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New Federal Infrastructure Funding and Surface Transportation Reauthorization Approved by Congress

By Franco Silva

According to the American Society of Civil Engineers' ("ASCE") 2021 "Report Card for America's Infrastructure," of the more than four million miles of public roads in the U.S., over 42.0% are in poor or mediocre condition. The ASCE notes that, in large part, this is due to the fact that the U.S. has underfunded its roadway maintenance for years, resulting in a \$786.0 billion backlog of road and bridge capital needs.

As a result of the rising need for rehabilitation of the nation's streets, the average commuter spends over \$1,000 each year in wasted time and fuel plus any money spent on vehicle repair costs due to the condition of the roadways.

Therefore, the ASCE—as well as many other experts in the transportation infrastructure field—say that it is essential to increase funding in order to allow cities, counties and states to address the condition of their roads and ensure safety for all users.

In an effort to improve not only the conditions of the roads and bridges in the U.S. but also the challenges faced by many other important categories of the country's infrastructure, on August 10, 2021, a bipartisan group of 69 senators passed a more than \$1.0 trillion federal funding package, the "Infrastructure Investment and Jobs Act" ("IIJA").

The bill was then sent to the House for a vote. However, its fate appeared to be tied to the success of the "Build Back Better Act," a separate budget reconciliation package that contains much of President Biden's social policy and climate agenda. After weeks of negotiations regarding the reconciliation package—during which time the fate of the infrastructure bill hung in the balance—late in the evening of November 5, 2021, the House moved forward and passed the bipartisan infrastructure spending bill in a 228-206 vote.

The IIJA calls for new federal spending of approximately \$550.0 billion as part of an overall \$1.2 trillion bill that also includes previously approved infrastructure spending. Specifically, the IIJA will provide the following:

- \$110.0 billion in funding for roads, bridges and major projects
- \$25.0 billion in funding for airports
- \$17.0 billion in funding for port and inland waterways projects
- \$55 billion in funding for water infrastructure, including aid for clean drinking water and wastewater treatment projects
- \$73.0 billion to update and expand the power grid
- \$39.2 billion to modernize and make public transit more accessible to the disabled and elderly
- \$66.0 billion for passenger and freight rail maintenance, modernization and expansion
- \$11.0 billion in funding for highway and pedestrian safety programs
- \$7.5 billion to implement a network of electric vehicle chargers
- \$7.5 billion for zero-emission or low-emission buses and ferries
- \$65.0 billion for broadband infrastructure and development
- \$50.0 billion to bolster the country's infrastructure against climate change, cyberattacks and extreme weather conditions
- \$21.0 billion to address legacy pollution including brownfield and Superfund sites, reclaim abandoned mines, plug orphan oil and gas wells

Notably, the spending measure also contains a five-year surface transportation reauthorization act, which will be in effect from fiscal year 2022 to fiscal year 2026. The surface reauthorization act totals approximately \$303.5 billion, a 35.0% increase over the prior highway surface funding act, the Fixing America's Surface Transportation Act.

In addition, *Engineering News-Record* notes, "A separate provision [of the IIJA] would bolster the struggling Highway Trust Fund by transferring \$118 billion from the general fund. Of that, the trust fund's highways account would receive \$90 billion and its transit account would get the other \$28 billion."

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