



INFRASTRUCTURE INVESTMENT AND JOBS ACT

What is in the law and how soon will we see it?

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January 28, 2021

Webinar Housekeeping

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Today's Presenter



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Bruce concentrates his practice in governmental and regulatory activities, including legislative representation and counsel before the United States Congress and the North Carolina General Assembly, strategy formulation, bill drafting, preparation of testimony for legislative committees, and appearances before state and federal executive agencies.

INFRASTRUCTURE INVESTMENT AND JOBS ACT

OVERVIEW



\$550 billion in new spending on roads, bridges, highways, broadband, and water infrastructure.

- \$110 billion is allocated for roads, bridges, and other major projects.
- \$66 billion is reserved for passenger rail and freight.
- More than \$39 billion is provided for public transit.

Beyond infrastructure's typical roads and bridges

- \$73 billion to power infrastructure (including grid authority)
- \$65 billion to broadband
- \$55 billion to water infrastructure — including \$15 billion for lead service line replacement to remove lead from the drinking water supply.
- An additional \$46 billion will go to resiliency, cybersecurity, and ecosystem restoration.

How are we going to pay for all of this?

- Funding for the legislation is at least partially offset by a wide range of sources, including \$205 billion in unused COVID-19 relief, an estimated \$56 billion in anticipated revenue from infrastructure investments, and \$53 billion in unused unemployment supplements footing large parts of the bill.
- A provision in the bill to apply reporting requirements to cryptocurrency will also generate about \$28 billion.
- Tax compliance is considered a major problem with cryptocurrencies, and lawmakers are eager to use those uncollected revenues to finance their big-ticket spending plans.

ROADS & BRIDGES



ROADS & BRIDGES

- The infrastructure bill allocates \$110 billion in new funding for roads and bridges, the large majority of which will run through long-established formulas that are funneled to state Departments of Transportation.
- Missing from the infrastructure bill is any requirement that would prioritize repairing things before building new.
- Following calls for the states to prioritize maintenance of existing infrastructure, the legislation includes a \$37 billion bridge repair program.

TRANSIT



TRANSIT

- Amtrak will get \$66 billion in new money, which could enable the rail line to build out its existing service not only along the popular Northeast Corridor but also in Colorado and the Midwest.
- The new law also includes language that seeks to incorporate housing into transportation facility planning, and it will allow metropolitan planning organizations to create housing coordination plans.
- It boosts the government's share of project costs from 80% to 90% if the project would assist parts of urbanized or rural areas with low population densities or lower average income levels.

TRANSIT

- The legislation reauthorizes Federal Transit Administration programs for five years.
- The Senate Banking, Housing and Urban Affairs Committee, which has jurisdiction over transit programs, released a section-by-section summary of the division, as well as a table on public transit funding and a formula breakdown by state.
- As an example, the legislation provides North Carolina for transit funding as follows: \$133,305,237 in FY 2021; \$173,951,559 in FY 2022; \$177,633,437 in FY 2023; \$182,290,718 in FY 2024; \$186,070,606 in FY 2025; and \$190,819,296 in FY 2026 for a total of \$910,765,617.

MULTIMODAL & FREIGHT



MULTIMODAL & FREIGHT

- Requires US DOT to establish an Office of Multimodal Freight Infrastructure and Policy.
- Revises the national freight strategic plan and requirements for state freight plans to include greater consideration of environmental and equity impacts.
- Requires US DOT to provide grants to multistate freight mobility compacts to promote the improved mobility of goods.

MULTIMODAL & FREIGHT

- Establishes several US DOT grant and research programs, including:
- \$10 billion for a national infrastructure project assistance grant program
- \$7.5 billion for a local and regional project assistance grant program that funds projects that have a significant local or regional impact and improve transportation infrastructure
- \$4 billion for a national culvert removal, replacement, and restoration grant program that awards grants to meaningfully improve or restore fish passage.

MULTIMODAL & FREIGHT

- The legislation also makes changes to the Railroad Rehabilitation and Improvement Financing (RRIF) loan program
- It requires US DOT to refund up-front premiums paid plus interest for loans made before enactment of the Fixing America's Surface Transportation (FAST) Act.
- For future loans, the law requires US DOT to refund up-front premiums paid by borrowers once the loans are repaid.

ELECTRIC VEHICLES



ELECTRIC VEHICLES

- The infrastructure bill promises \$7.5 billion to build electric vehicle charging stations, which was supposed to be enabled by the tax credits in the reconciliation bill.
- The bill creates new programs for transit with connections to affordable housing, neighborhood equity, and carbon reduction, and it invests in low-emission aviation fuels.

TIMING



TIMING

- President Biden named former New Orleans Mayor Mitch Landrieu as senior advisor responsible for coordinating for implementation of the infrastructure law.
- It could take months or even years to start seeing shovels in the ground. The current labor shortage – compounding longtime workforce issues in the construction trades – could also slow down the pace of building and make projects more expensive, experts warn.
- This is a long-term investment and it will take time for the funding to hit the streets, bridges, and railways. State DOTs and transit agencies will need to ramp up to oversee the massive flow of funds and implementation of projects.

ISSUES GOING FORWARD



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- There could be supply chain issues as demand for materials and equipment increases on a finite number of vendors — especially vendors that satisfy “Buy America requirements.”
- Progress in getting money for the bill out the door could be hampered if appropriators can’t come to an agreement on a full-year funding bill soon and instead have to pass another stopgap measure.

ISSUES GOING FORWARD

- Even before the president signed the bipartisan infrastructure package into law in November, economists warned that a shortage of skilled workers would spoil dreams of mass job creation.
- Weeks later, prospects withered for passing the other chunk of Biden's master plan, the \$1.7 trillion climate and social spending package, throwing into limbo the \$20 billion for education and training programs that were supposed to get enough workers ready to do those jobs.

ISSUES GOING FORWARD

- The shelved “Build Back Better Act” would spend almost \$14 billion on Labor Department workforce efforts like apprenticeship programs to train workers for in-demand jobs like welding, plus more than \$6 billion for Education Department efforts, including \$5 billion to run community college programs that partner with businesses like companies that pour concrete.
- Before the infrastructure package reached final passage, the White House made clear that the legislation’s potential for creating jobs was directly tied to Biden’s other major spending plan.
- “Combined with the President’s Build Back Framework,” the infrastructure bill “will add an average 1.5 million jobs per year for the next 10 years,” the White House stated in November.

ISSUES GOING FORWARD

- The infrastructure bill does provide some money for worker training, including \$32 million to get more people certified to drive commercial vehicles and trained to enforce the rules for using those heavy rigs.
- It also served up \$40 million to train workers to do energy audits and \$20 million for education on modern and energy-efficient building technology.
- Besides the social spending package, there is one more major funding bill that could boost worker training programs this year.
- If Democrats and Republicans can strike a budget accord to fund federal agencies until the fall, that government funding package is likely to surge spending on job training programs.

QUESTIONS?

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