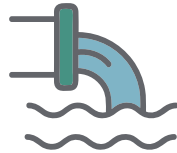




Infrastructure Investment & Jobs Act Implementation

WATER / WASTEWATER INFRASTRUCTURE REQUIREMENTS UNTIL 2040

\$271 billion will be needed to maintain and **replace wastewater and stormwater treatment systems.**



\$473 billion will be needed to **improve America's drinking water infrastructure.** (EPA estimates)

BILLIONS IN NEW RESOURCES FOR BETTER DRINKING WATER SYSTEMS



IIJA will direct **\$55 billion** towards water infrastructure projects through FY2026.

Source: White House

EXEMPT FACILITY BONDS (EFBS)

Trillions of dollars in private investment capital could be made available for municipal construction uses by lifting the EFB state volume cap.



Issue background:

The historic Infrastructure Investment and Jobs Act (IIJA, H.R. 3684) was signed into law on November 15, 2021. The bipartisan IIJA marks the nation's largest investment in infrastructure since the Eisenhower Administration. Once fully implemented over the next five years, this \$1.2 trillion legislation will deliver a tremendous amount of additional resources to the American utility construction industry.

The IIJA is the largest-ever federal investment in key NUCA business markets, with a potential \$550 billion in new spending. \$55 billion will be directed towards water infrastructure projects (\$23 billion for SRFs, \$15 billion for lead drinking water pipes, and \$10 billion for PFAS contamination). \$40 billion will be used for broadband construction. \$110 billion is going to surface transportation projects where NUCA members build important sections of these works.

1.6 million miles of underground pipe infrastructure exists today in the United States, with much of it due for replacement over the next 20 years. In addition to health benefits, an estimated 28,000 jobs can come with \$1 billion investment in water and wastewater infrastructure. These opportunities are spread across the economy with more than one-half of the jobs in industries other than water system construction.

What is NUCA's position?

Well-functioning water infrastructure systems are indispensable to maintaining the health of our nation's citizens. As water and wastewater systems continue to age and the costs of compliance with environmental requirements mount, communities face increasing difficulties in paying for needed infrastructure improvements.

The IJA allocates \$23 billion over the next five years to both the Drinking Water State Resource Fund (SRF) and Clean Water SRF, both administered by the Environmental Protection Agency. This works out to about \$1 billion more per year for each fund than what Congress has allocated in past fiscal year appropriations.

Most of the funding given to states will be distributed through existing formulas (USDOT transportation, EPA SRFs, and Commerce/NTIA broadband programs). States will have access to billions of additional dollars for other infrastructure projects by way of competitive grants. For highway projects, USDOT has stated it is looking to state DOTs as their primary partners to deliver the full value of the legislation. Broadband funding will be sent as direct grants to states, with a minimum allocation of \$100 million for each U.S. state.

Federal agencies have been working on preliminary guidance for funding and program implementation to be issued in the first half of 2022. IJA gave agencies and states significant flexibility in dispensing funds, but the law also gave federal agencies the power to prioritize Biden Administration goals (climate change, disadvantaged communities, etc.). NUCA has urged its members to talk to their state and local officials to help identify funding priorities.

The IJA stated that broadband funding must prioritize funding unserved areas first, then underserved areas, followed by community institutions such as schools, hospitals, and public safety. Once the FCC issues broadband deployment maps, the Commerce Dept. will announce how much funding is available for each state.

NUCA looks forward to working with Congress over the coming years to further our nation's commitment to clean water and economic growth.

What can Congress do to help?

Congress focused its multi-tiered infrastructure work this session into two large bills, the successful \$1.2 trillion Infrastructure Investment and Jobs Act (H.R. 3684), and the now-stalled \$3.5 trillion Fiscal 2022 Budget Reconciliation Act (S.Con.Res. 14).

NUCA strongly supported H.R. 3684. The bill authorized \$35 billion for water projects, including \$14.7 billion for the Clean Water State Revolving Fund (CWSRF) and \$14.7 billion for the Drinking Water State Revolving Fund (DWSRF) over five years. This is a significant increase from prior appropriations for these funds.

Other sections of H.R. 3684 which could affect NUCA members and their future project schedules include:

- \$110 billion for new highways, roads, and bridges
- \$65 billion to install modern broadband infrastructure
- \$73 billion for power infrastructure improvements
- \$25 billion for airport improvements, including better drainage systems
- \$17 billion for ports and waterway modernization
- \$11 billion for highway safety programs
- \$7.5 billion for electric vehicle charging infrastructure
- \$7 billion for Army Corps of Engineers infrastructure priorities
- \$2 billion for Bureau of Reclamation water infrastructure facilities

H.R. 3684 became Public Law 117-58 on November 15, 2021.

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