# Overview of $1.2 Trillion Bipartisan Infrastructure Bill (Infrastructure Investment & Jobs Act)

**THE BILL'S PROS**

- Provides Record-Setting Investment in Physical Infrastructure
  Unlike the “Human” Infrastructure bill, this bill focuses on investment in building and maintaining America’s physical infrastructure including:
  - $66B for freight and passenger rail;
  - $65B to states for broadband deployment and broadband affordability;
  - $55B for water infrastructure;
  - $47B for roads and bridges (in addition to the reauthorization);
  - $73B for modernizing electric grid and clean energy transmission;
  - $39B for transit;
  - $25B for airport projects; and
  - $17B for ports.

- Includes the Surface Transportation Reauthorization Act
  The bill includes the AGC-supported Senate Environment and Public Works Committee’s 5-year Surface Transportation Reauthorization Act. This bill makes a $304B investment in roads and bridges, $85B more than the FAST Act. A state-by-state breakdown of funding can be found [here](#).

- Does NOT Increase Taxes on Construction Companies
  Unlike prior proposals, like the Biden American Jobs Plan, this bill does not increase the corporate tax rate. It also does not include increases to individual tax rates or capital gains rates, like the Biden American Families Plan.

- Does NOT Include AGC-Opposed PRO Act or Gov’t-Mandated PLAs
  Unlike other proposals, this bill does not tie historic infrastructure investment to the PRO Act (any of its provisions) or government-mandated PLAs.

- Expedites the Project Approval Process
  Makes the Trump environmental One Federal Decision policy permanent law that will help hold agencies accountable by requiring timelines and page limits on large environmental documents. It makes other improvements by allowing utility relocation prior to the environmental reviews being complete.

- Allows States to Build New Roads Without New Restrictions
  Does not include restrictions on or excludes eligibilities for expanding highway capacity – like was included in the House INVEST Act. AGC of America was opposed to this provision and led a coalition effort in opposition to it.

**THE BILL'S CONS**

- Fails to Address the Long-Term Solvency of the Highway Trust Fund
  The bill continues to rely on an assortment of pay-fors since the motor fuel taxes have not been increased since 1993 and were not indexed to inflation. In addition, the growing number of electric and alternative fuel vehicles are reducing revenues into the Highway Trust Fund which has further exacerbated the problem. However, AGC is encouraged by the inclusion of a pilot program to demonstrate a national motor vehicle per-mile user fee. The voluntary national pilot will share insights on this vehicle per-mile user fee, that will help facilitate the possible transition away from motor fuel taxes which will eventually become unsustainable as more Americans transition to electric cars. This pilot will help answer questions about how a tax could be collected, how to ensure that rural residents don’t get forced into unfairly paying more and other unanswered questions.

- Expands Buy America Requirements to Include Construction Materials
  The bill adds construction materials to the Buy America requirements for federally funded projects. The bill creates exemptions for cement; asphalt; aggregates like stone, sand and gravel; and aggregate binding agents or additives as inputs of construction materials. AGC has concerns about potential unintended consequences of this policy but supports the exemptions.

- Cancels Q4 2021 Employee Retention Tax Credit (ERTC)
  The bill would end the ERTC one quarter early, making wages paid after September 30, 2021, ineligible for the credit (except for wages paid by an eligible startup business).

- Expands Davis Bacon Beyond the Status Quo Construction Markets
  Requires that all energy related work be paid at the prevailing wage rate. This is an expansion of the Davis Bacon requirements into a new market. AGC opposes the expansion of Davis Bacon requirements beyond the status quo and advocates for sensible Davis Bacon reforms.

- Allows for Local Hire Requirements, But Does Not Require Them
  The bill allows grant recipients discretion to implement a local or economic hiring preference relating to the use of labor on a grant-funded construction project, subject to any applicable state/local laws, policies, and procedures. This, however, does not alter the status quo.

- Gives Broad Discretion to Federal Agencies
  Provides some funds to federal agencies for distribution by discretionary grants. This provides agencies an opportunity to add new requirements, some of which could go beyond the scope of congressional intent.

AGC of America SUPPORTS the $1.2 Trillion Bipartisan Infrastructure Bill
Please also check out our Myth vs. Fact Summary

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