

POLICY BRIEF: INFRASTRUCTURE PROPOSALS OF THE ADMINISTRATION AND CONGRESS 2.19.2021

INFRASTRUCTURE CAMPAIGN PLANS OF THE NEW ADMINISTRATION

The incoming Administration, in its election campaign, <u>identified</u> an infrastructure- and environment-related program that would cost \$2 trillion over the first presidential term. Major components of the plan include:

- Spending for transportation infrastructure, including roads and bridges, rail, aviation, ports, and inland waterways, and the energy sources they use. Every American city with 100,000 or more residents would have zero-emissions public transportation, ranging from light rail networks to improved existing transit and bus lines to infrastructure for pedestrians and bicyclists. For rail, the program would tap existing federal grant and loan programs, and further electrify the rail system.
- Accelerating research on battery technology (for use in electric vehicles and on our grid, as a complement to technologies like solar and wind), and supporting development of the domestic supply chain for electric vehicles.
- Establishing ambitious fuel economy standards, and consumer rebates for American-made, American-sourced clean vehicles.
- The power sector would be carbon pollution free by 2035. A new cross-agency Advanced Research Projects Agency on Climate (ARPA-C) to pursue that goal would include:
 - o grid-scale storage at one-tenth the cost of lithium-ion batteries;
 - o advanced nuclear reactors, that are smaller, safer, and more efficient at half the construction cost of today's reactors;
 - refrigeration and air conditioning using refrigerants with no global warming potential;
 - zero net energy buildings at zero net cost, including through breakthroughs in smart materials, appliances, and systems management;
 - o renewables to produce carbon-free hydrogen at a lower cost than hydrogen from shale gas through innovation in technologies like next generation electrolyzers;
 - decarbonizing industrial heat needed to make steel, concrete, and chemicals and reimagining carbon-neutral construction materials;
 - decarbonizing the food and agriculture sector, and leveraging research in soil management, plant biologies, and agricultural techniques to remove carbon dioxide from the air and store it in the ground; and
 - capturing carbon dioxide through direct air capture systems and retrofits to existing industrial and power plant exhausts, followed by permanently sequestering it deep underground or using it to make alternative products like cement.
- A technology-neutral Energy Efficiency and Clean Electricity Standard (EECES) for utilities and
 grid operators. Installation of millions of solar panels including utility-scale, rooftop, and
 community solar systems and tens of thousands of wind turbines including thousands of
 turbines off our coasts. Continuing to leverage carbon-pollution free energy provided by existing
 sources like nuclear and hydropower. For the electricity grid, leveraging existing infrastructure

- and assets, such as existing rights-of-way along roads and railways, and faster and easier permitting.
- Buildings of all kinds would be weatherized.
- Ensuring clean, safe drinking water for all communities, repairing water pipelines and sewer systems, replacing lead service pipes, upgrading treatment plants, and integrating efficiency and water quality monitoring technologies.
- Expanding broadband, or wireless broadband via 5G, to every American.
- Addressing disparities often along lines of race and class in access to clean air, clean water, reliable and sustainable transportation, connectivity to high-speed internet, and access to jobs and educational opportunities. Creating a data-driven Climate and Economic Justice Screening Tool to identify disadvantaged communities, enabling agencies and the private sector to make investments in the communities that need them most.

PLANS OF THE HOUSE TRANSPORTATION AND INFRASTRUCTURE COMMITTEE

As is always the case in the legislative world, the President proposes, and the Congress disposes. Legislators have their own views about the issues, and even when there is substantial agreement between the Executive and the Legislative branches, the Congress will make its mark. Chair Peter DeFazio of the House Transportation and Infrastructure Committee have introduced their vision (with this description condensed taken from their summary of the bill; a more-detailed section-by-section analysis is available):

H.R. 2, the Moving Forward Act, is a more than \$1.5 trillion plan for American infrastructure broadly—roads, bridges, and transit systems, and also schools, housing, broadband access, and more.

Highways, Bridges, Transit, Rail, Airports, Ports/Harbors:

- More than \$300 billion of investment (including structurally deficient bridges).
- More than \$100 billion for transit, including zero-emission buses and new routes.
- Includes smarter and safer roads, including for pedestrians and bicyclists.
- Invests in resiliency and reducing carbon pollution, including \$1.4 billion in alternative fuel charging infrastructure.
- Triples funding for Amtrak to \$29 billion, including upgrades and expansion, improves rail crossing safety, and addresses increasingly long trains that block crossings for 10+ minutes.
- Funds dredging and upkeep of American harbors, ports, and channels.

Schools and Child Care:

- Invests in schools with \$130 billion targeted at high-poverty schools with dangerous facilities.
- Includes a 5-year, \$10 billion federal investment in structural upgrades for child care facilities leveraged with additional state and private investments to comply with current and future public health directives.

Local Financing & Community Development:

- Provides financing support for state and local government investments and spurs private investment through the tax code by permanently reinstating Build America Bonds and Advance Refunding Bonds, and increasing and expanding the issuance of Private Activity Bonds.
- Promotes revitalization in economically distressed communities by making permanent and expanding the New Markets Tax Credit.
- Encourages the rehabilitation of historic buildings by temporarily increasing the Historic Tax Credit program for all projects, permanently expanding the credit for small projects, and eliminating rules that prevent access for non-profits, including public schools.
- Promotes further tribal community development with tribal issuance of government bonds, and revised tax treatment of tribal government charitable organizations and tribal projects in the New Markets Tax Credit program.

Housing:

- Invests over \$100 billion into our nation's affordable housing infrastructure to create or preserve 1.8 million affordable homes.
- Increases federal investment in low-income housing through the Low-Income Housing Tax Credit with new incentives for rural and tribal communities and individuals at risk of homelessness.
- Establishes a new Neighborhood Investment tax credit to encourage the rehabilitation of vacant homes or construction of new homes in distressed areas.

Broadband:

- Delivers affordable high-speed broadband Internet access to all parts of the country by investing \$100 billion to promote competition for broadband internet infrastructure, prioritizing communities in persistent poverty in an efficient, technology-neutral, and financially sustainable manner.
- Gets kids connected to remote learning with digital equipment and affordable broadband options, connects school buses to Wi-Fi and helps schools and libraries close the "homework gap" outside school.
- Enhances payment support for low-income households and the recently unemployed.

Drinking Water and Wastewater:

- Invests over \$25 billion in the Drinking Water State Revolving Fund and other programs for clean drinking water without dangerous contaminants like PFAS.
- Invests \$40 billion in new wastewater infrastructure, and helps communities address stormwater needs, preventing pollution in local rivers.

- Invests in clean water and wastewater infrastructure for Indian Country and to repair severely damaged federal canals.
- Exempts tax-exempt bond financing for water infrastructure projects from State allocation caps for Private Activity Bonds.

Clean Energy:

- Invests more than \$70 billion to transform our electric grid to accommodate and expand renewable energy, strengthen existing infrastructure, develop an electric vehicle charging network, and support energy efficiency, weatherization, and Smart Communities infrastructure.
- Builds on current tax incentives that promote green energy technologies, and provides new incentives to reduce carbon pollution.
- Encourages adoption of zero-emission cars, vans, and buses through tax credits for purchasing vehicles, zero-emission vehicle manufacturing, and deployment of accessible electric vehicle charging infrastructure.

Health Care:

• Invests \$30 billion to increase hospital capacity and strengthen care, help community health centers respond to COVID-19 and future emergencies, improve clinical laboratory infrastructure, support Indian Health Service infrastructure, and increase capacity for community-based care.

U.S. Postal Service:

• Invests \$25 billion to modernize postal infrastructure and operations, including a zero emissions postal vehicle fleet, processing equipment and other goods.

Environment/Public Lands:

- Creates a \$3 billion grant program to restore Great Lakes and coastal habitats and marine ecosystems.
- Clean abandoned coal mines and orphaned oil and gas wells.

Clean Energy:

- Incentivizes the development of wind and solar on public lands, and builds an offshore wind workforce.
- Invests in water infrastructure for drought preparedness and supply reliability in a changing climate.