



# Transportation and Infrastructure

## What to Watch For *Infrastructure Spending*

Over the past two years, Congress has approved increases in federal transportation and infrastructure spending. A major bipartisan accomplishment of the past two years was the Infrastructure Investment and Jobs Act (IIJA). The law, which was a campaign priority for Biden, authorized approximately \$1 trillion in transportation and infrastructure funding over five years, including \$550 billion in new federal money for infrastructure projects. That new money includes \$120 billion for upgrading repairs and maintenance of roads and bridges; \$66 billion for Amtrak; \$42 billion for airports and ports and \$39 billion for mass transit. Additionally, the recently enacted Inflation Reduction Act did include some transportation-related provisions, albeit primarily focused on reducing carbon emissions from vehicles and ports.

Over the next two years we expect to see the administration continue to dole out funds for infrastructure projects across the country. As the administration works on implementation, counties and cities as well as airports will be able to access transportation funds. Secretary of Transportation Pete Buttigieg has prioritized awarding 166 grants to local communities from a \$2 billion discretionary budget and other fiscal support for rail, road and bridge improvements over the past year. Given the huge financial support the President has promised to the Environmental Justice movement in minority neighborhoods throughout the country, much fiscal support is earmarked to improve transportation systems that damaged minority neighborhoods in the past. One project delivered a \$105 million grant for removal of a segment of Interstate 375 that cut through a Black neighborhood in Detroit.

Transit will continue to be a major focus for the administration. Biden's team will continue to use the funding increases authorized by the IIJA to achieve electrification and emissions goals (the IIJA increases annual funding for bus and bus facilities grants and the low/no emission bus grant program to \$1.2 billion and \$80 million by FY26 respectively). DOT will use those funds to help state and municipal transit systems around the country invest in hybrid and electric buses, as well the infrastructure necessary to sustain them.

The administration's efforts to support domestic manufacturing of batteries and EVs will also be the subject of highly anticipated rulemakings, especially with regard to the domestic content requirements required by the IIJA and IRA.

### Possible Rollbacks

While the IIJA was a bipartisan bill, it only had the support of 13 House Republicans. With Republicans back in control of the House, they may try to roll back certain infrastructure provisions contained in this legislation. Rep. Sam Graves (R-MO), who is expected to become chair of the House Transportation and Infrastructure Committee, did not support the bill. However, we anticipate that the administration will thwart any efforts as much of the funding is discretionary funding passed on to states, meaning it has already been appropriated. In FY 2023, the IIJA allocates nearly \$60 billion to states for programs that flow through the Department of Transportation. Once this money is in the hands of the states, it will be up to each state how they will use it.

Congress will continue to play an important role in transportation and infrastructure funding via the annual appropriations process. We should also expect to see an increase in oversight of existing spending by committees with jurisdiction over transportation and infrastructure programs.

### Ecosystem Restoration

Congress may consider issues associated with new authorizations and increased funding for ecosystem restoration under the Infrastructure Investment and Jobs Act (IIJA). Such Programs are funded under the Army Corps of Engineers, DOT, NOAA, and the EPA. This may include federal and nonfederal entities who can quickly and effectively obligate restoration funding,

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### Congressional Leadership Changes

It is widely assumed that Rep. Sam Graves (R-MO) will take over as Chair of the House Transportation and Infrastructure Committee, with either Rep. Eleanor Holmes Norton (D-DC) or Rep. Rick Larsen (D-WA) serving as Ranking Member.

The balance of power in the Senate is undecided. Should Democrats retain control of the chamber, Sen. Maria Cantwell (D-WA) will likely hold her post as Chair of the Commerce, Science, and Transportation Committee. If Republicans wrest control from the Democrats, Sen. John Thune (R-SD) is the likely Chairman, with Cantwell serving as Ranking Member.

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