

# The Latest from Washington: **The Infrastructure Investment and Jobs Act: What's Next?**



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Patel



# Agenda

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**Setting the stage of the IJA** - Denise Turner Roth

**Washington Update** - Caroline Decker

## Sector details

***Aviation & Marine*** – Lou Wolinetz

***Transit*** – Don Emerson

***Rail*** – Scott Trommer

***Highway, Electric Vehicles, CAV*** – Auden Kaehler

***Environmental Review & Climate*** – Manisha Patel

***Water*** – Juan Diaz-Carreras

***Equity*** – Denise Turner Roth

**Questions & Answers**

**Close**



# Washington Update

Caroline Decker

WSP Vice President of Federal Government Affairs

# Federal Legislation Status

## American Rescue Plan Act of 2021 (ARPA) - Public Law 117-2

- Signed into law March 11, 2021
- Provided \$40 billion for transportation
  - \$30 billion for transit
  - \$8 billion for aviation
  - \$1.7 billion for Amtrak

## Infrastructure Investment and Jobs Act (IIJA) - H.R. 3684

Five-year, \$1.2 trillion Bi-Partisan Infrastructure Bill

- \$550 billion in new spending
- Passed the Senate 69-30 on August 11<sup>th</sup>
- Passed the House 228-206 on November 5<sup>th</sup>
- Signed into law by President Biden on November 15<sup>th</sup>

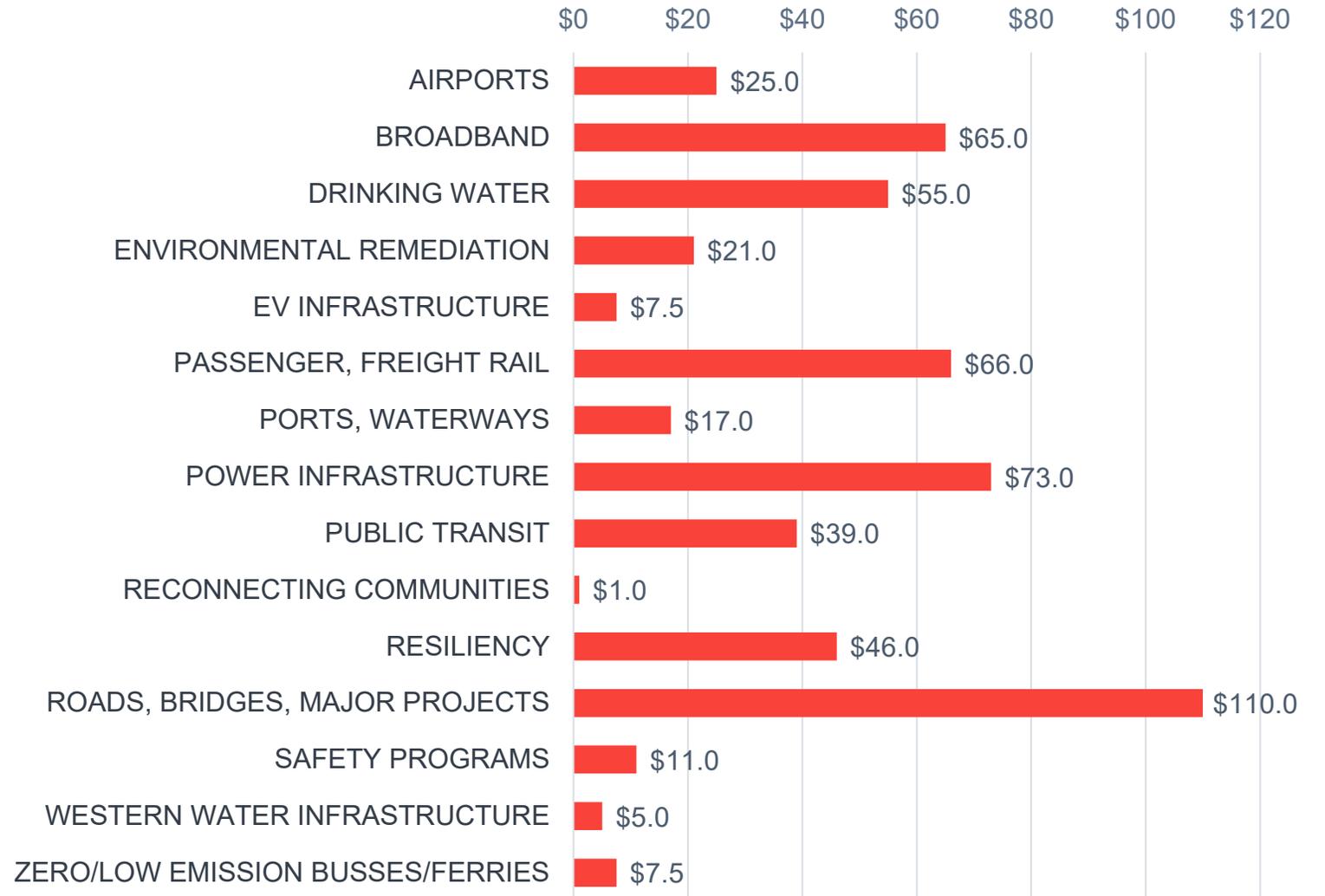
## Build Back Better Act (BBBA) - H.R. 5376

- House likely to vote on BBBA this week (Thursday – Saturday?)
- \$1.75 trillion package
- 10-year spending plan for social infrastructure and climate change initiatives, includes additional funding for transportation
- Once passed by House, will be sent to Senate for consideration



**\$550  
billion  
in new  
spending**

## Bipartisan Infrastructure Deal (\$billions)

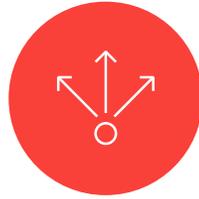


## \$1.2 trillion over 5 years for a wide variety of infrastructure programs including:



### Sustainability

- Resilience
- Electrification and Clean Energy
- R&D
- Flood Mitigation
- Recycling
- Wildfire Management



### Systems

- Reconnecting Neighborhoods
- Ports/Waterways
- Drinking Water and Water Systems
- Broadband
- Power Grids



### Transportation

- Highways, Roads and Bridges
- Public Transit
- Passenger and Freight Rail
- Electric Vehicles
- Airports/Aviation

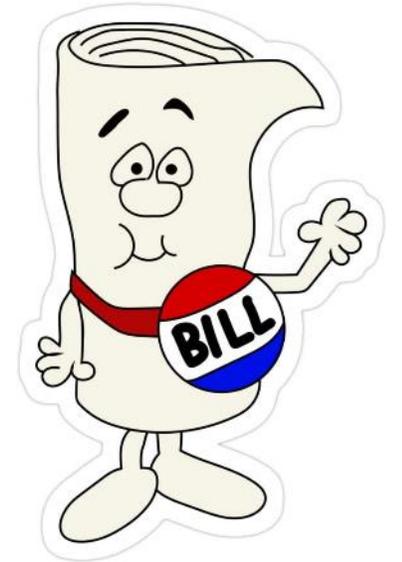


### Buildings

- Modernize, improve energy efficiency, weatherization:
  - Schools
  - Federal Buildings
  - Manufacturing sites

## IIJA Implementation

- ✓ President Biden signed IIJA into law November 15, 2021
- ✓ Five-year clock is ticking
- ✓ For new programs, Federal Agencies (DOT, DOE, FEMA, USACE, EPA) developing guidance & grant criteria
- ✓ Clients are encouraged to reach out to WSP SMEs for guidance & consultation



## Other Issues to Watch



FY22 Funding Outlook (CR?)



Supply Chain Disruptions



Workforce Availability



2022 Midterm Elections

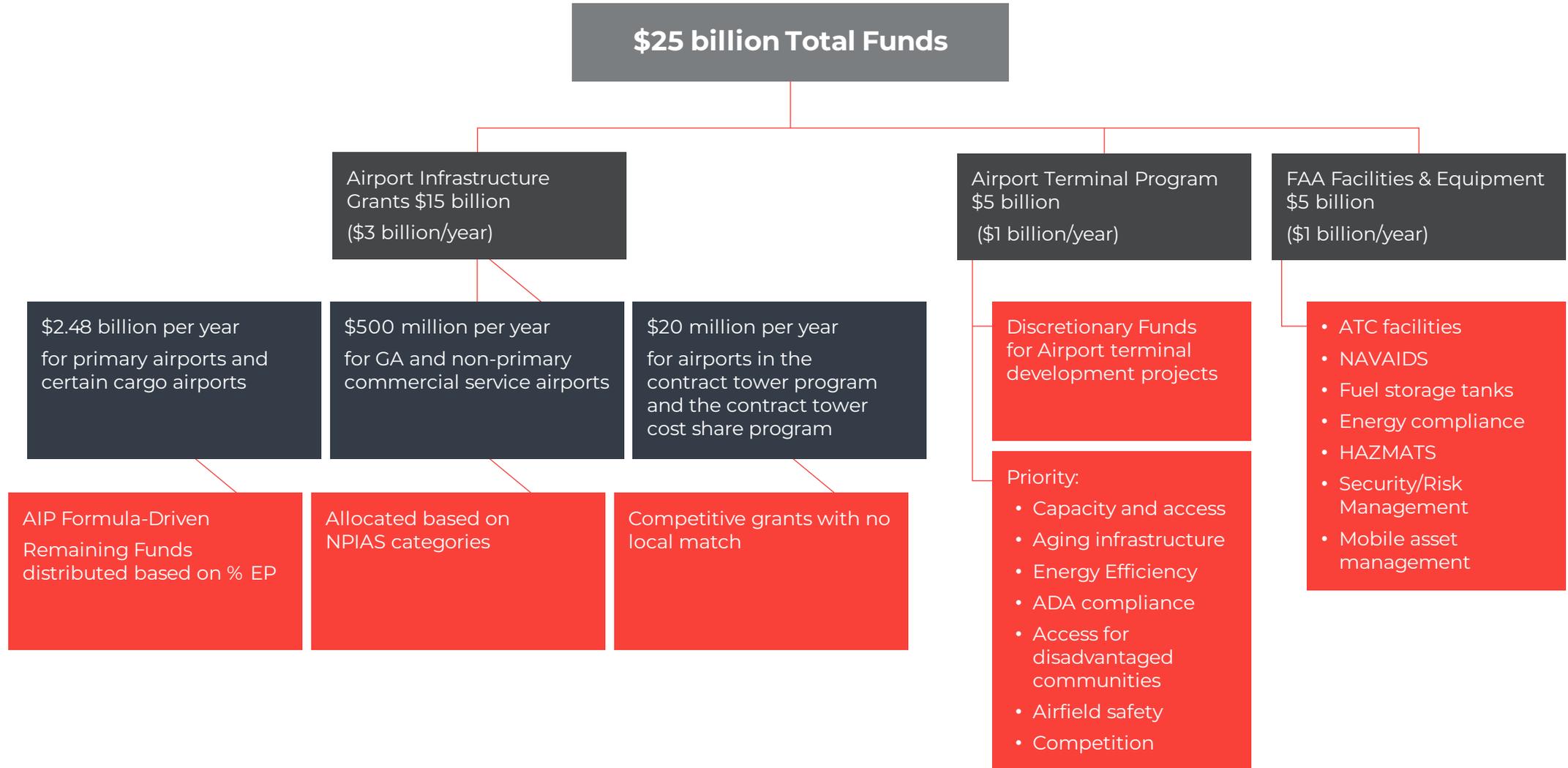
# Aviation & Maritime

Louis Wolinetz

Aviation and Maritime Project Development & Finance Lead

# Aviation/Airports Funding

*\$25 billion in additional funding for airports above normal AIP spending levels over five years (FY22-FY26)*



# Airport Funding Details

GRANT	FEDERAL SHARE	ADDITIONAL CONSIDERATIONS/LIMITATIONS
Airport Infrastructure Grants:	Mirrors match requirements for AIP	<ul style="list-style-type: none"> <li>PFC-project eligibility criteria apply</li> <li>Formula allocation not subject to:               <ul style="list-style-type: none"> <li>reduced apportionments based on PFCs collected</li> <li>maximum apportionment limit</li> </ul> </li> <li>None of the funds may be used to pay for airport debt service</li> </ul>
Airport Terminal Program	<ul style="list-style-type: none"> <li>80% for medium- and large- hubs</li> <li>95% for small hub, non-hub and non-primary airports</li> </ul>	Funds allocated as follows: <ul style="list-style-type: none"> <li>≤ 55% for large-hub airports</li> <li>≤ 15% for medium-hub airports</li> <li>≤ 20% for small hub airports</li> <li>≥ 10% for non-hub and non-primary airports</li> </ul>
FAA Facilities & Equipment	100% (no local match)	<ul style="list-style-type: none"> <li>\$200 million for contract control towers</li> </ul>

# Additional Airport Program Provisions

## TIFIA Program

- Low interest loans, loan guarantees, or lines of credit
- Subordinate to senior debt
- Up to 33% of eligible project cost
- Adds to the scope of eligible projects under the TIFIA program to include PFC eligible projects at airports
- For each FY, not more than 15% of TIFIA funds may be awarded to airports
- TIFIA funds may be awarded to airports

## RAISE/BUILD Grants

- Authorizes **\$ 1.5 billion** for each of FY 2022 through 2026
- Eligible projects include surface transportation components of airport projects
- Grants \$1 million (rural)/\$5 million (urban) to \$25 million
- 50% rural and urban; 15% max per state
- **Federal share cannot exceed 80% with some exceptions.**

## How can airports position to compete for these grants ?

- ✓ Identify capital projects aligned with the bill's priorities
- ✓ Review projects traditionally ineligible – are they now eligible?
- ✓ Proactively engage with FAA and regional ADO
- ✓ Identify local share needs
- ✓ Explore additional funding sources and project eligibility (grants, TIFIA loans, GARB issuance)
- ✓ Consider alternative delivery options



## Seaport Summary

### **\$17 billion in new spending across multiple areas:**

- Coastal port infrastructure
- Inland port and waterway improvements,
- Land ports of entry

### **New focus:**

- Climate resiliency and flooding
- Pollution reduction

### **Other program eligibility:**

- INFRA grants
- TIFIA loans



# Maritime Highlights

Agency	Program	Funding (5-years)
MARAD	Port Infrastructure Development Program	\$ 2.25 billion
FHWA	Reduction of truck emissions at port facilities program	\$ 750 million
FHWA	Ferry boat and ferry terminal facilities	\$ 1.71 billion
Army Corps of Engineers	Construction	\$ 11.615 billion <ul style="list-style-type: none"> <li>• \$ 1.5 billion rivers and harbor construction/rehab</li> <li>• \$ 2.5 billion inland waterways</li> <li>• \$ 465 million flood control</li> <li>• \$ 2.55 billion coastal storm risk management</li> <li>• \$ 2.5 billion inland flood risk management</li> </ul>
Department of Agriculture	Watershed and Flood Prevention	<ul style="list-style-type: none"> <li>• \$ 300 million to repair waterway/watershed damages</li> <li>• \$ 118 million watershed rehabilitation</li> </ul>
Coast Guard	Shore Construction	<ul style="list-style-type: none"> <li>• \$ 158 million facility deficiencies</li> <li>• \$ 19.5 million supporting operational assets and maritime commerce</li> </ul>
FTA	Ferry Competitive Grants	<ul style="list-style-type: none"> <li>• \$ 250 million for ferry electrification</li> <li>• \$ 1 billion for rural ferry service</li> </ul>

# Transit

Don Emerson

Senior Vice President, Planning Strategy & Grants

## Transit Provisions of the IIJA - Summary

**IIJA is a funding bill, reauthorizing formula and discretionary programs at higher levels with few policy changes**

- Transit authorizations total **\$108 billion** over 5 years, **\$91 billion** of which is guaranteed
- Authorizes new Rail Vehicle Replacement competitive grant program - **\$1.5 billion**
- Appropriates funds to a new competitive All Stations Accessibility Program (ASAP) to upgrade accessibility of legacy rail systems - **\$1.75 billion**
- Appropriates funds to two new ferry grant programs, Electric or Low-Emitting competitive grants and Rural Community Essential Ferry Service grants - **\$1.25 billion**
- Authorizes Capital Investment Grant program (New Starts, Small Starts, Core Capacity) at **\$15 billion** and appropriates an additional **\$8 billion**

## Rail Vehicle Replacement Program

- ✓ Funding set aside within 5337 State of Good Repair Program
- ✓ Secretary can select up to 3 projects per year
- ✓ 50% maximum share from this program
- ✓ Project selection criteria specified in the IIJA



## All Stations Accessibility Program

- ✓ Provides funds to upgrade the accessibility of legacy rail transit systems for persons with disabilities by increasing the number of existing stations or facilities for passenger use that meet or exceed ADA standards
- ✓ 80% maximum share
- ✓ Funds may be used:
  - ✎ to repair, improve, modify, retrofit, or relocate infrastructure of stations or facilities for passenger use, or
  - ✎ to develop or modify a plan for pursuing accessibility projects, assessments of accessibility, or assessments of planned modifications to stations or facilities for passenger use

## CIG Policy Changes

- ✓ Replaces Program of Interrelated Projects with new “Bundling” provision
- ✓ Increases the maximum cost of a Small Start from \$300 million to \$400 million and increases maximum CIG share from \$100 million to \$150 million
- ✓ Extends eligibility for Core Capacity to corridors that will be at or over capacity within 10 years
- ✓ Requires FTA to determine that the CIG applicant has made progress toward meeting its Transit Asset Management performance targets
- ✓ Expands the use of warrants
- ✓ Replaces Before and After Study with new Information Collection and Analysis Plan requirement
- ✓ Establishes a CIG Program Pipeline Dashboard on a public website

## National Infrastructure Project Assistance Program

- ✓ New \$10 billion competitive program for large transportation projects that are likely to “generate national or regional economic, mobility, or safety benefits”
- ✓ Eligible projects include highway or bridge projects on the National Highway System, as well as freight and passenger rail and/or public transportation projects
- ✓ Eligible uses include planning, environmental, design, construction, financing costs
- ✓ Project selection criteria specified in IIJA
- ✓ Half of the funds are reserved for projects costing more than \$100 million, but less than \$500 million

# Railroad Rehabilitation and Improvement Financing

Scott Trommer

Senior Director, Planning Strategy & Grants

## Rail Provisions of the IIJA - Summary

- ✓ Provides **\$66 billion** for passenger and freight rail
- ✓ Dedicated funding for Amtrak National Network and Northeast Corridor
- ✓ Expands funding for CRISI competitive grant program
- ✓ Introduces new Federal-State partnership program for intercity rail and grade crossing elimination initiative



## Amtrak Funding

- ✓ IIJA more than doubles Amtrak funding over FAST Act
- ✓ Through 2026 provides \$6.6 billion for the NEC and \$12.6 billion for the National Network
- ✓ Amtrak may use up to 10% of National Network funds to support corridor services
- ✓ Increased funding
  - ↘ Provides greater opportunity for Amtrak to address its backlog and pursue mega projects
  - ↘ Expands Amtrak's ability to pursue state sponsored services

## Federal-State Partnership for Intercity Rail

- ✓ Substantial funding of \$7.5 billion for competitive grant program
- ✓ FAST Act authorized around \$1 billion
- ✓ 45% dedicated to NEC projects
- ✓ Increased funding provides states the opportunity to partner with Amtrak on
  - Infrastructure upgrades and expansions for existing services
  - Introduction of new Amtrak-state partnership corridor services

## Additional Programs

### **IIJA provides additional opportunities for Amtrak and state partners to improve and expand services**

- ✓ New Railroad Crossing Elimination Program \$2.5 billion
- ✓ Restoration and Enhancement grants more than doubled to \$250 million
- ✓ CRISI funding increased by more than five-fold to \$5 billion

# Railroad Rehabilitation and Improvement Financing

## IIJA expands RRIF project eligibility and financing flexibility

- ✓ Eligible projects expanded to include landside port facilities and economic development projects with at least 20% private investment
- ✓ Loan repayment term extended to lesser of 75 years or useful life of asset
- ✓ Interest rate calculation is same as TIFIA
- ✓ Expedites review process for loans of not more than \$150 million
- ✓ DOT repays credit risk premium to borrowers within 60 days of final repayment

# Highway, Electric Vehicles, & CAV

Auden Kaehler

Manager for Highway/Tolling PD&F, Advisory Services, U.S.

# Highways and Bridges Overview

Total funding inclusive of new and existing programs of **\$351 billion** over 5 years

- ✓ Federal Aid Highway Program **\$273 billion**
- ✓ National Significant freight and Highway Projects **\$4.8 billion**
- ✓ Bridge Investment Program **\$12.5 billion (\$27.5 billion formula)**
- ✓ TIFIA **\$1.3 billion**
- ✓ Territorial & Puerto Rico **\$1.1 billion**
- ✓ Congestion Relief Program **\$0.3 billion**
- ✓ Reauthorization of surface transportation funding of **\$241 billion**
- ✓ New and incremental funding of **\$110 billion**
  - Increased contract authority of **\$55.46 billion**
  - Supplemental appropriations of **\$55.28 billion**

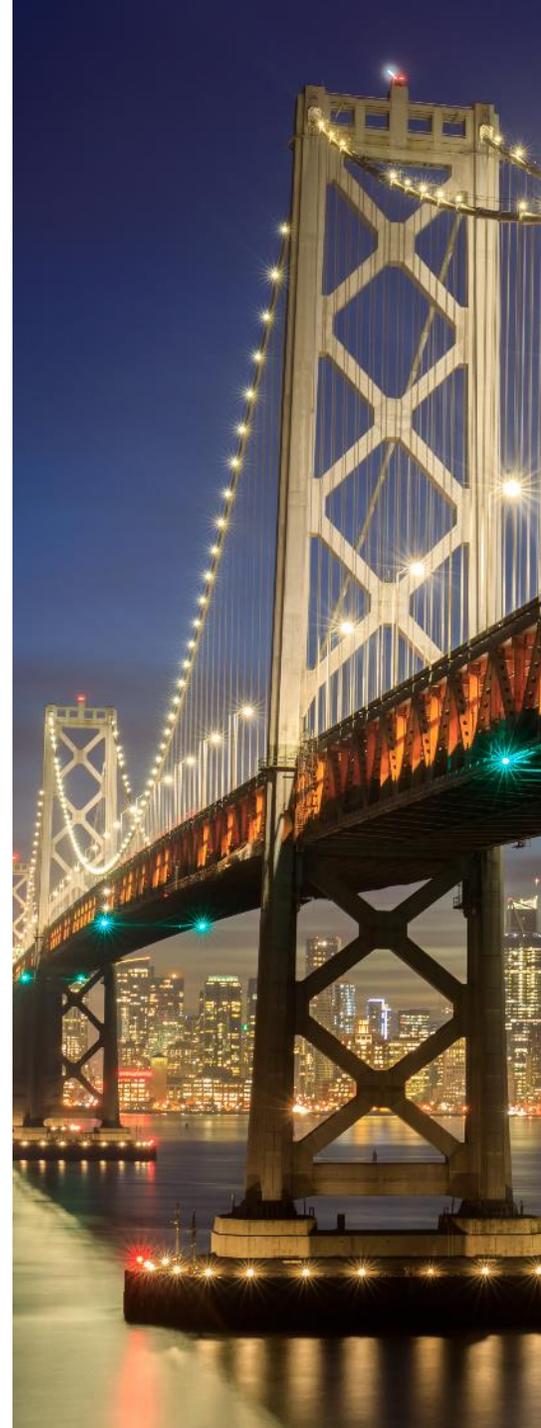


## Federal Aid Highway

- ✓ Secretary can waive federal-share for surface transportation block grant program
- ✓ Creates federal share flexibility pilot program: 10 states receive additional flexibility to determine the federal share on projects/programs
- ✓ Both permanent and temporary repairs can be 100% federal-share under emergency relief program
- ✓ Extension of deadline for projects to be 100% federal-share from 180 to 270 days

## Bridge Investments

- ✓ Total investment of \$36.7 billion in new funding for bridge repair, replacement and rehabilitation
- ✓ New competitive grant program to assist with rehabilitation or replacement of bridges, culverts, and large projects and bundling of smaller bridge projects
  - ↘ Minimum grant amount of \$50 million for large projects and \$2.5 million for other projects
  - ↘ Prioritizes projects that applied but not received grant funding
  - ↘ Half of program funds must be used for large projects, and \$100 million for tribal bridge projects



## Financing

- ✓ Transportation allocation of Private Activity Bonds (PAB) limit increases from \$15 billion to **\$30 billion**
  - ↘ Previously fully allocated, funds now available for new projects
  - ↘ No change in types of projects
  
- ✓ TIFIA funding of **\$250 million** per year
  - ↘ Extends repayment terms for certain assets to the lesser of 75 years or 75% of asset's useful life
  - ↘ Raises total debt threshold to secure more than one investment-grade rating opinion on senior obligations from \$75 million to \$150 million
  - ↘ Funding can now be used for administrative costs
  - ↘ Adds additional criteria for expedited decisions within the application process

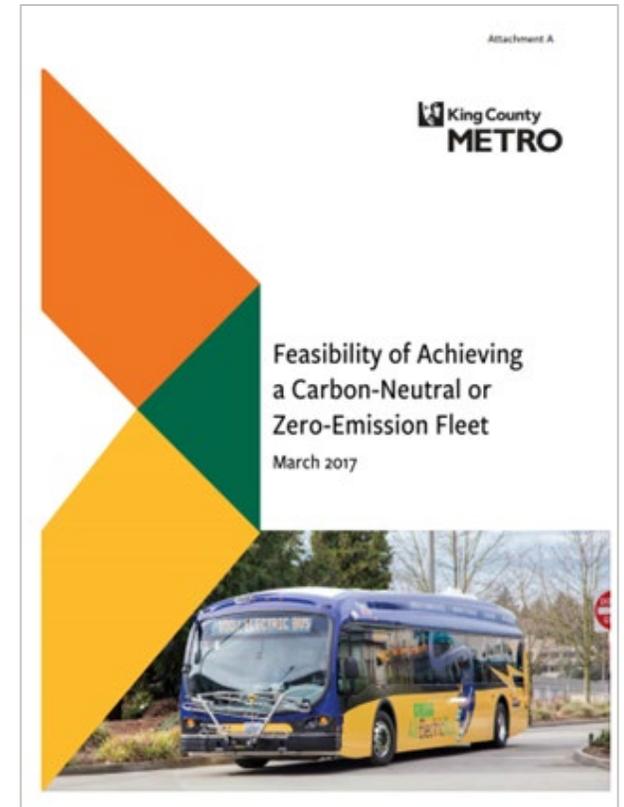
## Tolling & User Fees

- ✓ Congestion pricing measures
  - ↘ Includes toll discounts (HOVs, paratransit, transit)
  - ↘ No change in Value pricing pilot program
- ✓ Managing congestion in urban areas
  - ↘ Congestion relief grant program (Located in climate solutions, emissions reductions): up to 10 urban areas can toll interstates and use innovative demand management technology
  - ↘ Facilitate congestion pricing, shift demand from peak to off-peak/non-highway modes/higher occupancy rates
- ✓ National motor vehicle per-mile user fee pilot funding of \$10 million per year
  - ↘ Restore and maintain solvency of Highway Trust fund



## Zero Emissions Vehicles

- ✓ Expand electric vehicle infrastructure to underserved areas **\$7.5 billion**
- ✓ Grants for charging and fueling infrastructure **\$2.5 billion**
- ✓ Grants for buses and bus electrification (low-no) **\$5.6 billion**
- ✓ State energy program **\$500 million**, includes vehicle electrification for public agencies
- ✓ Electric school buses and ferries
  - *Zero emissions school buses* **\$2.5 billion**
  - *Low emissions school buses* **\$2.5 billion**
  - *Ferries emissions reductions* **\$250 million**
- ✓ Congestion Mitigation and Air Quality improvement program (CMAQ)



## Connected and Automated Vehicles and Active Transportation

- ✓ Transportation demand management technology
  - ↳ Congestion relief program
- ✓ Emerging technologies research pilot program **\$25 million**
- ✓ Strengthening mobility and revolutionizing transportation (SMART) grant program **\$500 million**
  - ↳ Coordinated automation, connected vehicles, intelligent sensor-based infrastructure, smart grid, traffic technology
- ✓ Research and technology development and deployment **\$100 million**
- ✓ Other studies including breathalyzers, traffic signal integration, safety standards
- ✓ Active Transportation
  - ↳ Safe Streets and Roads For All Program **\$5 billion**
  - ↳ Healthy Streets **\$500 million**



# Environmental Review & Climate

Manisha Patel

Environmental Process and Policy Group Leader

# Key Environmental Review Provisions of the IIJA

## Project delivery and permitting process improvement for surface transportation projects

- ✓ Codifies principles of the "One Federal Decision"
  - ✓ Creates new definition of "major projects" (i.e. what's covered by these provisions)
  - ✓ Sets page and time limits (200 pages and agency average of 2 years) for NEPA environmental impact statements
  - ✓ Requires all permits for "major projects" within 90 days of NEPA record of decision
  - ✓ Requires USDOT to create a new performance monitoring system for how well environmental review schedules are met
  - ✓ If a federal cooperating agency misses a schedule deadline, a report must be submitted to USDOT and Congress
  - ✓ Authorizes expansion of USDOT Categorical Exclusions (CEs) to other federal agencies
- ✓ Creates a new annual reporting requirement on the time and duration it takes to complete CEs, EAs, and EISs



## Other Environmental Review and Permitting Provisions of the IIJA

- ✓ Authorizes USDOT to complete the *NEPA for* transportation maintenance/operations on *federal lands*, wildfire risk reduction, and ecosystem restoration, without independent resource agency review
- ✓ Streamlines interagency coordination under *Section 4(f)* of the Department of Transportation Act
- ✓ Allows for early *utility relocation* before completion of the environmental review process.
- ✓ Creates a new *Interagency Infrastructure Permitting Improvement Center* within USDOT and makes *FAST Act Federal Permitting Improvement Steering Council* permanent
- ✓ Expands renewal periods for *NEPA Assignment MOUs*



## Key Climate Change Policy Provisions of the IIJA

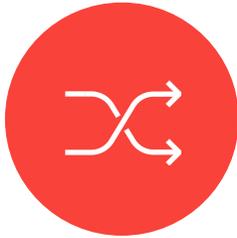
- ✓ More climate change and resilience provisions than any previous transportation-related legislation
- ✓ Establishes new "Promoting Resilient Operations for Transformative, Efficient, and Cost-saving Transportation" (PROTECT) program mandating use of techniques to respond to impacts of climate change
- ✓ Establishes competitive grant program for resilience improvement projects
- ✓ Requires measures that focus on electrical grid resilience
- ✓ Creates new grant program deploying electric, hydrogen, propane, and natural gas charging and fueling facilities - **\$2.5 billion**
- ✓ 50% of funds reserved for projects that reduce GHG emissions
- ✓ Establishes new program to reduce truck emissions at port facilities - **\$750 million**

# Water

Juan Diaz-Carreras

Water Business Line Leader – SoCal/Nevada

## Bill Overview



### Cross Sector Opportunities

Programs such as Healthy Streets provide opportunities for collaboration across sectors.



### New funding for existing programs

Existing programs getting additional funding means money can flow more quickly as regulations are already in place.



### New Programs

New programs targeting specific issues with an emphasis on assistance to disadvantaged communities.

# Cross Sector Opportunities

## Section 11406 – Healthy Streets

- Technically part of the transportation side of the bill
- Grant program to implement green streets
- Prioritizes disadvantaged communities and waives match if hardship
- **Innovation:** Use this funding to match local funding such as LA County Measure W to make projects more competitive



**\$100M per year, 2022 – 2026**

# New Funding for Existing Programs

## Section 50102, 50210 – SRFs

## Section 50215 – WIFIA

## Section 40901 – WaterSMART

- Additional funding for State Revolving Funds and WIFIA
- Regulations already exist so money should be able to flow more quickly
- Push to support small, rural and tribal treatment systems
- Under SRFs, loan forgiveness, refinancing and negative interest rate loans available
- WIFIA requires outreach plan to rural communities



**WIFIA – \$50M per year, 2022 – 2026**

**CWSRF – \$14.65B, 2022 – 2026**

**DWSRF – \$16.25B, 2022 – 2028**

**WaterSMART – \$400M**

## New Programs – Sewer Overflow and Stormwater Reuse

### Section 50204

- New EPA grant program
- For projects that capture, treat or reuse sewer overflows
- For projects that capture/redirect stormwater
- 60% of grants should be directed to rural communities by States



**\$280M per year, 2022 – 2026**

## New Programs – Alternative Water Source

### Section 50203

- New EPA pilot grant program
- Treating water, sewer or stormwater for groundwater recharge potable reuse or other uses



**\$25M per year, 2022 – 2026**

## New Programs – Large Scale Water Recycling

### Section 40901

- New EPA grant program
- Planning, Design and Construction
- 25% limit on federal share, but no cap
- Priority to water supply reliability, fish/wildlife benefit, water quality and regional in nature



**\$450M, 2022 – 2026**

## New Programs – National Reuse Working Group

### Section 50218

- New EPA led cross agency working group
- Coordinate federal resources to encourage reuse nationwide and to implement February 2020 National Water Reuse Action Plan
- Chaired by the Administrator, with senior representatives from other agencies as determined by the Administrator



# Equity

Denise Turner Roth

President, Advisory Services

# Overview

**Opportunities to enhance equity are indirectly or directly embedded throughout the bill:**

- ✓ Reconnecting Communities
- ✓ Safety
- ✓ Public Transit
- ✓ Broadband
- ✓ Water Infrastructure
- ✓ Resiliency
- ✓ Clean School Buses & Ferries
- ✓ Electric Vehicle Charging
- ✓ Addressing Legacy Pollution
- ✓ National Motor Vehicle Per-Mile User Fee Pilot



## New Funding & Programs

- ✓ **Reconnecting Communities**
  - **Signature equity program** of the IIJA
  - Addressing harms caused by the transportation system, particularly highways that have displaced and divided communities
  - Planning & Technical Assistance Grants – focused on feasibility (up to \$2M)
  - Capital Construction Grants (minimum \$5M)
  - Federal cost-share not to exceed 80%
- ✓ **Rural and Low-Income Water Assistance**
- ✓ **Grants for Construction and Refurbishing of Individual Household Decentralized Wastewater Systems for Individuals with Low or Moderate Income**
- ✓ **Healthy Streets**
- ✓ **National Motor Vehicle Per-Mile User Fee Pilot**
- ✓ **Shared micromobility eligible for CMAQ funding**

## Tribal Funding

- ✓ **Increases funding for tribal projects**
  - Tribal High Priority Projects program
  - Tribal Transportation Program
  - Indian Health Service Sanitation Facilities Construction Program
  - Grants to Alaska to improve sanitation in rural and Alaska Native villages (increases Federal cost share to 75%)
  
- ✓ Increases Federal share to 100% for Nationally Significant Federal Lands and Tribal Projects Program (NSFLTP)

## Safety Improvements for Vulnerable Road Users

- ✓ Requires a Vulnerable Road User Assessment
- ✓ Defines "safe systems" and "vulnerable road users" and requires States with high bike/ped crash rates to obligate at least 15% of funds to HSIP for vulnerable users
- ✓ Defines bike/ped improvements as eligible highway safety improvement projects
- ✓ Allows greater flexibility and funding for non-infrastructure activities
- ✓ Requires each state and MPO to develop non-vehicular focused plans/policies
  - Complete Streets
  - Active Transportation Plans
  - Mass Transit Plans
  - TOD Plans
  - Regional Highway Alternatives

## Future Discretionary Grant Criteria

Justice40 Initiative and equity already integrated into recent FTA discretionary grant program giving projects "**priority consideration**" if addressed

### Justice40 Initiative

- Expect the Federal agencies to include criteria that will help them in meeting the goal set out in the E.O. on Tackling the Climate Crisis at Home and Abroad (14008)
- The Justice40 Initiative (created through E.O. 14008) looks at “how certain Federal investments might be made toward a goal that **40 percent of the overall benefits flow to disadvantaged communities.**”

### Key Question:

How does the project support the Justice40 Initiative?

- Define "disadvantaged community"
- What variables were considered
- Immediate and long-term project benefits
- Describe stakeholder engagement efforts

# Future Discretionary Grant Criteria

## Executive Order on Racial Equity

- The E.O. on Advancing Racial Equity and Support for Underserved Communities Through the Federal Government (13985) requires Federal agencies to conduct an equity assessment to identify **equity barriers and policies or regulations** to address them
- Defines "equity" and "underserved communities"

### Key Question:

How will the project address racial equity and barriers to opportunity?

- Planning and policies
- Project investment dollars

# Questions & Answers

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