



ABC Priorities Included in the Infrastructure Investment and Jobs Act

New and Increased Funding Levels:

The bipartisan Infrastructure Investment and Jobs Act Provides approximately \$1.2 trillion, including \$550 billion in new infrastructure investments to modernize the nation’s infrastructure for the 21st Century. This funding includes:

- \$110 billion for roads, bridges and major projects
- \$66 billion for passenger and freight rail
- \$65 billion for broadband infrastructure
- \$55 billion for water infrastructure
- \$39 billion for public transit
- \$25 billion for airport improvements
- \$16.6 billion for ports and waterways

These and new and increased levels of funding will provide critical opportunities for America’s construction companies to contribute to rebuilding and fixing infrastructure in their states and communities and create jobs for thousands of America’s workers.

The bipartisan deal includes [the ABC supported](#), bipartisan Surface Transportation Reauthorization Act passed earlier this year by the U.S. Senate Environment and Public Works Committee. This reauthorization provides a 34 percent increase in federal funding for the nation’s transportation infrastructure and includes hard-fought provisions to expedite the federal permitting process for construction projects and support workforce development opportunities for hardworking Americans

One Federal Decision:

This legislation would enact sensible reforms such as modernizing the federal environmental review and permitting process under the National Environmental Protection Act (NEPA) and codifying Executive Order 13807: Establishing Discipline and Accountability in the Environmental Review and Permitting Process for Infrastructure Project, or “One Federal Decision.” This will help ensure that projects are completed on time and on budget, while providing critical protections for our communities and the environment.

Workforce Development:

The bill’s workforce development, training and education section that would provide states with workforce development grants to create pre-apprenticeships, apprenticeships, and career opportunities for on-the-job training and vocational school support, which will all help tackle the industry’s skilled workforce shortage—estimated at 430,000 workers in 2021 alone. This “all-of-the-above” strategy for skill development allows states, local communities, workers and employers to have the freedom to choose the best way to educate construction employees that maximizes innovation to achieve world-class safety and productivity.

Public-Private Investment:

The legislation includes critical funding for public-private partnerships, with \$500 million for surface transportation private activity bonds and \$600 million for broadband PABs and increases the current cap on these bonds from \$15 billion to \$30 billion. This increase will allow state and local governments to enter into additional public-private partnerships to supplement future surface transportation and broadband projects with private investment.

No Tax Hikes:

Importantly, this bipartisan bill is paid without implementing costly and job-killing tax hikes on our nation's job creators and hardworking Americans. Previous and current proposals from the White House and Democrats in Congress call for increases to the corporate tax rate, capping the section 199A 20 percent deduction for S corporations, raising the individual rate, and eliminating critical provisions in the tax code for construction and other businesses that would eliminate jobs and hurt the economy. Republicans were able to successfully negotiate preventing any of these proposals from being used as pay-fors in this bipartisan package.

ABC Opposition to Key Provisions in the Infrastructure Investment and Jobs Act

Expansion of Davis-Bacon Requirements:

The bill expands Davis-Bacon requirements into all energy infrastructure provisions, including the construction of electric vehicle charging stations on highways and in communities. ABC opposes the expansion of these often inflationary, inaccurate, and inefficient requirements that will increase costs and limit the ability of merit shop contractors to participate in these projects.

'Local Hire' Provision:

Section 25019, implements a "local hiring preference for construction jobs." Though the language does not implement a mandate for local hire, or encouragement for agencies to require local hire agreements, it states that "a recipient or subrecipient of a grant provided by the Secretary under title 23 or 49, United States Code, may implement a local or other geographical or economic hiring preference relating to the use of labor for construction of a project funded by the grant, including prehire agreements, subject to any applicable State and local laws, policies, and procedures." ABC remains concerned that local hire requirements and pre-hire agreements such as project labor agreements restrict competition from quality contractors and local workers and needlessly increase the cost of construction and undermine industry safety and workforce development best practices.

Expansion of Buy America Requirements:

The bill extends "Buy America" requirements for construction materials used in federally funded projects. Though it creates exemptions for cement and aggregates like stone, sand and gravel, ABC remains concerned that far-reaching "Buy America" requirements could result in needless cost increases, bureaucratic red tape that would discourage small businesses from pursuing federal contracts, and delays in critical infrastructure projects.

Federal Agencies' Implementation of the Bill:

The significant investment included in the bill also provides our federal agencies with the ability to distribute these funds through discretionary grant programs that could be subject to additional requirements under executive orders or agency directives. It is critical that the Biden-Harris administration and our federal agencies do not operate outside the scope of the bipartisan bill and implement the law in the same spirit of bipartisanship.

ABC remains concerned with comments from the administration that shows clear favoritism towards labor organizations and the potential for strict requirements on federal funds to support union-only jobs and businesses. This would cut out 87 percent of the construction industry that chooses not to join a union from participating in these critical projects for the modernization of our nation's infrastructure and increase costs of the project for America's hardworking taxpayers.

Congressional Budget Office Score:

While the bill's authors included significant pay-fors to defray the cost of this investment in infrastructure, the nonpartisan Congressional Budget Office determined that the legislation would add \$256 billion to the federal deficit over the next 10 years.

Other Notable Provisions

Superfund Excise Taxes:

The legislation reinstates fees on certain Superfund fees on chemicals with modifications beginning on July 1, 2022 and sunseting on December 31, 2031. Adjusts the determination of taxable substances from a baseline of 50% to 20% to protect domestic manufacturers. Increases the rate on taxable substances where the importer does not furnish information to the Secretary at 10%. The Secretary of the Treasury is instructed to publish an initial list of taxable substances no later than January 1, 2022 for taxpayer awareness.

Cost-effective codes implementation for efficiency and resilience:

The legislation creates a grant program within the Building Technologies Office to enable sustained, cost-effective implementation of updated building energy codes, and authorizes \$225 million for the period of fiscal year 2022-2026.

Building, training, and assessment centers:

The bipartisan deal provides grants to institutions of higher education to establish building training and assessment centers to educate and train building technicians and engineers on implementing modern building technologies and authorizes \$10 million for fiscal year 2022.

Career skills training:

The bill establishes a grant program to pay the Federal share of associated career skills training programs under which students concurrently receive classroom instruction and on-the-job training for the purpose of obtaining an industry-related certification to install energy efficient buildings technologies and authorizes \$10 million for fiscal year 2022.

Carbon Capture:

The deal includes Sen. Portman's *Carbon Capture Improvement Act* that would allow businesses to use PABs issued by local or state governments to finance a carbon capture project. Under this bill, if more than 65 percent of carbon dioxide emissions from a given facility are captured and injected underground, then 100 percent of the eligible equipment can be financed with PABs. If less than 65 percent is captured and sequestered, then tax-exempt financing is permitted on a pro-rated basis. The bill would also allow facilities to utilize the existing 45Q tax credit for carbon sequestration for industrial emissions.