

December 1, 2021

Infrastructure Package Makes it Past the Finish Line

by Dana Lee Cole, Executive Director, Hardwood Federation

On November 15, President Biden signed the Infrastructure Investment and Jobs Act. Among other priorities, the legislation includes over a half trillion dollars in new spending on roads, ports, bridges, rail, and airports—with total spending estimated to be around \$1.2 trillion, over five years. Key provisions within the 2,740-page document include:

- \$110 billion for roads, bridges, and other major infrastructure projects.
- \$39 billion to modernize public transit, \$66 billion in passenger and freight rail, and \$7.5 billion for electric vehicles.
- \$65 billion to improve the nation’s broadband infrastructure.
- \$17 billion in port infrastructure and \$25 billion in airports.
- \$170 billion to improve power and water systems.
- \$21 billion for environmental remediation.

Items of Interest to the Hardwood Sector

Efficient Manufacturing—\$2.1 billion in assistance to help manufacturers improve energy, water, and material efficiency; load management; and on-site generation to reduce waste and pollution, while increasing profit. The provision includes a set-aside for small to medium sized manufacturing operations.

Language creating a new federal system for subsidizing sawmills and other wood processing facilities, along with \$400 million in new financial assistance. The provision specifies that “close proximity” to a sawmill would become a factor for agencies to consider when funding federal land restoration. One of the ongoing challenges to making thinning projects economical is access to processing facilities. Existing wood processing infrastructure is not in close proximity to many federal forests that desperately need active management.

A favorable provision grandfathering existing gross vehicle weight limits on state roads converting to interstate highways. Currently in North Carolina, several state roads are slated to soon become federal interstates. Right now, the maximum gross vehicle weight limit on North Carolina state roads is 90,000 pounds for five-axle trucks carrying logs and forest products. Once those roads convert to interstates, the weight limit would decrease to 80,000 pounds, unless the 90,000-pound standard is grandfathered. Enactment of this bill addresses this issue.

Authorization of a bioproduct pilot program to explore the use of agricultural commodities in building construction materials and products. The provision provides \$4 million to the U.S. Department of Agriculture to partner with a college or university to examine cost savings of using alternative materials, greenhouse gas emission benefits, landfill quantity and waste management cost reduction benefits, and other factors.

Several “Buy American” provisions, including language that precludes any funding for projects that use iron, steel, manufactured products, or construction materials that are not produced in the U.S.

Provisions promoting work force development in the transportation sector, specifically, language authorizing grants to educational institutions or state departments of transportation, in partnership with industry, to develop, test, and review new curricula and education programs to train individuals at all levels of the transportation workforce. Further, the new programs will provide for hands-on career opportunities to meet current and future needs.

In the Spotlight Now...

Is the issue of passing the Build Back Better legislation—also known as the Reconciliation Bill—and the Hardwood Federation team is closely tracking provisions within this legislation directly related to the hardwood industry, specifically:

- Research funding related to sustainable forestry methods, maximizing carbon sequestration on federal lands, and life cycle analysis of wood products.
- Funding for initiatives that protect older and more mature forests in the National Forest System.
- Grant programs that support private landowners entering voluntary carbon market programs.

Additionally, we are working closely with our business and manufacturing association partners to track and comment on proposed tax reform measures that would directly, and negatively, impact the small, medium, and family-owned companies that comprise the majority of the hardwood sector. Rest assured, we will keep you updated and will let you know when it is time to make your voice heard!

Happy Holidays!