



Federal Permitting Reform:

What County Leaders Need to Know

The County Role in Federal Permitting

Federal permitting reform is at the center of the national policy debate—and the outcome will directly affect counties' ability to deliver infrastructure, housing, energy, water and public safety projects.

This explainer breaks down what federal permitting reform means, why it matters for counties and what's happening in Washington.

What is Federal Permitting Reform?

Federal permits are required before many critical projects can move forward, including:

- Roads and bridges
- Water and wastewater systems
- Energy generation and transmission
- Housing and community development projects
- Broadband deployment

These permits are required under laws such as:

- National Environmental Policy Act (NEPA)
- Clean Water Act
- Clean Air Act
- Endangered Species Act
- National Historic Preservation Act

These laws are designed to protect environmental, cultural and public resources—but the current permitting process often involves multiple agencies, overlapping reviews and unclear timelines, creating delays that stall projects and increase costs.

Why Counties Care about Permitting Reform

For counties, permitting delays due to the lengthy and burdensome federal permitting process mean:

- Higher project costs and budget uncertainty
- Delayed safety improvements on roads, bridges and water systems
- Slower housing development amid affordability shortages
- Lost economic development opportunities

Rural counties are especially affected, as many lack the staffing or technical capacity to navigate complex, multi-year federal reviews.

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NEPA analysis



How Counties Fit into the NEPA Process

NEPA establishes a structured federal review process for projects with environmental impacts. Counties play multiple roles throughout this process—as project sponsors, infrastructure owners and cooperating agencies.

NEPA Review Process

1. Project Proposed

2. Lead Federal Agency Identified

3. Cooperating Agencies Invited

Counties provide local data, land use plans and infrastructure expertise

4. Environmental Review Conducted

Counties coordinate on water, transportation, housing and public safety impacts for environmental assessments (EAs) and Environmental Impact Assessments (EISs) and any applicable categorical exclusions (CEs)

5. Public Comment and Interagency Coordination

Counties engage residents and align federal and local requirements

7. Final Decision Made and Permitting Issued

Counties implement, operate and maintain resulting infrastructure

Where Federal Permitting Reform Stands Today

Efforts in Congress and the Administration are focused on:

- Shortening review timelines
- Improving coordination among federal agencies
- Increasing transparency—without weakening environmental protections

Recent Developments

- In the last Congress, the Senate Energy and Natural Resources Committee advanced the bipartisan Energy Permitting Reform Act, though it did not reach final passage.
- Permitting reform remains a top priority in the 119th Congress, particularly for energy and infrastructure projects.
- The House has passed the Standardizing Permitting and Expediting Economic Development (SPEED) Act (H.R. 4776) with bipartisan support.
- NACo successfully secured language explicitly recognizing counties as cooperating agencies in NEPA reviews, strengthening local input in federal decisions.
- The SPEED Act now awaits Senate consideration.

Federal Permitting Directly Impacts Counties

Energy

Federally permitted energy projects can reshape land use, strain local roads and water systems and override county zoning authority for certain projects. Counties support permitting reform that respects local siting authority and ensures counties are involved early and often.

Water and Wastewater

Counties own and operate drinking water, wastewater and stormwater systems and must comply with Clean Water Act permitting requirements. Changes to federal permitting laws directly affect counties' ability to maintain and upgrade critical water infrastructure.

Public Lands

In counties with federal land, permitting decisions influence:

- Timber and forest management
- Wildfire mitigation
- Renewable energy and mineral development
- Recreation and tourism

NEPA's cooperating agency framework allows counties to share local expertise during federal reviews—an essential tool NACo supports strengthening.

Housing

County-administered Department of Housing and Urban Development (HUD) programs like Community Development Block Grant (CDBG), Home Investment Partnerships (HOME), Emergency Solutions Grants (ESG) and Continuum of Care (CoC) programs trigger NEPA reviews when used for construction. Any changes to NEPA will directly affect how quickly counties can deliver affordable housing and homelessness services.

Transportation

Lengthy federal reviews delay safety projects and increase costs—especially harmful during inflationary periods. Counties support commonsense reforms, such as expanded NEPA categorical exclusions for projects within existing rights-of-way and safety-focused improvements.

Broadband

Counties manage rights-of-way to ensure safe, coordinated infrastructure deployment. Permitting reform should focus on streamlining federal processes, not preempting state and local authority, which would undermine safe and effective broadband expansion.

What Counties Are Asking For

Counties support permitting reforms that:

- Respect local zoning and land-use authority
- Explicitly include counties as partners in federal reviews
- Reduce unnecessary delays and duplicative reviews
- Maintain strong environmental protections

Key Takeaways for County Leaders

Counties are not obstacles to infrastructure—we are implementers, partners and stewards of our communities.

As Congress and the Administration consider permitting reform, counties need a seat at the table to ensure reforms work on the ground, protect local authority and deliver results for residents.