U.S. Chamber of Commerce

Bipartisan Infrastructure Bill

Navigating the Infrastructure Funding Process

Overview

The enactment of H.R. 3684, the "Infrastructure Investment and Jobs Act" is a historic, generational funding commitment for our nation's hard infrastructure – including roads and bridges, rail, transit, ports, airports, water infrastructure, electric grid, and broadband. These are long-term, sustainable investments that will unlock our economy's growth potential and productive capacity.

The bill:

- Provides eight years of funding, with $550 billion in new investment on top of approximately $500 billion in previously authorized "baseline" funding.
- Helps strengthen supply chains making them more efficient and resilient to evolving threats.
- Includes a new five-year surface transportation authorization with over 35 percent funding increases.
- Reforms the federal permitting process by enhancing the FAST-41 program and codifying One Federal Decision, which will substantially reduce the timeline for delivering large infrastructure projects and will encourage further private investment.
- Creates new programs to allow the private sector to increase the resiliency of our transportation and infrastructure systems, address emissions, and mitigate environmental impacts.

This document outlines what provisions are being allocated to different sectors.

Transportation

- Provides $351 billion for highways over five years (30 percent average increase) from the Highway Trust Fund and General Fund, with $307 billion provided as formula apportionments to states.
- Provides $91 billion for transit, $12 billion for highway safety, $66 billion for passenger rail and $20 billion for airports over five years.
- Creates a new $27.5 billion formula-based Federal Highway bridge program via advance General Fund appropriations. Eligible uses include highway bridge replacement, rehabilitation, preservation, protection, or construction projects on public roads.
- Creates a new $5 billion Electric Vehicles (EV) charging infrastructure formula program.
- 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.

- Provides $69.9 billion from the Mass Transit Account of the Highway Trust Fund for transit formula programs (31.6 percent increase from FAST Act between FY2021 and FY2022), and another $21.3 billion in advance General Fund appropriations for Capital Investment Grants and for certain formula programs.
- Creates new discretionary grant programs and increases existing discretionary grant program funding via advance General Fund appropriations between FY2022 and FY2026, including:
  - Existing: RAISE/BUILD/TIGER at $7.5 billion
  - Existing: INFRA by $3.2 billion
  - Existing: CRISI at $5 billion
  - Existing: Federal-State Partnership for Intercity Passenger Rail at $36 billion
  - Existing: Amtrak National Network at $16 billion
  - Existing: Amtrak Northeast Corridor at $6 billion
  - New: Bridge Investment Program (in addition to bridge formula program) at $9.2 billion
  - New: National Infrastructure Project Assistance (for megaprojects) at $5 billion
  - New: Safe Streets and Roads for All at $5 billion
  - New: Culvert removal, replacement, and restoration in disadvantaged communities at $1 billion
  - New: Strengthening Mobility and Revolutionizing Transportation Grant Program at $500 million

The Federal Highway Administration (FHWA) launched a Bipartisan Infrastructure Law website focused on implementation of the bill, including fact sheets, funding information and guidance.

Please contact emortimer@uschamber.com for additional information.

Water

The economic prosperity of companies around our nation and the world is directly tied to access to clean water — for their customers, employees, and the communities in which they operate. There are numerous studies from the Environmental Protection Agency and private organizations demonstrating the significant gaps in water infrastructure investment at all levels of government. The enactment of the Infrastructure Investment and Jobs Act will provide unprecedented funding to build smart, modern, resilient water and wastewater infrastructure to meet these needs.

The $55 billion in investments will flow through states to communities. The following highlights the available funding: (Source: American Water Works Association)

Drinking Water Appropriations

- $50 million annually for the Water Infrastructure Finance and Innovation Act programs for FY2022-2026.
- $11.713 billion for the drinking water SRF; 49 percent to be in the form of grants or loans with principal forgiveness; only 10 percent state match required in FY2022 and FY2023 (the wastewater SRF program got an equal amount).
- $15 billion for lead service line replacement, with 49 percent in the form of grants or loans with principal forgiveness; no state match required; $3 billion annually for FY2022-2026.

- $4 billion to be channeled through the drinking water SRF for emerging contaminants, all in the form of grants or principal forgiveness.
- $5 billion to deal with emerging contaminants in economically distressed communities, $1.126 annually in additional funding for the drinking water SRF through FY2026, and $1.6 billion annually in additional funding for the wastewater SRF through FY2026.

Additional Appropriations

- $50 million for Underground Injection Control grants to support state efforts.
- $1.5 billion for Brownfields activities under the Comprehensive Environmental Response, Compensation, and Liability Act.

Wastewater Appropriations

- $11.713 billion through FY2026 for the Clean Water Act state revolving loan fund program.
- $1 billion through the Clean Water SRF program to address emerging contaminants.

There is also language authorizing funds that require appropriations, including low-income assistance pilot programs, cybersecurity, lead testing in schools, workforce development, USDA watershed and resilience work, and other provisions.

Please contact your SRF manager for more information and to communicate your priorities. You can find your SRF manager here.

Western Water

- $8.3 billion for western water infrastructure, including for water reuse projects, as well as $3.3 billion for wildfire and $2.1 billion for ecosystem restoration. Much of these funds are managed by the U.S. Bureau of Reclamation.

Resilience Appropriations

- $1 billion for the Building Resilient Infrastructure and Communities program, which provides direct grants to communities and not-for-profits from FEMA for pre-disaster mitigation projects, has annual notices of funding availability typically in the early fall.
- $500 million over five years to help capitalize state resilience revolving loan funds for pre-disaster mitigation projects. Contact your state emergency manager to communicate your priorities as they stand up the program.

The Chamber has been facilitating sharing experiences between state SRF and state emergency managers and provided suggestions to FEMA for implementing the program.

The U.S. Chamber underscored the importance of water in passage of this legislation in this blog.

Please contact cchaitovitz@uschamber.com for additional information.

Broadband

The Infrastructure Investment and Jobs Act provides $65 billion of funding opportunities for broadband.

- $42 billion for Broadband Equity, Access and Deployment - National Telecommunications and Information Administration (NTIA)

  - $100 million (at minimum) granted to states to utilize for broadband deployment, mapping, and adoption projects. States will be required to develop a five-year action plan to be approved by NTIA to use the funds; local coordination is required/localities can submit comments on the state's proposal.
  - States give subgrants to expand broadband; subgrantees can include private and government providers.
  - Use of funds:
    - Priority on unserved (80% have less than 25/3 Mbps), then underserved areas (80% have less than 100/25 Mbps).
    - Include data collection, mapping, affordability, investments in multifamily units.
  - Other requirements on broadband service standards, low-cost options, time limit for deployment (four years), matching requirements for subgrantees (existing funding can be used).
- $1 billion for Middle Mile Infrastructure to encourage resiliency of the network and increase broadband access.
- $1.3 billion for Digital Equity Act, state-level digital inclusion grants (education and employment).
- Affordability and Rulemaking:
  - Modifies the Emergency Broadband Benefit
  - Consumer broadband label rulemaking at FCC
  - Digital discrimination rulemaking at FCC

The U.S. Chamber outlines the principles and guardrails we think should be in place for broadband in this blog.

More information can be found by visiting the Broadband section of the U.S. Chamber of Commerce website and the Chamber Technology Engagement Center (C_TEC) website.

Please contact jcrenshaw@uschamber.com and mfurlow@uschamber.com for additional information.

Energy

It is estimated that some 45 percent of technologies needed to achieve a global net-zero greenhouse gas (GHG) emissions goal do not yet exist commercially. Passage of the Energy Act of 2020 represented a tremendous step by Congress addressing the need to accelerate energy innovation and was the culmination of years of Chamber work. That legislation refocuses the Department of Energy and its National Labs on developing key technologies necessary to reduce and eliminate GHG emission while preserving economic growth.

The Infrastructure Investment and Jobs Act builds on the Energy Act of 2020 and provides $62 billion for the Department of Energy (DOE) to accelerate a ground-breaking energy innovation push. The vast majority of these funds are directed to existing programmatic offices to expand research, development, and demonstration of key innovative technologies. It will take time for DOE to map out various work plans, but there will be opportunities for collaboration with business and academia on the technology development and states and communities to host new facilities.

In addition to energy innovation, the Infrastructure Investment and Jobs Act makes significant investments into preserving existing clean energy electricity generation, grid modernization, the clean energy supply chain, and energy efficiency.

U.S. Chamber of Commerce

Clean Energy Demonstrations

$21.5 billion in funding for clean energy demonstrations and research hubs focused on next-generation technologies including:

- More than $10 billion for carbon capture, direct air capture and industrial emission reduction.
- $2.5 billion for advanced nuclear.
- $9.5 billion for hydrogen, including $8 billion for the creation of four regional hydrogen hubs.
- $140 million to demonstrate the commercial-scale feasibility of rare earth elements refining and processing from waste material.
- $84 million for enhanced geothermal demonstration.
- $1 billion for demonstration projects in rural areas and $500 million for demonstration projects in economically hard-hit communities.
- $500 million to demonstrate the viability of clean energy projects on current and former mine land.

Existing Emissions-free Electricity

- Allocate $6 billion in tax credits to prevent premature retirement of existing zero-carbon nuclear plants.
- Invest more than $700 million in existing hydropower facilities to improve efficiency, maintain dam safety.

Grid Modernization

- $11 billion in grants for states, tribes, and utilities to enhance the resilience of the electric infrastructure against disruptive events.
- Create a $2.5 billion Transmission Facilitation Program for DOE to help develop nationally significant transmission lines.
- Back a $3 billion expansion of the Smart Grid Investment Matching Grant Program, focusing on investments that improve the flexibility of the grid.

Clean Energy Supply Chain

- Invest more than $7 billion in the supply chain for batteries. This will include producing critical minerals, sourcing materials for manufacturing, and even recycling critical materials without new extraction/mining.
- Provide an additional $1.5 billion for clean hydrogen manufacturing and advancing recycling RD&D.
- Create a new $750 million grant program to support advanced energy technology manufacturing projects in coal communities.
- Expand the authority of DOE's Loan Program Office (LPO) to invest in projects that increase the domestic supply of critical minerals and expand LPO programs that invest in manufacturing zero-carbon technologies for medium- and heavy-duty vehicles, trains, aircraft, and marine transportation.

Orphan Wells and Abandoned Mines

- $4.7 billion to plug, remediate, and reclaim orphaned wells via grants to the States and new federal programs.

- $11.3 billion for the Abandoned Mine Land Reclamation Fund.

Energy Efficiency

- $3.5 billion in the Weatherization Assistance Program to increase energy efficiency, improve health and safety, and reduce energy costs for low-income households.
- $500 million for energy efficiency and renewable energy improvements at public schools
- $5 billion EPA effort to replace diesel school buses with electric buses.
- $550 million in the Energy Efficiency and Conservation Block Grant Program (EECBG) and $500 million in the State Energy Program to provide grants to communities, cities, states, U.S. territories, and Indian tribes to develop and implement clean energy programs.

The Department of Energy (DOE) has outlined the energy innovation components of the Infrastructure Investment and Jobs Act. More information will be posted as it begins implementation.

Please contact cguith@uschamber.com for additional information.

Permitting

The federal permitting process under the National Environmental Policy Act (NEPA) was created to consider a project's potential environmental effects. However, the decision-making process under NEPA is widely regarded as broken due to the unreasonably long delays, unpredictability, and lack of process transparency. In addition to the federal permitting process, many states layer on their own redundant environmental review process. The unpredictability of these moribund processes deters capital investment into crucial infrastructure like road, broadband, and clean energy platforms.

The permitting provisions in the Infrastructure Investment and Jobs Act, if adopted by States, would help reduce project delays and improve project delivery. These bipartisan reforms mark the first substantive updates to NEPA Congress has enacted in over 50 years.

Recognizing the need to deploy these infrastructure investments in a timely manner, Congress included provisions in the Infrastructure Investment and Jobs Act that substantially update the environmental permitting process for major infrastructure projects and other federal authorizations. The permitting provisions are called the "One Federal Decision" or "OFD" and will help improve agency coordination, encourage the development of more concise environmental analyses, and help drive efficient decision-making.

Large-scale transportation projects have faced federal permitting delays under NEPA of seven years on average. Some projects have taken decades just to reach a "yes" or "no" decision tying up capital investment. These delays add massive costs to projects as project sponsors attempt to navigate the complicated permitting process, which is further complicated when multiple agencies are involved. It is easy to understand why the OFD provisions had bipartisan support.

OFD expedites the federal permitting process for projects by:

- Establishing a project schedule that requires agencies to complete their Environmental Impact Statements (EIS) within two years.
- Requiring agencies to prepare a single, joint EIS with one single lead agency.

- Ensuring concise environmental analyses by limiting the length of EISs to 200 pages.
- Promoting use of categorical exclusions to eliminate lengthy NEPA review for projects with no significant environmental effects.

In addition, the Infrastructure Investment and Jobs Act expands the considerations to be used by the Department of Energy in its designation of high-priority National Interest Electric Transmission Corridors and amplifies the potential for needed new transmission facilities to come to fruition by providing federal backstop siting authority in instances where state approvals are denied or withheld for longer than one year.

Another important provision of the bill is the removal of the sunset of the federal permitting counsel and the associated project dashboard. It authorizes the permitting council to continue beyond 2023, the prior sunset date of the council, to support large infrastructure projects that have to navigate the complex federal permitting process. It also approves the permitting council's public dashboard, an important transparency measure that requires agencies to post major project milestones online for projects that receive assistance from the permitting council.

Presidents from both parties have long identified the need for faster, more efficient permitting, issuing executive orders to expedite federal decision-making. These bipartisan provisions are a key part of the infrastructure package as they recognize the need to quickly deploy the allocated resources to speed up project delivery. States should replicate these provisions to facilitate timely build-out of the infrastructure of the future to help stimulate the economy and improve the quality of life for every American.

Currently, 16 states require NEPA-like environmental reviews as part of the process for infrastructure projects. Those states should follow the federal government's lead and enact similar environmental permitting updates.

This letter was sent to the Hill back in March 2021 providing more background on the need for the permitting updates.

Please contact cwhiteman@uschamber.com for additional information.

Minority-Owned Business

With over 8 million minority-owned businesses in the United States, the Infrastructure and Investment Jobs Act presents a historic opportunity for them to play a key role in rebuilding America's infrastructure.

Minority Business Development Agency (MBDA)

- The Act codifies the Minority Business Development Agency (MBDA) – creating an Under Secretary position and increasing its funding and reach.
- Expands the geographic reach and scope of MBDA and creates regional MBDA offices and rural business centers.
- MBDA will play a lead role in ensuring the participation of minority-owned businesses in infrastructure projects.
- The U.S. Chamber has a longstanding partnership with MBDA and supported its codification. We will coordinate outreach to minority-owned businesses in collaboration with the private sector and state and local chambers.

Please contact rwade@uschamber.com for additional information.