ($500M)</td>
<td>Grants to states, local governments, transit agencies, and tribes for innovative transportation technologies</td>
</tr>
<tr>
<td>Congestion Relief ($250M)</td>
<td>Grants to states, MPOs, and local governments for projects in large urban areas to reduce congestion and optimize existing highway capacity</td>
</tr>
</tbody>
</table>
IIJA Climate Impacts Will Depend on Actual Investments

- The whole surface transportation program will have climate impacts.
- Federal, state, and local decisions about what projects to fund will determine the direction and scale of impacts.

If more IIJA funds go into high-emission projects, GHG will go up.

If more IIJA funds go into low-emission projects, GHG will go down.
Status of IIJA Implementation

• Formula funds have been made available as scheduled.

• Many, but not all, competitive programs have been launched. Some are in their second round of applications.

• A number of smaller initiatives remain to be launched, such as:
  - National VMT fee pilot
  - Asset Concession and Innovative Finance Program
  - Updates to Manual of Uniform Traffic Control Devices and Emergency Relief Program Manual
  - Guidance for new Complete Streets planning set-aside
  - Toll credit exchange program

• Still, reasonable progress has been made.
Implementation Challenges Remain

• $1.2 trillion in federal investment (plus local match) will stimulate job growth and economic activity, but IIJA impacts will take time to appear
  o Funds will flow out over 5 years, with project construction lasting even longer.
  o Some projects are ready-to-go, but many still need to be planned and permitted.

• Near-term risks and challenges
  o Federal agency staffing limitations
  o State and local government capacity
  o Manufacturing and supply chain limitations
  o Inflationary environment
  o Tight labor market
  o Congressional debate over federal spending

• If challenges can be overcome, IIJA offers potential for real progress on modernizing infrastructure and reducing repair backlogs
Thank you!

Find more information at bipartisanpolicy.org/policy-area/infrastructure/

Contact Sarah Kline at skline@bipartisanpolicy.org