

**MTC Staff Summary of Surface Transportation Provisions
of the Infrastructure Investment and Jobs Act (as introduced in the Senate)
August 3, 2021 **DRAFT****

On August 1, the Senate infrastructure deal negotiators put down their metaphorical pens and released the long-awaited official legislative text of the Infrastructure Investment and Jobs (IIJ) Act ([link to bill text](#)), the roughly \$1 trillion transportation, water, broadband and electric grid infrastructure bill. With regard to surface transportation, the bill combines a roughly \$475 billion five-year surface transportation reauthorization—a 56 percent increase above Congress’s last five-year transportation bill, the Fixing America’s Surface Transportation (FAST) Act—with nearly \$160 billion in supplemental one-time stimulus funding to be distributed to more than two dozen programs over five years. With this approach, Congress is prioritizing 1) long-term certainty for states, locals, and transit operators that depend on the federal program to keep transportation networks running and 2) making down payments on myriad pressing issues, from building a national charging network to fixing the nation’s crumbling bridges.

Highlights of the surface transportation portion of the bill follow, with a focus on Bay Area impacts.

Investment and Jobs Act vs. FAST Act Comparison Chart

	FAST Act (FY 2016-2020)	IIJ Act (FY 2022-2026) (Senate introduced)	% Increase
Surface Transportation Authorization ¹	\$ 305 billion	\$ 477 billion	56%
One-time General Fund advance appropriation) ²	--	\$ 157 billion	N/A
Total	\$ 305 billion	\$ 634 billion	108%

Timing and Next Steps

The IIJ Act is expected to be debated on the Senate floor over the coming days, with the goal of Senate passage this week. The House has already left for their annual August recess, so the earliest the House would take action on the measure is next month, though the timeline could extend later. House Speaker Pelosi has publicly committed to holding the deferring action on the physical infrastructure bill until the House receives the \$3.5 trillion supplemental spending package from the Senate, which would fund childcare, health care, education, climate and housing priorities. The Senate is expected to consider the \$3.5 trillion budget blueprint—the first step toward the spending package the House will be awaiting—following the Investment and Jobs Act debate this week.

Bay Area Highway and Transit Formula Funding Increase

The IIJ Act would substantially boost the Bay Area transit formula resources that MTC distributes, and the Bay Area would receive a lesser but not insignificant boost in flexible highway funds. Initial estimates are below and are subject to change.

Bay Area Transit

The IIJ Act would provide the Bay Area \$3.4 billion in transit formula funds over five years vs. the \$2.3 billion in Federal Transit Administration (FTA) formula funds over the FAST Act period. This increase

¹ Transportation authorization bill funding reflects both Highway Trust Fund (HTF) amounts—which are essentially “guaranteed”—in addition to those funding amounts authorized but subject to the uncertainty of the annual appropriations process. The FAST Act’s \$305 billion price tag reflected \$282 in HTF proceeds and only \$23 billion in general funds while the IIJ Act would provide \$383 billion in HTF funding, with \$94 billion subject to annual appropriations.

² Chart does not yet reflect the FY 2018 through FY 2020 Highway Improvement Program and Transit Infrastructure Grants, which supplemented highway and transit funding.

would be a result of both a big boost in the federal transit formula funding from the Highway Trust Fund (HTF)—a big win for the long-term as it would be very unusual for HTF-funded federal transit (and highway) program funding levels to fall below this new baseline after five years at this funding level—and because of additional one-time supplemental stimulus funding to the Section 5337 State of Good Repair program, which we advocated for along with our large transit system partners across the country. See the chart below:

Bay Area Transit Formula Fund Estimate

	FAST Act (FY 2016-20) ¹	IIJ Act (FY 2022-2026) ²	5-Year Funding Increase
State of Good Repair	\$1.1 billion	\$1.7 billion	\$0.7 billion
Urbanized Area	\$1.1 billion	\$1.5 billion	\$0.4 billion
Other (one-time funds)	\$0.1 billion	\$0.2 billion	\$0.1 billion
Total	\$2.3 billion	\$3.4 billion	\$1.1 billion

Note: Sums may not total due to rounding.

1. Amounts include FAST Act authorized funding plus Federal Transit Administration (FTA) supplemental appropriations from FY 2018, FY 2019 and FY 2020.

2. Amounts reflect IIJ transportation authorization and supplemental advance appropriations.

Bay Area Flexible Highway, Climate and Bike/Ped Formula Funding

The IIJ would increase five-year funding totals for flexible highway program funding in the Bay Area from \$0.8 billion to \$1.1 billion. Note that much of the Bay Area's increase is due to the new, highly flexible Carbon Reduction formula program, which the Senate funded at the expense of increasing CMAQ. Like CMAQ, the Carbon Reduction Program has broad eligibilities including public transit, high occupancy vehicle projects, congestion pricing. Unlike with transit, the Bay Area wouldn't receive additional funding via formula from the highway-focused supplemental appropriation. See chart below:

Bay Area Highway Formula Fund Estimate

	FAST Act (FY 2016-20)*	IIJ Act (FY 2022-2026)
Surface Transportation Program	\$473 million	\$603 million
CMAQ	\$367 million	\$368 million
Transportation Alternatives Program ¹	\$38 million	\$70 million
Carbon Reduction Program (new)	-	\$71 million
Total	\$878 million	\$1.1 billion

1. Amount reflects only those program funds suballocated to the Bay Area for the regional ATP program; does not include the Bay Area's share of the states "any area" funds

Encouragingly, metropolitan planning resources would increase as well, with the Metropolitan Planning program increasing by about 30 percent compared to FAST Act levels (FAST Act FY 2016-2020 vs. proposed FY 2022-2026 funding).

California Funding for Bridges, Resilience and Electric Vehicle Charging Infrastructure

The State of California would receive a **much larger** increase in formula funds (proportionately and dollar amount), including **roughly \$4.5 billion** from a flexible new bridge repair formula program (\$27.5 billion nationwide), **\$630 million** from a new resilience formula program for states and roughly **\$380 million** for electric vehicle charging infrastructure. We expect there will be legislation at the state level to implement these new programs, providing an opportunity to advocate for an approach that maximizes funding for the Bay Area.

Additionally, the California's Trade Corridors Enhancements Program and "any area" Active Transportation Program would both be expected grow in accordance with the funding increases proposed

for the federal freight formula program and federal Transportation Alternatives Program since state law directs these federal funds to these state programs.

Opportunity for Bay Area Projects to Compete for Roughly \$100 billion in Discretionary Grants

Bay Area projects (large and small) could also receive substantial direct federal investment via funding for existing and new discretionary grant programs. In addition to huge dollar amounts, the focus of the grant programs reflect many of the Plan Bay Area 2050 priorities and in general the selection criteria appears Bay Area/large metro-friendly (ex: points for national and regional economic benefits). Grant programs of interest are listed below.

Transit, Bridge, Climate, Rail, Safety, and Priority Project Discretionary Grant Programs

(Note: Funding amounts are five year totals and fund sources are noted. Both the highway trust fund (HTF) and one-time supplemental general fund stimulus (upfront stimulus) fund sources are “guaranteed,” while those non-stimulus general fund amounts (GF) are much less certain, as they are subject to annual appropriations.

Highway and Bridge

- Bridge Investment Program - \$15.8 billion for a new bridge program
 - \$9.2 billion in upfront stimulus funding, plus \$3.3 billion guaranteed from the reauthorization (HTF) and \$3.3 billion in general funds subject to annual appropriations
 - Program would provide multi-year grants for major bridge improvements, like full funding grant agreements for bridges. BATA bridges and Golden Gate Bridge could apply. Smaller projects could be funded, as well. Plus
- Charging and Fueling Infrastructure Grants (electric and alternative fuel vehicles) - \$2.5 billion (HTF)

Transit and Intercity Passenger Rail

- Capital Investment Grants - \$23 billion
 - \$8 billion in one-time upfront stimulus funding plus \$15 billion subject to appropriation (vs. \$12 billion in the FAST Act).
 - Program funds transit modernization and expansion projects
- Federal-State Partnership for Intercity Passenger Rail – \$43.6 billion
 - \$36 billion in upfront funding, of which at least \$12 billion must be spent outside the Northeast Corridor; \$7.5 billion in additional funds subject to annual appropriations
 - Expanded eligibilities to allow program to fund new and expanded intercity rail (i.e., California High Speed Rail), in addition to the program’s historic focus on Amtrak and other intercity rail service’s state of good repair
- Amtrak - \$30 billion (roughly 40 percent is reserved for the Northeast corridor)
 - \$19.2 billion in upfront stimulus and an additional \$11 billion subject to annual appropriations
- Low- and Zero-Emission Bus Program (transit) – \$5.6 billion
 - \$375 million guaranteed from the reauthorization (HTF) and \$5.25 billion in upfront stimulus
- ADA Accessibility Improvements for Legacy Rail Systems - \$1.75 billion (upfront stimulus)
- Competitive Grants for Rail Vehicle Replacement - \$1.5 billion (HTF)
- Electric or Low-Emission Ferry Program - \$500 million
 - \$250 million in upfront stimulus funding, plus \$250 million subject to annual appropriations

Multimodal Mobility, Economy, Safety, and Climate Programs

- National Infrastructure Project Assistance - \$15 billion
 - \$5 billion in upfront stimulus funding and \$10 billion subject to annual appropriations
 - Program would provide multiyear grant agreements for large projects
 - Multimodal eligibility, including for integrated intercity and commuter rail projects, as advocated for by MTC and national partners

- Local and Regional Project Assistance - \$15 billion
 - \$7.5 billion in upfront stimulus funding plus \$7.5 billion subject to annual appropriations
 - Authorizes RAISE (BUILD/TIGER)
- Consolidated Rail Infrastructure and Safety Improvements (CRISI) - \$10 billion
 - \$5 billion in upfront stimulus funding and \$5 billion subject to annual appropriations
- Railroad Crossing Elimination Program - \$5.5 billion
 - New program funded at \$3 billion in upfront stimulus funding and \$2.5 billion subject to annual appropriations
 - This new program supplements the longstanding Rail-Highway Grade Crossing program funding that is distributed to states via formula, funded through the HTF at \$1.2 billion (FAST Act funded the program at \$1.1 billion).
- INFRA (multimodal freight program) - \$8 billion
 - \$4.8 billion from the HTF and \$3.2 billion in upfront stimulus appropriations
- Safe Streets and Roads for All - \$5 billion
 - One-time upfront stimulus funding
 - Grants for locals and metropolitan planning organizations to develop and implement Vision Zero safety plans
- PROTECT resilience grants - \$1.4 billion (HTF)
 - States, locals, metropolitan planning organizations, and other transportation authorities may apply.
- Reconnecting Communities - \$1 billion
 - \$500 million from the HTF, \$500 million in upfront stimulus
 - Grants may fund planning and construction to remove or retrofit highways and restore community connectivity
- SMART (Strengthening Mobility and Revolutionizing Transportation Grant Program) - \$1 billion
 - \$500 million in upfront stimulus; \$500 million subject to annual appropriations
 - Eligible projects include automated and connected vehicle infrastructure deployment, transit signal prioritization, and other technology-related transportation system improvements
- Congestion Relief Program - \$250 million (HTF)
 - New flexible major metro congestion reduction program. Eligibilities are broad and allow for congestion pricing on existing Interstate highways