

# Infrastructure Investment and Jobs Act



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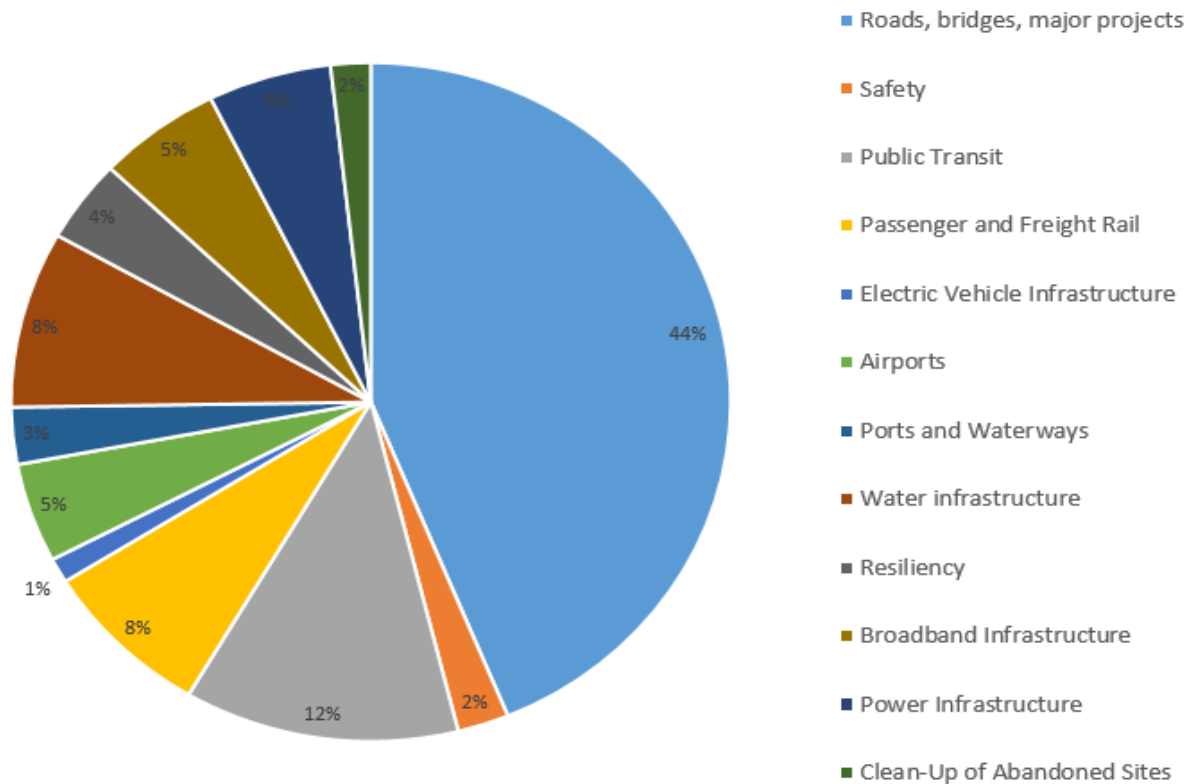
# Overview

- November 15, 2021, Infrastructure Investment and Jobs Act signed (IIJA, Pub. L. 117-58)
  - \$1.2 T (\$550 B above “base” levels)
- Appropriates approximately \$60 billion to the EPA for fiscal years 2022 through 2026
  - funds still available until expended in most cases
  - Increase from \$8 billion to \$9.4 billion over the past ten years
- Designed to improve the nation’s drinking water, wastewater, and stormwater infrastructure; cleaning up legacy pollution; investing in healthier air; increasing the Agency’s workforce; and enhancing the country’s climate resilience.

# By Sector

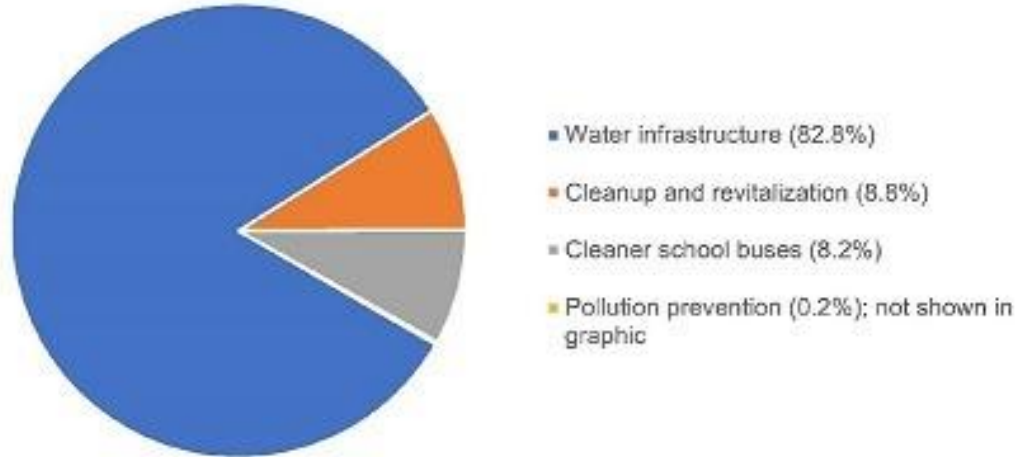
- Transportation: \$284 billion
- Resiliency: \$55 billion
- Western water infrastructure: \$8 billion
- Environmental remediation: \$21 billion
- Energy & Power: \$73 billion
- Broadband: \$65 billion
- Water: \$55 billion

## Infrastructure Spending: \$1.2 Trillion Over 8 Years



# Environmental

Figure 1: IJA funding allocations



Source: OIG analysis of IJA funding. (EPA OIG graphic)

# Water Infrastructure *(continued)*

- Drinking Water and Clean Water State Revolving Funds
  - Funds Drinking Water and Clean Water State Revolving Funds (below market rate loans and grants). Reduces state's cost share for the first two years to 10%. 49% percent of the funding will be administered as grants and completely forgivable loans.
  - Funding Amount: > \$23 Billion
  - Eligibility: States
  - Administering Agency: EPA

# Water Infrastructure *(continued)*

- Lead Service Line Replacement
  - Dedicated Drinking Water State Revolving Funds used lead service line replacement. If a state doesn't have a use for the lead allocation, it is redistributed to other states under SRF for the purposes of lead pipe replacement.
  - Funding Amount: \$15 billion
  - Eligibility: States in need of lead service line replacement
  - Administering Agency: EPA

# Water Infrastructure

- Assistance for Small and Disadvantaged Communities Grant Program:
  - Competitive grant program administered and distributed to states that have high numbers of underserved communities
  - Funding amount: \$50 million for each of fiscal years 2022 through 2026
  - Eligibility: States with high numbers of underserved communities.
  - Administering Agency: EPA



# Water Infrastructure *(continued)*

- PFAS: DWSRF, CWSRF, EPA's Small and Disadvantaged Communities program
  - Provides funding for states and water utilities (drinking water and waste water) to be used in the treatment of any pollutant that is a perfluoroalkyl or polyfluoroalkyl substance (PFAS) or any pollutant identified by the Administrator as a contaminant of emerging concern
  - Funding Amount: \$10 billion; No state cost share requirement. Up to 100 percent of the funding will be administered as grants.
  - Administering Agency: EPA

# Western Water Infrastructure

- Water and groundwater storage projects (\$100 M)
- Large-scale water recycling and reuse projects (\$450 M)
- Multi-benefit projects to improve watershed health (\$100 M)

# Environmental Justice

- Justice40 Initiative – 40% of overall benefits from federal climate and energy investments to disadvantaged communities under a “whole-of-government” approach
  - Climate, clean energy and efficiency, clean transportation, affordable/sustainable housing, workforce development, remediation/reduction of legacy pollution, critical clean water infrastructure
  - Reducing Lead in drinking water, diesel emissions reduction, superfund program, brownfields redevelopment, clean water SRF, drinking water SRF
- White House Environmental Justice Advisory Council
- Tools:
  - Environmental Justice Screening Tools (JSCREEN)
  - DOT Disadvantaged Communities Definition and Mapping Tool
  - Geospatial Climate and Economic Justice Screening Tool

# Environmental Justice (cont.)

- Superfund: EPA will allocate \$21 billion for superfund cleanup, brownfield sites abandoned mines and orphan wells. (25% minority within 2 miles)
- CWSRF/DWSRF; PFAS treatment and removal projects (\$10 B)
- CWSRF Lead Service Line Replacement (\$15 B)
- Reconnecting Communities: DOT will spend \$1 billion on Reconnecting Communities pilot program, which aims to reconnect communities separated by highways. Funds will be used for street grid and parks.
- “Complete Streets:” DOT will create program to complete streets (biking and walking paths)
- Energy efficiency and Conservation Block Grant Program (\$550 million FY22, DOE)

# Buy America Preference

- IIJA made changes to “Buy America” requirements for federally-funded infrastructure projects
- Section 70914, within 180 days of enactment, none of funds made available for Federal financial assistance for infrastructure may be obligated for project unless certain materials used in the project are produced in the United States (5/14/22)
- Office of Management and Budget Memo M-22-11 (4/18/22)

# Buy America (cont.)

- Includes the requirement that no amounts made available through a program for Federal financial assistance may be obligated for a project unless:
  - All iron and steel used in project produced in United States (from initial melting stage through application of coatings);
  - Manufactured products used in project produced in United States (manufactured in US and greater than 55% of total cost of all components of manufactured product are US costs); or
  - Construction materials used in project produced in the United States (all manufacturing processes for construction materials in US)

# Buy America (cont.)

- “Infrastructure” defined broadly. (distribution, transmission, storage, charging equipment, and related structures)
- If agency determines no funds from award for infrastructure, preference does not apply
- OMB indicates the Buy America preference applies to an entire infrastructure project, even if it is funded by Federal and non-Federal funds.”
- Waivers:
  - “Public interest:” applying the preference would be inconsistent with the public interest
  - “Nonavailability waiver:” materials not produced in the US in sufficient and reasonably available quantities or of a satisfactory quality
  - “Unreasonable cost waiver:” materials would increase the cost of the project by over 25% and there are no domestic alternatives

# Oversight

- Office of Inspector General will receive approximately \$270 million over next 5 years. *Infrastructure Investment and Jobs Act Oversight Plan – Inaugural Edition* (April 29, 2022)
  - Audits, evaluations, and, as necessary, investigations of EPA programs receiving or affected by IIJA funds
  - The necessity for criminal, civil, and administrative investigations of IIJA fraud, waste, and abuse will likely not become apparent until after the EPA begins executing IIJA programs







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