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Fitch: Infrastructure Bill Could Spur Overdue Road, Bridge Repairs

Fitch Ratings-New York-09 November 2021: The Infrastructure Investment and Jobs Act (IIJA) provides US state and local governments with important funding to accelerate efforts to address repairs and replacement of aging and failing transportation infrastructure, Fitch Rating says. The roughly \$1 trillion bill passed by the House of Representatives on Friday and headed to the President's desk includes \$110 billion for roads and bridges and \$39 billion for transit systems. Federal spending can boost state and local transportation improvement efforts already underway, or potentially spur new initiatives.

State and local governments own and maintain nearly the entire inventory of such transportation assets. Assessment of the condition and necessary maintenance costs for these assets is opaque and inconsistent across governments, with very few providing a thorough and current accounting of full needs.

For the past several years, the National League of Cities' Fiscal Conditions Report has indicated that infrastructure funding is among the main factors negatively affecting budgets. While the IIJA will help state and local governments address key infrastructure funding gaps, the substantial investments are one-time in nature, and responsibility for long-term, sustainable transportation funding remains with state and local governments.

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