

# Infrastructure Policy Overview

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American Iron and Steel Institute (AISI)

**Building a Sustainable Infrastructure with Short Span  
Steel Bridges**

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# Failing State of America's Infrastructure

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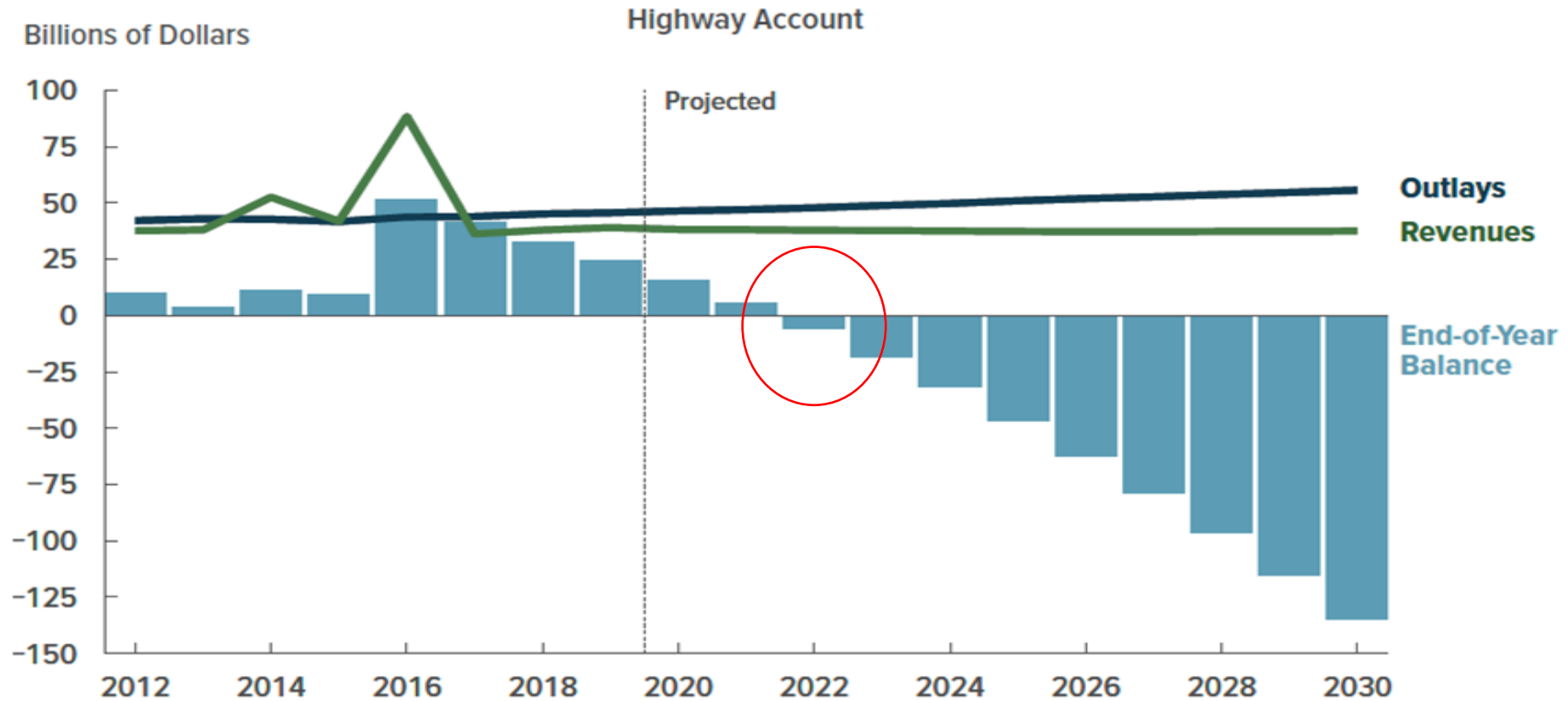
- American Society of Civil Engineers (ASCE) reports
  - *2021 Report Card for America's Infrastructure*
    - C- grade for overall infrastructure
    - C grade for bridges, D grade for roads
    - D- grade for public transit
  - *Failure to Act: Economic Impacts of Status Quo Investment Across Infrastructure Systems*
    - Identified infrastructure investment gap will be \$2.6 trillion by 2029, \$5.6 trillion by 2039.
    - Opportunity cost of \$10.3 trillion in GDP, three million fewer jobs

# Infrastructure Legislation – Opportunities

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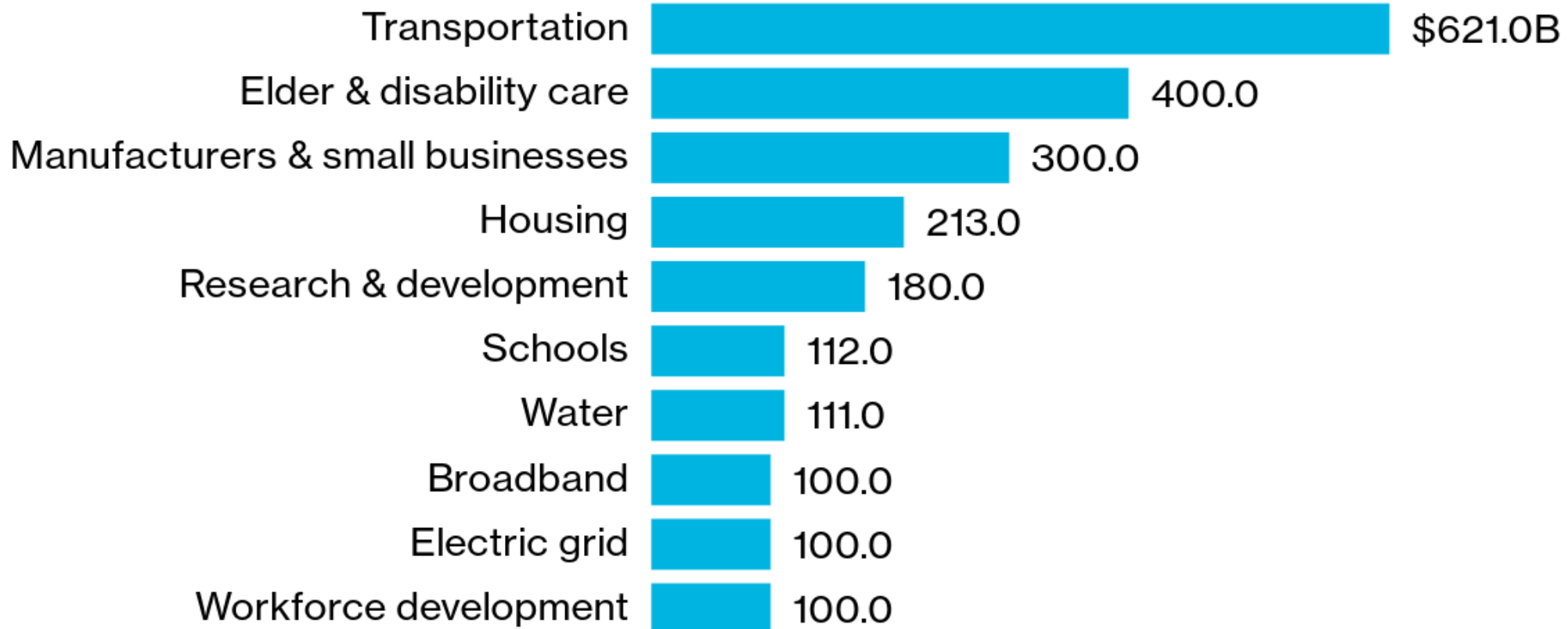
- Infrastructure investment is a rare bipartisan issue
  - Public polling for infrastructure spending is extremely high
  - Statements by members of Congress range from left to right
  - Business, labor, environmental groups all generally supportive
  
- Key deadlines approaching
  - Surface transportation authorizations expire on September 30, 2021
  - Impending insolvency of Highway Trust Fund in FY2022

# Highway Trust Fund Approaches Insolvency Again



Source: Congressional Budget Office, "Reauthorizing Federal Highway Programs: Issues and Options," May 2020

# Biden “American Jobs Plan” - \$2.25 Trillion, 8 Years



# Biden “American Jobs Plan” – Surface Infrastructure

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- \$621 billion in surface transportation infrastructure funding
  - \$174 billion for electric vehicles
  - \$115 billion to repair bridges, highways, and roads
  - \$85 billion to upgrade and expand public transit
  - \$80 billion for Amtrak
  - \$50 billion for infrastructure resilience
  - \$25 billion for airports
  - \$25 for projects outside existing programs
  - \$25 billion for projects to support racial equity/environmental justice
  - \$20 billion for safety
  - \$17 billion for inland waterways, ports

# Biden “American Jobs Plan” - \$2T Taxes Raised, 15 Yrs.

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- Proposed changes to corporate income tax
  - Increasing the corporate tax rate to 28%, from 21%
  - 15% minimum tax on income reported to shareholders by corporations
- Offshore earnings, jobs also would be targeted
  - Minimum tax on profits U.S. companies earn abroad increased to 21%, from about 13%
  - Rates calculated on country-by-country basis
  - Eliminate deductions for expenses related to offshore jobs and tax incentives for foreign derived intangible income

# Senate GOP Infrastructure Framework

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- Contains \$568 billion in funding
  - \$299 billion for roads and bridges
  - \$65 billion for broadband
  - \$61 billion for public transit
  - \$44 billion for airports
  - \$35 billion for drinking water and wastewater systems
  - \$20 billion for railways
  - \$17 billion for inland waterways, ports
- No changes to tax code



# Infrastructure Legislation – Challenges to Passage

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- Definition of “infrastructure”
  - Traditional definition – roads, bridges, transit, airports, water projects
  - Schools, broadband, electric grid
  - Housing, elder care, workforce development
- Financing
  - GOP opposition to any changes to 2017 tax laws
  - Bipartisan hesitancy to adjust gas tax or other user fees
- Politics!!
  - GOP deny Biden/Democrats “win”; 2022 midterm elections

# Infrastructure Legislation – Process Overview

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1. Regular order for surface transportation reauthorization
  - Committee passage by Memorial Day in House and Senate
  - Floor passage over summer, key items from other Committees necessary
  - Conference to resolve differences between bills in August/September by Oct. 1
  - Major issues to address - user fees/revenue and Senate filibuster (tax increases, climate/energy/environment provisions)
2. Budget reconciliation for infrastructure funding
  - Can be passed with 50+VP Senate majority
  - Along lines of 2021 American Rescue Plan and 2017 Tax Cut and Jobs Act
  - Direct funding beyond surface transportation – water infrastructure, electricity transmission, renewable energy, school construction
  - Policy issues not directly related to budget (e.g., Buy America) excluded from reconciliation but could be done through separate authorization bill

# Thank You / For More Information

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