

Infrastructure Investment and Jobs Act (IIJA) Would Provide a 50% Increase in Highway Funding and Boost Major Freight Projects

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The Senate-passed Infrastructure Investment and Jobs Act (IIJA; H.R. 3684, as amended) would provide \$351 billion for highways over FY2022-FY2026. This would include \$304 billion from the Highway Trust Fund (HTF) supplemented by \$47 billion in general fund multiple-year appropriations. The \$351 billion would represent a nearly 50% increase above the Fixing America's Surface Transportation Act (FAST Act; P.L. 114-94, as [amended](#)) FY2021 baseline over the five-year life of the bill. The bill reflects an evolving trend toward dual funding paths for highway programs, one via authorizations and one via appropriations; see **Table 1**. The two paths have been brought together under the umbrella of infrastructure legislation in IIJA.

In addition, the IIJA in Division B, Title VI, would provide nearly \$22 billion for “Multimodal and Freight Transportation,” and Division J also would provide \$19 billion to the Office of the Secretary of Transportation for surface transportation project grants. These appropriations could be significant additional sources of funding for highway and freight projects.

Table 1. Highway Funding: Senate-Passed Infrastructure Investment and Jobs Act
(HTF=[contract authority](#) from the Highway Account of the HTF. GF=General Fund. In millions of nominal dollars)

Program	FY2022	FY2023	FY2024	FY2025	FY2026	Total	Notes
Federal-Aid Highways Program formula (HTF)	52,488	53,538	54,609	56,701	56,815	273,150	90% of HTF funds
HTF total	58,112	59,404	60,735	61,953	63,296	303,500	86.5% of all funds
GF appropriations	9,454	9,454	9,454	9,454	9,454	47,272	13.5% of all funds
Total HTF and GF supplemental	67,566	68,858	70,189	71,407	72,750	350,772	
FAST Act FY2021 baseline	47,104	47,104	47,104	47,104	47,104	235,520	

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Program	FY2022	FY2023	FY2024	FY2025	FY2026	Total	Notes
Percent increase above baseline	43.4%	46.2%	49.0%	51.6%	54.4%	48.9%	

Source: Federal Highway Administration. CRS calculations.

Notes: Figures are not adjusted for expected inflation. “GF” refers to appropriations from the Treasury General Fund. Does not include authorizations subject to appropriation. Totals do not include funding for the safety operations of the National Highway Traffic Safety Administration or the Federal Motor Carrier Safety Administration. Totals may not add due to rounding.

Highway Highlights

- The vast majority of highway funding would continue to be apportioned to the states via formula. Ninety percent of the HTF funding would be apportioned by formula. About 72% of the \$47.3 billion in multiple-year appropriations would also be apportioned by formula. Taken together, roughly 87% of total highway funds would be apportioned by formula. The remaining 13% would be allocated for Federal Lands Highways, Puerto Rico and Territorial Highways, and federal credit assistance, or distributed competitively by the Department of Transportation.
- IIJA would provide for a major expansion in the number of highway programs. Two new HTF formula programs, the Promoting Resilient Operations for Transformative, Efficient and Cost-saving Transportation (PROTECT) program and the Carbon Reduction Program, would be added to the core Federal-Aid Highway formula programs. Another dozen new grant programs and pilot programs would be created by the bill. These programs would pursue a variety of transportation initiatives, including responding to climate change, improving bridge conditions, assuring environmental justice, and promoting other policy goals.
- Bridges would receive a dedicated \$40 billion, mostly from the general fund, to make a major effort to reduce the number of bridges classified as in either poor or fair condition.
- No new highway taxes are proposed in the bill. \$90 billion in general fund transfers to the Highway Account of the HTF would be provided to maintain its solvency.
- Division J of the bill would provide an additional \$19 billion to the Office of the Secretary of Transportation (OST) for Nationally Significant Projects, Rebuilding American Infrastructure with Sustainability and Equity (RAISE) Grants, Safe Streets for All, and other surface transportation grant programs administered by OST.

Freight Provisions

IIJA seeks to address two institutional impediments to addressing freight needs: the separate funding of different modes of transportation and lack of regional planning. To elevate freight needs in the federal Department of Transportation, which is largely organized around mode-specific administrations, IIJA would create a new office of Multimodal Freight Infrastructure and Policy at the Assistant Secretary level who would be appointed by the President and confirmed by the Senate. The current Office of Freight Management and Operations is housed in the Office of Operations within the Federal Highway Administration.

A related impediment is how to fund a multimodal freight network in a surface transportation bill funded in large part by taxes on highway users, including truckers who partner but also compete with the other freight modes. IIJA would amend two existing, primarily highway, freight funding programs (Nationally Significant Freight and Highway Projects and the National Highway Freight Program) by increasing the

cap from 10% to 30% of total funds that could be spent on certain multimodal rail and port projects (§§11110 and 11114).

The interstate nature of freight movement raises the question of how to improve the national network when each state department of transportation independently plans and selects which highway projects to fund. IIJA would provide grants for the administrative costs of establishing interstate compacts to facilitate the planning and coordination of freight improvements from a regional perspective (§21106). It would also renew the requirement, enacted in 2015 but never fully implemented, for DOT to delineate and publish a National Multimodal Freight Network to help plan and prioritize freight projects (§21105).

A related issue is how to fund especially expensive freight projects, since project costs are borne locally but benefits can accrue regionally or nationally. IIJA seeks to provide federal funds for such projects with substantial increases for the Nationally Significant Freight and Highway Projects program, as well as create a new grant program geared toward projects costing over \$500 million (§21201, National Infrastructure Project Assistance). Finally, IIJA seeks to reduce emissions in port areas, particularly from idling trucks, by creating a new DOT discretionary grant program for this purpose (§11402).

Author Information

Robert S. Kirk
Specialist in Transportation Policy

John Frittelli
Specialist in Transportation Policy

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