



AMERICAN COUNCIL OF ENGINEERING COMPANIES

Summary of H.R. 1, American Recovery and Reinvestment Act, as Signed Into Law

The final conference report totals \$463 billion in spending and \$326 billion in tax cuts.

Key infrastructure provisions for state and local governments:

- **Roads and Bridges - \$27.5 billion**
 - Distributed to states by statutory formula
 - States must obligate (execute a project agreement for) at least 50% of the funds within 120 days
 - 30% of funds suballocated by population formula to metropolitan areas; not subject to initial “use-it-or-lose it” deadline
 - Remainder of funds, including metropolitan areas, must be obligated within one year
 - [State-by-state and metropolitan area funding distribution](#)
- **Transit - \$8.4 billion**
 - \$6.9 billion for capital projects, distributed by statutory formula
 - \$750 million for heavy rail modernization, distributed by statutory formula
 - \$750 million for New Starts program discretionary grants from FTA
 - 50% of the formula funds must be obligated by states/local transit agencies within 180 days; the balance to be obligated within one year
 - [State-by-state distribution tables](#)
- **Aviation - \$1.3 billion**
 - \$1.1 billion for airport improvement projects, discretionary grants from FAA
 - \$200 million for FAA facilities and equipment
- **Passenger Rail - \$9.3 billion**
 - \$8 billion for discretionary grants for intercity and high-speed passenger rail
 - \$850 million to Amtrak for capital improvements
 - \$450 million to Amtrak for security enhancements
- **National Surface Transportation System - \$1.5 billion**
 - \$1.5 billion in discretionary grants by Department of Transportation for highways, bridges, transit, passenger and freight rail, ports and intermodal connectors
 - Minimum grant amount of \$20 million, maximum grant amount of \$300 million
- **Wastewater Treatment System loans - \$4 billion**
 - Funds distributed to states under existing Clean Water SRF formula
 - States required to use at least 50% of funds for forgiveness of principal, negative interest loans, and grants to local governments on the state’s priority list
 - Priority for projects that are under contract or construction within one year; funds reallocated after that date
 - 20% of funds reserved for “green infrastructure” projects, provided sufficient applications
 - [State-by-state distribution](#)

- **Drinking Water Infrastructure loans - \$2 billion**
 - Funds distributed to states under existing Drinking Water SRF formula
 - States required to use at least 50% of funds for forgiveness of principal, negative interest loans, and grants to local governments on the state's priority list
 - Priority for projects that are under contract or construction within one year; funds reallocated after that date.
 - 20% of funds reserved for "green infrastructure" projects, provided sufficient applications
 - [State-by-state distribution](#)
- **Brownfields - \$100 million** for grants to fund remediation projects
- **Energy Efficiency and Conservation Block Grants - \$3.2 billion** to states and local governments
 - \$2.8 billion allocated under existing program formula
 - \$400 million competitively awarded to states and local governments.
- **State Energy Office Grants:** \$3.1 billion to state energy offices with priority for funding energy efficiency and renewable energy programs
 - State cost share is waived
 - Funding above the base allocation is conditional on each governor's written assurance that:
 - State utility rate commission will implement rate structures that include energy efficiency cost recovery for utilities (e.g., "decoupling")
 - State or local governments will adopt building codes to ASHRAE standards (IECC – Residential; ASHRAE 90.1-2007) or equivalent
 - Implementation and enforcement of a plan ensuring that at least 90% of new & renovated residential and commercial buildings meet the standards within eight years.
 - The state will prioritize grants toward energy efficiency and renewable energy programs, to the extent practicable.
- **State Fiscal Stabilization Fund (Department of Education) - \$53.6 billion:** To support early childhood, elementary, secondary, and post-secondary education. Up to \$14 billion may be used by the Department for administration and oversight. The remainder is allocated to the states by a formula that considers school age and total populations. Governors shall use 18.2% of the state's allocation for modernization, renovation, or repair of education facilities (~\$7 billion total). Local education agencies and institutions of higher education receiving funds may also use them for modernization, renovation, or repair of education facilities (with prohibitions for non-teaching facilities).

The state/local match requirement is waived on highway, transit, rail, airport and water/wastewater projects.

Critical business tax changes:

- **One year delay in implementation of 3% withholding mandate**
- **Accelerated depreciation extended for purchases of certain property in 2009**

- **Net operating loss carry back** extended from two years to five years for small businesses with gross receipts of \$15 million or less
- **Increased small business expensing in 2009**
- More than **\$20 billion in renewable and alternative energy tax incentives**, including a three-year extension of the production tax credit for renewable energy sources.
- Increases in the allocation of:
 - **Clean Renewable Energy bonds - \$1.6 billion**
 - **Qualified Energy Conservation Bonds - \$2.4 billion**: To expand and increase the bond limitation for loans and grants to implement Green Community programs.

Other key federal infrastructure spending:

- **GSA Federal Buildings - \$5.5 billion**: For federal building construction and repair, including \$4.5 billion for energy efficiency improvements, of which at least 90% must be obligated by September 30, 2010.
- **Department of Interior - \$2.35 billion**: For construction, including:
 - \$750 million to the National Park Service for repair, restoration and improvement of public facilities and roads and bridges on public lands
 - \$1 billion to the Bureau of Reclamation for water and natural resources development, management and restoration programs,
 - \$60 million reserved to provide drinking water to rural areas and ensure water supply to western localities impacted by drought.
 - \$126 million for water reclamation and reuse projects.
- **Department of Defense - \$7.12 billion**: Includes \$4.24 billion for repair and modernization of facilities (including energy efficiency projects), which must be obligated by September 30, 2010 and \$2.88 billion for military construction that must be obligated by September 30, 2013.
- **U.S. Corps of Engineers - \$4.6 billion**: For construction, operation and maintenance of water resource infrastructure with obligation requirements tied to individual projects
 - Investigations: \$25 million
 - Construction: \$2 billion
 - At least \$200 million must be for water-related environmental infrastructure assistance.
 - Funds shall not be cost-shared with the Inland Waterways Trust Fund.
 - Operations & Maintenance: \$2.1 billion
 - Mississippi River and Tributaries: \$375 million
 - Regulatory Program: \$25 million

The Corps must consider the following criteria when allocating funds:

- *Programs, projects, or activities that can be obligated/executed quickly;*
- *Programs, projects, or activities that will result in high, immediate employment;*
- *Programs, projects, or activities that have little schedule risk;*
- *Programs, projects, or activities that will be executed by contract or direct hire of temporary labor; and*
- *Programs, projects, or activities that will complete either a project phase, a project, or will provide a useful service that does not require additional funding.*

- **Department of Homeland Security - \$2.14 billion:** Includes \$1 billion for procurement and installation of baggage screening and checkpoint security equipment at airports, \$200 million for headquarters, \$240 million to the U.S. Coast Guard for bridges, and \$700 million for border entry construction
- **Department of Energy – \$19.9 billion:**
 - \$6.0 billion: For environmental cleanup of former weapon production and energy research facilities
 - \$5.127 billion for Defense facilities
 - \$483 million for non-Defense facilities
 - \$390 million for Uranium Enrichment Decontamination & Decommissioning Fund
 - \$4.5 billion to modernize the electric grid to include demand responsive equipment, enhance security and reliability of the energy infrastructure, energy storage research, development, demonstration, and deployment, and facilitate recovery from disruptions to the energy supply.
 - \$3.4 billion for fossil energy research and development, including:
 - \$800 million for the Clean Coal Power Initiative
 - \$1.52 billion in competitive grants for industrial carbon capture and energy efficiency improvement projects
 - \$6 billion for the Innovative Technology Loan Guarantee Program
- **Department of Agriculture - \$2.57 billion:**
 - \$200 million for buildings and facilities projects
 - \$650 million for Forest Service capital improvements and maintenance
 - \$1.38 billion to support \$3.8 billion in loans and grants for rural waste, waste water and community facilities
 - \$340 million for NRCS watershed improvement programs to design and build flood protection and water quality projects, repair dams and purchase and restore conservation easements in river flood zones.
- **Health and Human Services - \$2.5 billion:** \$2 billion for community health centers and infrastructure and \$500 million for Indian health facilities (another \$10 billion is going to the National Center for Research which can be used for buildings and facilities)
- **Environmental Protection Agency - \$800 million:**
 - \$600 million for Superfund remediation activities to initiate new construction projects and expedite existing cleanup projects
 - \$200 million for enforcement and cleanup of petroleum leaks from underground storage tanks
- **Veterans Administration - \$1 billion:** For major construction that must be obligated by September 30, 2010
- **State Department - \$510 million:** \$290 million for capital investment and \$220 million for International Boundary and Water Commission construction