# 2021 POLICY BRIEF

NATIONAL ASSOCIATION of COUNTIES NACo

## Support County Priorities in Any New Infrastructure Package or Surface Transportation Reauthorization

### ACTION NEEDED:

Urge your Members of Congress to support county transportation and infrastructure priorities in any new legislative package, including a long-term surface transportation reauthorization.

### BACKGROUND:

In the 117th Congress, there is renewed interest from both Congress and the White House to invest in infrastructure. Bipartisan negotiations around funding for physical assets, such as roads, bridges and water systems, are ongoing. Even without bipartisan support, however, Congressional Democrats could move a large-scale infrastructure bill based on President Biden's American Jobs Plan (AJP) and enact it via budget reconciliation. House Speaker Pelosi and Senate Majority Leader Schumer have emphasized the need for a two-pronged approach, where both the bipartisan investments and a larger reconciliation package pass at once. View NACo's summary of the AJP here.

At the very least, Congress will need to address the looming September 30th expiration of the surface transportation law's one-year extension. P.L. 114-94, *the Fixing America's Surface Transportation (FAST) Act*, provided $305 billion over five years from FY 2016 to FY 2020 for highways, roads, bridges, transit, rail and safety programs. It was extended at FY 2020 levels through September 30, 2021 by the FY 2021 omnibus (P.L. 116-260). Both the House and Senate have recently taken action to reauthorize the FAST Act.

In the U.S. Senate, the bipartisan highway ($311 billion) and rail, freight and safety ($78 billion) titles of a reauthorization bill have been passed by the Senate Environment and Public Works Committee and the Senate Commerce, Science, and Transportation Committee, respectively. In total, these bills would provide $389 billion over five years from FY 2022 to FY 2026. The Senate Banking, Housing, and Urban Affairs Committee is tasked with drafting the bill's final portion, the public transit title. As of June 2021, the transit title has not been released. View NACo's analysis of the EPW bill here.

*Counties play a critical role in the nation's transportation and infrastructure network, **owning and operating 44 percent of all public roads and 38 percent of the National Bridge Inventory**, more than any other level of government.*

*Counties also **directly support 78 percent of public transit systems and 34 percent of public airports** that connect residents, communities, and businesses with the national and global economies.*

*Annually, counties **invest $134 billion in the maintenance and operation of public works and the construction of infrastructure**, including essential community institutions, such as schools, hospitals, jails, courthouses, parks, broadband networks, and water purification and sewage systems.*

***A strong intergovernmental partnership is key to strengthening our nation's infrastructure.***

On June 10, the U.S. House Transportation and Infrastructure Committee passed its own surface transportation reauthorization, H.R. 3684, the *Investing in a New Vision for the Environment and Surface Transportation (INVEST) in America Act.* The bill, which passed the committee along mostly party lines, would provide $547 billion over five years for highways, transit and rail programs. In FY 2022, roughly $15 billion would be earmarked for Member designated projects. Majority leadership in both the House and Senate has committed to moving infrastructure legislation in July.

Alongside work on the reauthorization, larger infrastructure discussions continue. In the White House, President Biden has endorsed framework from a bipartisan group of Senators that would invest nearly $1 trillion over five years, including $579 billion in new spending, for sectors including transportation, broadband, water systems and resiliency. The group of ten lawmakers must now draft corresponding legislation, as well as secure the buy-in of their colleagues, including many who remain uncertain about the proposal, to ensure final passage. Democrats in the House and Senate are also working on a third prong: a reconciliation package that would address the remaining provisions in the AJP.

## KEY TALKING POINTS

America's counties should be recognized as major owners and operators of infrastructure in any comprehensive package or reauthorization bill. Our recommendations include:

- **Direct funds to local infrastructure**: As major owners and operators of infrastructure, county officials know where federal funds can best be put to work in our local communities. Ensuring all counties receive federal infrastructure funds based on population will spur economic development and bring badly needed relief to communities with limited resources.
- **Strengthen the intergovernmental partnership and preserve local decision making**: While counties own more roads and bridges than any other entity, we realize that meeting our nation's infrastructure needs depends on action at all levels of government. To meet our shared goals, counties must have a seat at the table as decisions impacting local governments are made.
- **Establish certainty through a long-term surface transportation reauthorization**: Counties rely on the certainty of federal resources to plan and execute transportation projects. For counties to confidently commit to critical transportation projects, any reauthorization must deliver consistent funding over several years.
- **Support local bridges**: Nearly half of the country's bridges are located off the National Highway System. Counties own and operate 62 percent of these assets that face chronic underinvestment because of their general ineligibility for federal-aid highway funds. The off-system bridge set-aside is critical for local governments to maintain these vital local connections.
- **Streamline the federal permitting process**: Counties support commonsense reforms to the federal permitting process in order to reduce local costs and delays that can result from duplicative reviews and procedures.
- **Promote long-term solvency of the Highway Trust Fund**: The Highway Trust Fund must regain solvency in order for all levels of government to maintain our nation's infrastructure network. To accomplish this, counties support an "all tools in the toolbox" approach, including increased user fees and alternative collection methods.
- **Preserve the tax-exempt status of municipal bonds**: Tax-exempt bonds area critical tool for counties that facilitate the budgeting and financing of long-range investments in the infrastructure and facilities necessary to meet public demand. Without the tax-exemption, counties would pay more to raise capital, a cost that would ultimately be borne by the taxpayers through reduced spending on the roads and bridges for which counties are responsible, decreased economic development, higher taxes and higher user fees.
- **Provide an environment for innovative financing but not in lieu of funding**: Counties support innovative financing mechanisms, including qualified tax credit bonds; infrastructure banks; loans; and public-private partnerships; however, these opportunities should not come in lieu of consistent, dedicated federal funding streams for locally owned or operated infrastructure.

**For additional information, contact Jessica Jennings at jjennings@naco.org or 202.942.4264.**