



Impact of Biden Infrastructure Plan on the Construction Industry

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On March 31, 2021, President Biden unveiled his American Jobs Plan (the "Plan"), proposing to spend about one percent of U.S. Gross Domestic Product per year over eight years in infrastructure repairs and enhancements, manufacturing research and development, small business growth and workforce training. The Plan aims to spend about \$2 trillion nationwide in the next decade.

The Plan likely will have a significant impact on the construction industry. Although specifics have not been revealed, including allocations to specific states or areas, the Plan includes roughly \$1.3 trillion in spending for construction projects across various industries and communities, including \$621 billion for repairs and creation of new surface transportation networks such as highways, bridges, ports and rail; \$100 billion for resilience of the infrastructure; \$111 billion for clean drinking water projects; \$100 billion for broadband infrastructure to reach 100 percent coverage and for drinking water, wastewater and stormwater systems; \$100 billion for electric transmission systems; \$213 billion to build, preserve and retrofit more than 2 million homes and commercial buildings, modernize schools and community colleges, and upgrade veterans' hospitals and federal buildings; and \$40 billion to upgrade research infrastructure in laboratories. It prioritizes expenditures in historically underfunded communities and clean/renewable energy development and distribution.

Specific funding outlined in the Plan include:

Fix Highways, Rebuild Bridges, Upgrade Ports, Airports and Transit Systems

Transform our crumbling transportation infrastructure (\$621 billion)

- \$115 billion to modernize bridges, highways, and roads in most critical need of repair and improve road safety, including 20,000 miles of highways, roads, and main streets; to fix the most economically significant large bridges in need of reconstruction and to repair 10,000 smaller bridges.
- Double federal spending to \$85 billion to modernize existing transit, including bringing more bus, bus rapid transit, and rail service to new communities.

- \$80 billion to address Amtrak repair backlogs and modernize the Northeast Corridor.
- \$174 billion in the electric vehicles market, such as grant and incentive programs for state and local governments to build a national network of 500,000 EV chargers by 2030, to replace 50,000 diesel transit vehicles, and to convert 20% of school buses to electric.
- \$25 billion for airports for upgrades to FAA assets and to support terminal renovations.
- \$17 billion for waterways, coastal ports, land ports of entry, and ferries, including programs to mitigate air pollution.

Make our infrastructure more resilient (\$100 billion)

- Increase expenditures to support infrastructure in vulnerable, historically underfunded communities, including through FEMA's Building Resilient Infrastructure and Communities program and HUD's Community Development Block Grant program.
- Spending on programs to protect against wildfires and hurricanes in coastal communities, and to promote resilience against sea-level rise, agricultural resources management and climate-smart technologies, and water efficiency and recycling programs for western droughts, Tribal Water Settlements, and dam safety.

Rebuild Drinking Water Infrastructure, Provide a Renewed Electric Grid, and Supply High-speed Broadband

Ensure clean, safe drinking water is a right in all communities (\$111 billion)

- \$45 billion for the EPA's Drinking Water State Revolving Fund and Water Infrastructure Improvements for the Nation Act grants to eliminate all lead pipes and service lines in the U.S.
- \$56 billion in grants and low-cost flexible loans to states, Tribes, territories and disadvantaged communities to modernize and increase the scale of programs to upgrade drinking water, wastewater and stormwater systems.
- \$10 billion to monitor and remediate substances in drinking water and for rural small water systems and household well and wastewater systems, such as drainage fields.

High-speed broadband infrastructure to reach 100 percent coverage, modernize and monitor drinking water, wastewater and stormwater systems (\$100 billion)

Electric transmission resiliency, modernize power generation methods, and deliver clean electricity (\$100 billion)

- Investment tax credit for building at least 20 gigawatts of high-voltage capacity power lines and creating a new Grid Deployment Authority at the Department of Energy.
- Purchasing 24/7 clean power for federal buildings.
- Establishing Energy Efficiency and Clean Electricity Standard aimed at more efficient use of

existing infrastructure and leveraging carbon pollution-free energy existing sources, such as nuclear and hydropower, seeking to move to 100 percent carbon-pollution free power by 2035.

- \$16 billion to plug orphan oil and gas wells and abandoned mines and for restoring and reclaiming abandoned mines.
- \$5 billion for remediation and redevelopment of Brownfield and Superfund sites.
- Lifting the \$3 million cap on the Economic Development Agency's Public Works program.
- Establishing 10 pioneer facilities demonstrating carbon capture retrofits for large steel, cement and chemical production facilities.

Build, preserve, and retrofit more than two million homes and commercial buildings, modernize our nation's schools and childcare facilities, and upgrade veterans' hospitals and federal buildings

Build, preserve, and retrofit more than two million homes and commercial buildings to address the affordable housing crisis (\$213 billion)

- \$20 billion of Neighborhood Homes Investment Act tax credits over five years to build or rehabilitate homes.
- Establish a \$27 billion Clean Energy and Sustainability Accelerator to spur private investment for distributed energy resources; retrofitting residential, commercial and municipal buildings; and providing clean transportation.

Modernize schools and early learning facilities as well as Veterans Affairs hospitals and other federal buildings

- \$100 billion to upgrade and build new public schools through \$50 billion in direct grants and \$50 billion in leveraged bonds, including to improve indoor air quality and ventilation, energy efficiency, and school kitchens.
- \$12 billion to states to address existing physical and technological needs at community colleges.
- \$25 billion to upgrade childcare facilities in high-need areas through a Child Care Growth and Innovation Fund and an expanded tax credit for businesses ? receiving 50% of the first \$1 million in construction costs per facility ? to build childcare facilities at workplaces.
- \$28 billion to upgrade Veterans Affairs hospitals and federal buildings.

Revitalize manufacturing, secure U.S. supply chains, fund R&D, and train Americans for the jobs of the future (\$480 billion)

- \$50 billion for the National Science Foundation to focus on fields like semiconductors and advanced computing, communications technology, energy technology, and biotechnology.
- \$40 billion to upgrade research infrastructure in laboratories.
- \$35 billion to develop new methods for reducing emissions, building climate resilience, and expand

funding for climate research.

- \$15 billion in demonstration projects for climate research and development priorities, including utility-scale energy storage, carbon capture and storage, hydrogen, advanced nuclear, rare earth element separations, floating offshore wind, biofuel/bioproducts and electric vehicles.
- \$46 billion for manufacturing electric vehicles, charging ports, electric heat pumps for buildings, and advanced nuclear reactors and fuel.

Please contact any member of the Williams Mullen **Construction** practice group if you have questions about The American Jobs Plan of 2021. We will continue to monitor the Plan and additional specifics as they develop.

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