



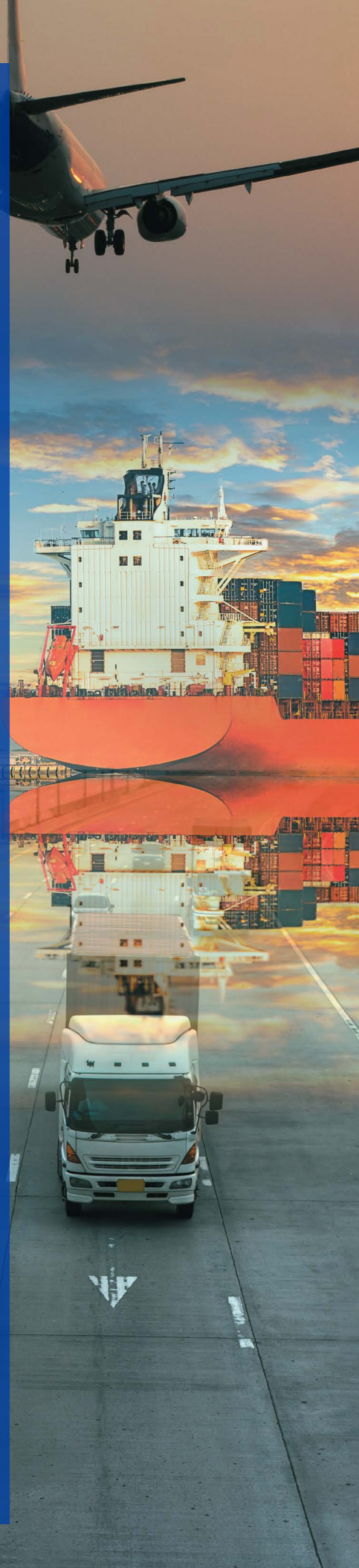
# RAISING THE GRADE ON U.S. INFRASTRUCTURE

---

\$1.2 TRILLION LEGISLATION MARKS  
HISTORIC INVESTMENT TO UPGRADE  
AND MODERNIZE SYSTEMS

**C minus** – That’s the grade point average given to the U.S. infrastructure by the American Society of Civil Engineers (ASCE) in its 2021 Report Card for America’s Infrastructure. The organization issues its report card every four years in which it grades the nation’s 17 major infrastructure categories and offers recommendations for improvement.

[leasing.thebancorp.com](https://leasing.thebancorp.com)





## CONTENTS

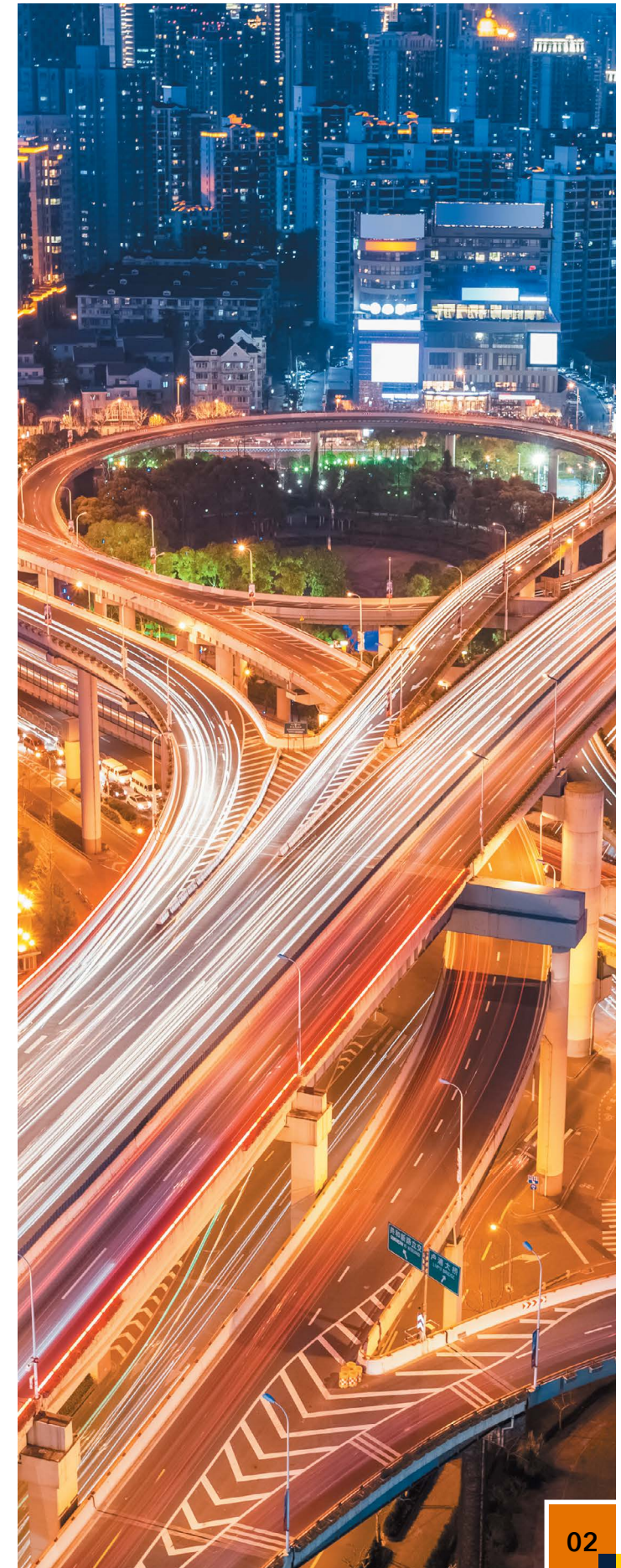
Raising the Grade .....	2
Winds of Change .....	3
The Work Is Just Getting Started .....	6
Sweeping Scope .....	7
Are Business and Industry Ready for Infrastructure Projects? .....	11
Prepare for New Opportunities With a Partner You Can Trust .....	13

# RAISING THE GRADE

WHILE THE CURRENT **C-** GRADE LEAVES A LOT TO BE DESIRED FOR AMERICA'S INFRASTRUCTURE, IT REPRESENTS AN UPTICK FROM A **D+** IN THE ASCE 2017 REPORT CARD. IN FACT, THE ORGANIZATION REPORTS THIS IS THE FIRST TIME IN 20 YEARS THAT U.S. INFRASTRUCTURE HAS CLIMBED OUT OF THE **D** RANGE.

With an ever-growing urgency for repair and improvement, America's aging and deteriorating infrastructure has been a hot topic for decades. Across the country, voters and lawmakers at the state and federal levels have been showing support for prioritizing infrastructure initiatives. As the latest C- grade indicates, some progress is being made.

While there has been bipartisan consensus on the need for a national infrastructure overhaul, the actual price tag and sources of revenue to cover the costs have been stumbling blocks to achieving meaningful action in Washington, D.C.



# WINDS OF CHANGE

IN NOVEMBER 2021, CONGRESS PASSED AND PRESIDENT BIDEN SIGNED H.R. 3684, THE INFRASTRUCTURE INVESTMENT AND JOBS ACT (IIJA):



Historic \$1.2 trillion bipartisan legislation



Includes \$550 billion in new federal investments over 10 years




Most sweeping infrastructure investment in a generation, designed to spur job growth in the public and private sectors and boost U.S. competitiveness now and into the future



## MAJOR ELEMENTS OF THE ACT

- ✓ \$110 billion for building and repairing roads and bridges
- ✓ \$39 billion to modernize and improve access to public transit
- ✓ \$66 billion for passenger and freight rail
- ✓ \$25 billion for airport runways, gates, terminals, air traffic control towers
- ✓ \$7.5 billion to build a national network of EV charging stations
- ✓ \$5 billion for low- or no-emission school buses
- ✓ \$1 billion for infrastructure to connect communities divided by highway systems
- ✓ \$42 billion to modernize ports and airports
- ✓ \$50 billion for weatherization, drought protection and other climate resiliency actions
- ✓ \$55 billion to replace lead service lines and provide clean drinking water
- ✓ \$65 billion to increase access to reliable high-speed internet service
- ✓ \$21 billion to clean up industrial waste sites
- ✓ \$65 billion to update power grids



**\$65B**  
to increase access to reliable high-speed internet service



**\$110B**  
for building and repairing roads and bridges



**\$66B**  
for passenger and freight rail



**\$39B**  
to modernize and improve access to public transit



# THE WORK IS JUST GETTING STARTED

THE “HEAVY LIFTING” TO IMPLEMENT AMERICA’S INFRASTRUCTURE INVESTMENT AND JOBS ACT (IIJA) IS NOW UNDERWAY. FEDERAL AGENCIES, STATES AND MUNICIPALITIES ARE MOBILIZING TO PUT INFRASTRUCTURE DOLLARS TO WORK IN THE COMING MONTHS AND YEARS.

Specific federal agencies will be responsible for coordinating distribution of funds to states and cities:

- ✓ Department of Transportation will oversee the lion’s share of the funding for highways, bridges, public transit and rail.
- ✓ Environmental Protection Agency will manage funding for upgrading water infrastructure.
- ✓ Department of Commerce will coordinate funding for broadband upgrades.
- ✓ Department of Energy will oversee monies to rebuild the electric grid and support clean energy investments.

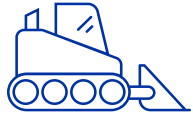
- ✓ Department of Interior will administer funding for water systems management and climate resilience.

Infrastructure monies will be sent to state governments as grants or loans over the next eight years. For existing programs that already have distribution channels in place, some funding will begin reaching communities as soon as this year.

- ✓ The total infrastructure dollars allocated to each state is based largely on formulas calculated by the federal government and on the particular needs and conditions within specific areas.
- ✓ States will have significant discretion in deciding which projects receive infrastructure funds.
- ✓ Many communities may have “shovel-ready” projects – initiatives that have been planned and approved – but may have been sidelined by lack of funding. Such projects are early candidates for infrastructure funding.
- ✓ Available funding, while meaningful, isn’t sufficient to cover all the infrastructure needs of any state. As a result, leaders will have to make hard choices on which projects and programs receive funding.

# SWEEPING SCOPE

THE BIPARTISAN INFRASTRUCTURE DEAL HAS BEEN DESCRIBED BY THE WHITE HOUSE AS A "ONCE-IN-A-GENERATION INVESTMENT" THAT REACHES EVERY CORNER OF THE COUNTRY. THE [TEXT OF THE LEGISLATION](#) FILLS 2,700 PAGES. HERE IS A CLOSER LOOK AT JUST A FEW FUNDING INITIATIVES:



## ROAD WORK AHEAD

In the months and years to come, motorists should get used to seeing the bright orange construction signs on roadways across America. According to The White House, at least 20%, or 173,000 miles, of U.S. highways and major roads and 45,000 bridges are in poor condition.<sup>1</sup>

The largest portion of the infrastructure funding, \$110 billion, will be invested for roads, bridges and major infrastructure projects. Some specific initiatives include:

- ✓ \$40 billion for bridge repair, replacement and rehabilitation, which The White House cites as the single largest investment in the nation's bridges since the construction of the interstate highway system.<sup>2</sup>
- ✓ \$16 billion for major projects that are too large or complex for traditional funding programs.
- ✓ \$11 billion for transportation safety, including the first-ever Safe Streets and Roads for All program to help states and localities reduce crashes and fatalities, especially of pedestrians and cyclists. The White House says traffic deaths claimed more than 20,000 lives in the first-half of 2021.<sup>3</sup>
- ✓ \$1 billion to reconnect communities – often communities of color – that were divided by highways and other infrastructure. Monies will be used for planning, design, demolition and reconstruction of street grids, parks or other infrastructure.

<sup>1-3</sup>Fact Sheet: The Bipartisan Infrastructure Deal, The White House Briefing Room



## ELECTRIC VEHICLES & THE ELECTRIC GRID

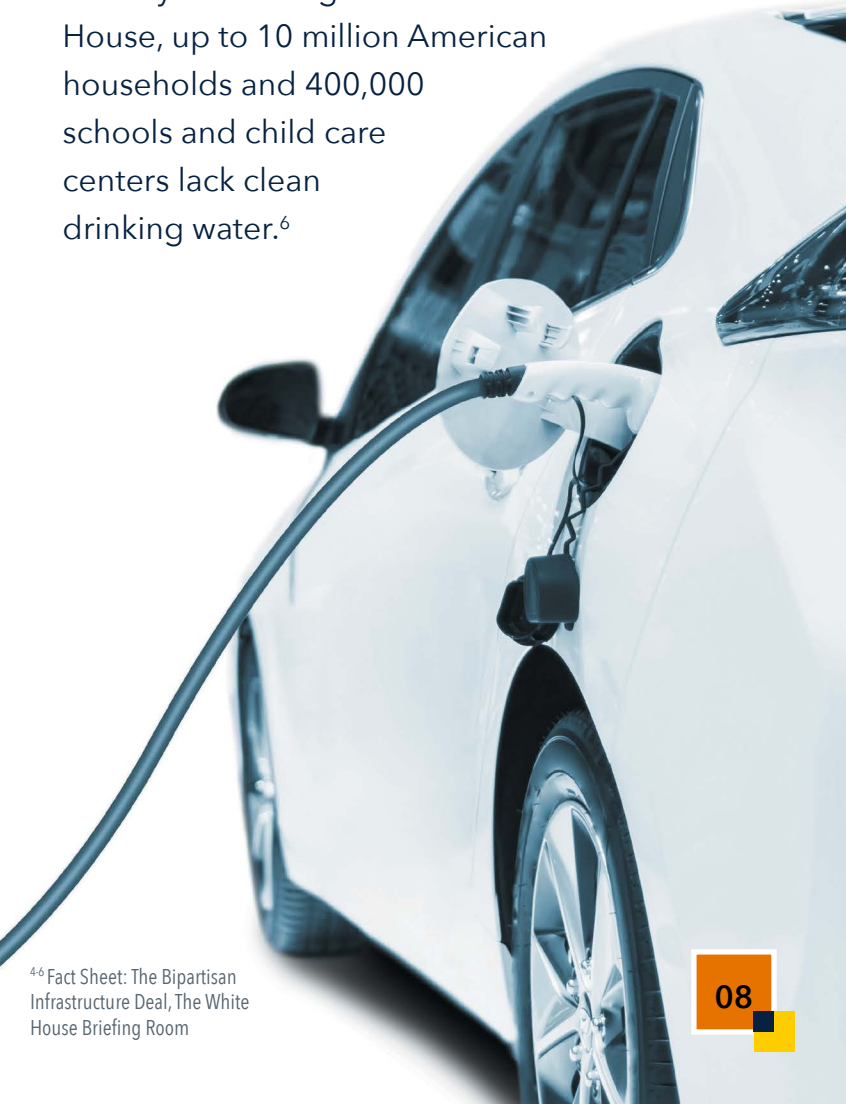
- ✓ The legislation commits \$7.5 billion to building a national network of 500,000 electric vehicle (EV) chargers, and another \$7.5 billion for zero- and low-emission buses and ferries, including electric school buses.
- ✓ The White House says U.S. market share of plug-in EV sales is only one-third the size of the Chinese EV market.<sup>4</sup> The infrastructure legislation aims to change that scenario.
- ✓ A robust EV infrastructure will support the Biden Administration's goals of increasing EV usage, reducing emissions, improving air quality and creating U.S. manufacturing jobs.

The Department of Energy reports that power outages cost the U.S. economy up to \$70 billion annually.<sup>5</sup> The infrastructure deal earmarks \$65 billion to build thousands of miles of new, resilient power lines and expand renewable energy. The White House calls this funding the largest investment in clean energy transmission and grid in American history.



## SAFER WATER SYSTEMS

The legislation provides \$55 billion to upgrade water infrastructure and eliminate lead service pipes in order to deliver clean drinking water to Americans across the country. According to The White House, up to 10 million American households and 400,000 schools and child care centers lack clean drinking water.<sup>6</sup>



<sup>4-6</sup>Fact Sheet: The Bipartisan Infrastructure Deal, The White House Briefing Room



## AIR AND SEA TRANSPORT

Airports, ports and waterways will secure their share of the infrastructure funding. The deal invests \$17 billion in port infrastructure and \$25 billion in airports with the goal of strengthening supply chains, creating more jobs at these hubs, improving U.S. competitiveness and reducing congestion and emissions for neighboring communities.



## BETTER, MORE AFFORDABLE INTERNET

Broadband internet – a newcomer to the traditional infrastructure components – has become a necessity to everyday life. People rely on it for work, remote learning, healthcare services and much more. The pandemic revealed a troubling digital divide in the U.S. caused by lack of availability and affordability in disadvantaged and rural communities. To address these inequities, the infrastructure deal will make a \$65 billion investment in broadband upgrades and help lower costs to make reliable high-speed internet available to every American.



## SOLUTIONS FOR TODAY'S COMPLEX CHALLENGES

In its infrastructure vision statement in the 2021 Report Card, the ASCE says, "As we look for opportunities to create high-paying jobs, strengthen the backbone of the next century's economy, build resilient communities, and compete in the global marketplace, sound infrastructure policy and robust investment is the path forward."

In 2025, the ASCE will again issue its Report Card for America's Infrastructure. How much improvement will we see in the overall grade over the next four years? The historic investment currently being made in our infrastructure represents a huge step in the right direction.



# ARE BUSINESS AND INDUSTRY READY FOR INFRASTRUCTURE PROJECTS?

THE TRICKLE-DOWN EFFECT OF THE BIPARTISAN INFRASTRUCTURE DEAL TO MAINSTREAM AMERICA WILL BE AN EVOLVING NARRATIVE.

Construction and manufacturing, telecom and engineering, suppliers for business and industry, automakers, even small businesses such as restaurants, convenience stores, vendors and local retailers can potentially reap the benefits of infrastructure projects.

While this is good news, some headwinds – many caused by the pandemic – are still impacting day-to-day business operations.

Business owners across the spectrum continue to cope with critical shortages

and bottlenecks. Chief among them:

- ✓ Lack of labor/workers
- ✓ Equipment and parts shortages, especially those that require semiconductor chips
- ✓ Vehicles and vehicle parts, also victims of the chip shortage
- ✓ Rising cost of raw materials such as steel, cement, lumber and other material inputs
- ✓ Supply chain delays
- ✓ Inflationary pressures

Here are some business owners who shared their thoughts on how the infrastructure law may impact them.



JAEMIN PARK, PRESIDENT  
PARK ENGINEERING, INC.  
ORINDA, CA

“About 80% of the projects we work on are federal aid projects, and the infrastructure bill will fund a lot more projects. It’s not really the amount of work but the shortage of qualified people that is really driving our revenue. It seems like that’s the case with all firms. There just aren’t enough civil engineers or construction professionals to hire. More companies, including us, are turning away projects because we just don’t have the staff. We’re happy that the bill passed, but I foresee the general public becoming frustrated because there’s going to be a lot more funding, but the projects are not going to happen any faster.”



CRAIG DURAND, PRESIDENT  
TTI ENVIRONMENTAL, INC.  
MOORESTOWN, NJ

“The infrastructure funding has broad environmental implications. Billions of dollars are earmarked for the cleanup of brownfields and water quality improvement. Our company is a national provider of environmental services, and we expect to continue direct support for federal and state infrastructure projects now and through this decade. There is a big push for the redevelopment of blighted land, especially in urban areas, to clean up these sites for business and residential use. Backed by the new infrastructure legislation, our capabilities with brownfield remediation and modernizing water delivery systems offer exciting opportunities to improve the quality of life for many communities.”







# PREPARE FOR NEW OPPORTUNITIES WITH A PARTNER YOU CAN TRUST

THE BIPARTISAN INFRASTRUCTURE DEAL OFFERS BOTH THE MONEY AND THE INCENTIVE TO BUILD A STRONGER, MORE RESILIENT INFRASTRUCTURE THAT IMPROVES THE QUALITY OF LIFE IN CITIES AND TOWNS ACROSS AMERICA. AS IT ALL UNFOLDS, BUSINESS AND INDUSTRY AT EVERY LEVEL AND IN EVERY SECTOR MUST BE PREPARED TO MEET THE OPPORTUNITIES AND DEMANDS OF EMERGING INFRASTRUCTURE PROJECTS AND PROGRAMS, WHETHER IT'S THIS YEAR OR SEVERAL YEARS FROM NOW.

Maybe your company will land a job tied directly to an infrastructure project, or maybe you will benefit indirectly by providing goods and services to first-tier contractors. Whatever the case, it's critical to be ready for whatever may come next. This is especially true if your company or agency relies on fleet vehicles or equipment to deliver your services.

## RESOURCES AND REPUTATION YOU CAN RELY ON

[The Bancorp Commercial Fleet Leasing](#) can be your trusted partner during these exciting yet challenging times. We serve fleet owners and operators nationwide across a range of industries with customized fleet leasing and management solutions:

-  Commercial
-  Government (federal, state, municipal agencies and regional transit districts)
-  Equipment
-  Fleet Alliance - a referral program for other lenders without leasing products

## THE BUILDERS OF INFRASTRUCTURE

Among the key players that will support infrastructure repair and development is the construction industry. At The Bancorp, our dedicated specialists understand the needs of contractors and sub-contractors across this sector.

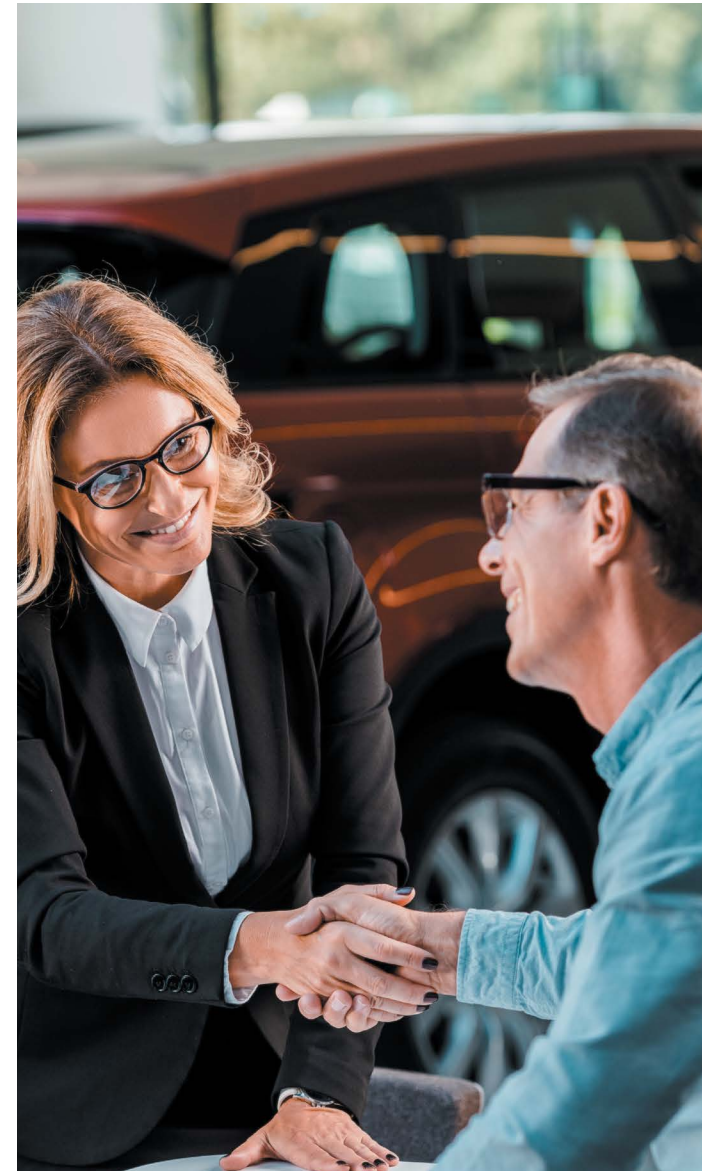
From heavy-duty construction vehicles to general shop equipment, we offer a full range of leasing services:

- ✓ Industrial and construction equipment
- ✓ Warehouse and shop equipment
- ✓ Most industry-specific equipment
- ✓ Material handling equipment
- ✓ Light, medium and heavy-duty trucks
- ✓ Flatbed, dump, utility, truck and van bodies
- ✓ Vehicles for project estimators, supervisors and managers
- ✓ EVs and plug-in hybrids
- ✓ Fuel, maintenance and telematics plans available

## WHY LEASING WORKS:

- ✓ Saves working capital for other needs
- ✓ National fleet-discount pricing
- ✓ Upfitting costs included in lease
- ✓ Customized payment options
- ✓ Open-end (TRAC) & closed-end plans
- ✓ No major down payments required
- ✓ Payments are typically lower than conventional financing

Construction leasing from The Bancorp offers solutions to help you tackle any job. Let us show you how.



## THE BANCORP FINANCING SOLUTIONS DON'T STOP WITH YOUR FLEET

Our Small Business Lending Team can help you with competitive SBA loans to meet a variety of your borrowing needs.





[leasing.thebancorp.com](https://leasing.thebancorp.com)

The Bancorp logo design is a registered trademark of The Bancorp, Inc. Every attempt has been made to ensure the information contained in this white paper has been obtained from reliable sources. The Bancorp, Inc., including The Bancorp Bank, shall not be responsible for any errors or omissions. All information is provided "as is," with no guarantee of completeness, accuracy, timeliness, or of the results obtained from use of the information.

REQ0003530  
01/2022

