Port & Community Provisions of the Infrastructure Investment & Jobs Act (IIJA)

StART Briefing

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Port of Seattle®

Major Federal Investment in "Infrastructure"

- On Monday, November 15, President Biden signed an 8-year, $1.2 trillion investment ($550 billion in new money) in a wide variety of areas:

  - Roads and Bridges – $110B
  - Passenger and Freight Rail – $66B
  - Safety – $11B
  - Public Transit – $39.2B
  - Broadband – $65B
  - Ports and Waterways – $16.6B
  - Airports/FAA – $25B
  - Water Infrastructure – $55B
  - Power and Grid – $65B
  - Resiliency – $47.2B
  - Addressing Legacy Pollution – $21B
  - Western Water Infrastructure – $8.3B
  - Clean School Buses and Ferries – $7.5B
  - Electric Vehicle Charging – $7.5B
  - Reconnecting Communities – $1B

IIJA Port-specific provisions

- $20 billion for airports
- $5 billion for FAA Facilities and Equipment
- $5.225 billion for seaports
- $27.1 billion for “Port eligible” transportation investments that other jurisdictions can apply for as well, like $12.5 billion for RAISE and $3.2 billion for INFRA

Other IIJA Provisions Of Interest to Port and/or Cities Include:

- $1 billion for culvert removal, replacement and restoration
- $351 billion for highways (307 billion provided through formula to states)
- $16 billion for the Highway Safety Improvement Program
- $28 billion to the existing Bridge program and a new $16 billion bridge grant program
- $7.5 billion for EV Charging Stations with a $5B in formula funding and $2.5B in grant program to support 500,000 strong EV Charging Station Network
- $250 million for a new Congestion Relief Program
- $6.4 billion to create a new Carbon Reduction Formula Program
- $8 billion for the Federal Transit Administration Capital Investment Grants program
- $5.25 billion for the Low-No Emissions vehicle program
- $500 million for energy efficiency improvements and renewable energy improvements at public school facilities, including investments that “lead to an improvement in teacher and student health, including indoor air quality”

Specifics on the Airport Dollars*:

- $15 billion for airport infrastructure grants distributed by formula
  - An estimated ~$240 million directly to SEA
  - Airports would likely be allowed to use these funds for any “PFC-eligible projects” except debt service.

- $5 billion for a new “airport terminal program” distributed via competitive grants
  - 55% of which is reserved for large hubs like SEA to compete for
  - for “terminal projects that increase capacity, improve passenger access, replace aging infrastructure, expand accessibility for persons with disabilities, and improve airport access for historically disadvantaged populations.”

- “Any funds that remain unobligated shall be made available in the fifth fiscal year for competitive grants that reduce airport emissions, reduce noise impact to the surrounding community, reduce dependence on the electrical grid, or provide general benefits to the surrounding community.”

Grant criteria to be determined by FAA rulemaking. No SEA decisions on actual spending made until then.

What Can & Can't the Airport Money Do?*

- ***Can IIJA airport money be used to build a new airport?***
  - There are no provisions in the legislation that address "new airports"; money is mainly allocated by existing enplanements and hub size.
  - Even if there was, money must be spent within five years, which is unlikely the time horizon for a new airport.

- ***Can IIJA airport money be used for community benefits?***
  - The allocation formula funds can be used for the kinds of things that airport revenue can be used for, including limited types of environmental investments.
  - The competitive grant dollars do not have any criteria for community investments
  - Leftover money in year five looks to be highly flexible
  - Non-airport IIJA dollars provide additional benefits directly to the Port & community – from economic development to electrification – and the Port can help coordinate on those grants.

***actual grant criteria to be determined by FAA rulemaking**

Build Back Better Act

On November 19, the U.S. House passed the Build Back Better Act, which would invest approximately $1.75 trillion over five years in a wide variety of health care, childcare, education, immigration, and climate priorities.

Port-specific provisions:

- $3.5B in "grants to reduce air pollution at ports" to purchase or install zero-emission port equipment; conduct any relevant planning or permitting; or develop qualified climate action plans.

- $60M to reduce diesel emissions resulting from goods movement facilities, and vehicles servicing goods movement facilities, in low-income disadvantaged communities to address health impacts of such emissions.

- $600M to the U.S. Maritime Administration for grants that support supply chain resilience, reduce port congestion, develop offshore wind infrastructure, environmental remediation, and reduce impact of ports on the environment.

- $300M to U.S. Department of Transportation to support investments for projects that develop, demonstrate, or apply low-emission aviation technology to produce, transport, blend, or store Sustainable Aviation Fuel (SAF).

- A refundable blenders tax credit per gallon of SAF sold as part of a qualified fuel mix beginning in 2023.

Uncertain future for the legislation in the U.S. Senate.

Questions?