

NACo Analysis on House Democrats' Infrastructure Framework

“MOVING AMERICA AND THE ENVIRONMENT FORWARD”

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On January 29, the [U.S. House Committee on Transportation and Infrastructure](#), along with House majority leadership, unveiled a five-year, \$760 billion infrastructure proposal for FY 2021 through 2025. The “[Moving America and the Environment Forward](#)” framework would roll a surface transportation reauthorization into a package with other infrastructure legislation that would fund roads, transit, rail, aviation, ports, broadband, wastewater and drinking water projects. While the proposal does not contain actual bill text, the plan does provide a comprehensive outline of House Democratic leaders' vision for an infrastructure package. Legislative text is expected in spring 2020.

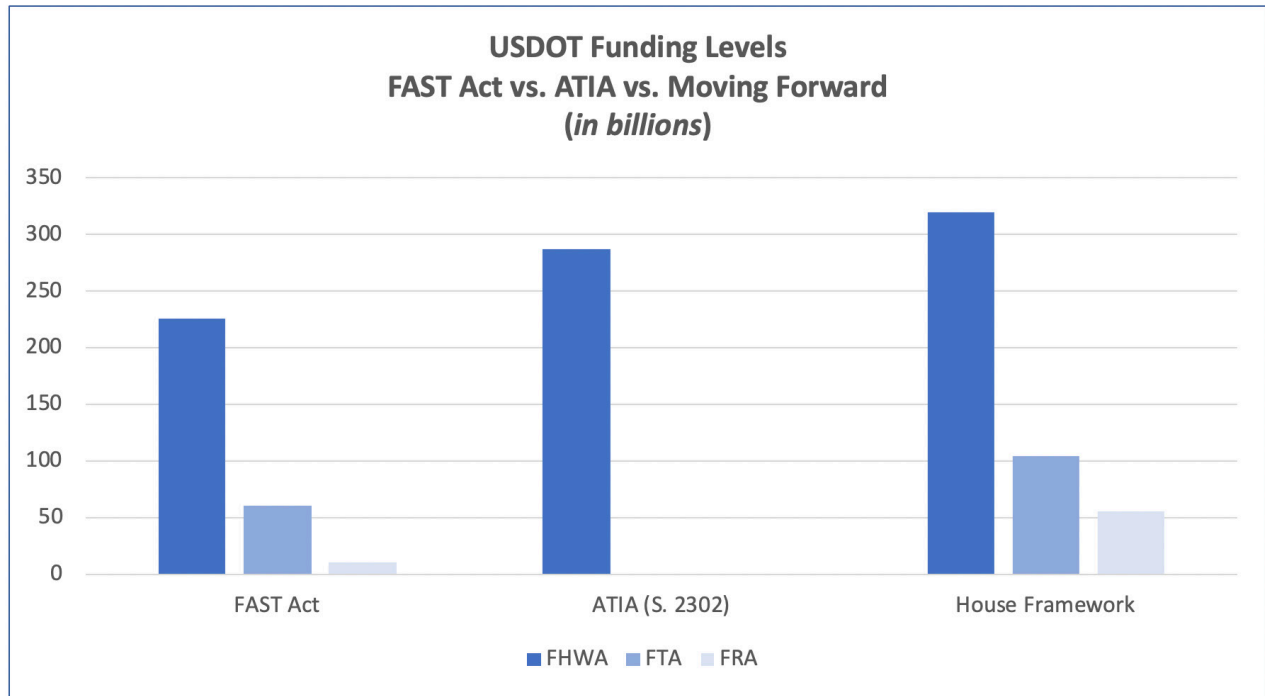
The House's announcement is the second time we have seen Congress act on the surface transportation reauthorization. In July 2019, the [U.S. Senate Committee on Environment and Public Works](#) (EPW) unanimously approved a five-year surface transportation reauthorization measure for FY 2021 through 2025. [S. 2302](#), the America's Transportation Infrastructure Act (ATIA), authorizes \$287 billion in funding from the Highway Trust Fund (HTF) for the nation's highway surface transportation programs over five years. The legislation is currently awaiting action from other committees of jurisdiction, including the [U.S. Senate Committee on Commerce](#), who will add rail and safety titles and the [U.S. Senate Committee on Banking](#), who has jurisdiction over public transit.

Neither the House nor the Senate proposals include a “pay for” to account for projected shortfalls in HTF revenue, with that responsibility falling to the U.S. House Committee on Ways and Means and the U.S. Senate Committee on Finance, respectively. Once both chambers have developed complete legislation, the two versions will then be conferenced to work out any differences prior to going to the President's desk to be signed into law. This will likely set up a series of short term extensions for the current authorization, the Fixing America's Surface Transportation (FAST) Act, [P.L. 114-94](#), that expires on September 30, 2020.

A strong intergovernmental partnership is key to strengthening our nation's infrastructure. Counties own and operate 45 percent of public roads and almost 40 percent of the National Bridge Inventory. We are directly involved with the operation of 78 percent of the nation's public transit systems and 34 percent of public airports. Counties invest \$134 billion annually in infrastructure and maintaining and operating public works. The significant role that counties play in the national transportation and infrastructure network should be adequately addressed in any future related legislation by including the following county priorities:

- A strong federal-state-local intergovernmental partnership that maintains local decision-making
- Dedicated funding for locally owned infrastructure
- Preservation of tax-exempt status for municipal bonds
- Streamlining the federal regulatory process while ensuring good environmental stewardship
- Bringing long-term certainty and solvency to the federal Highway Trust Fund

SURFACE TRANSPORTATION \$434 BILLION



Federal Highway Administration \$319 BILLION

The framework directs \$319 billion to the U.S. Department of Transportation (DOT) - Federal Highway Administration (FHWA). This spending level represents a \$32 billion increase over the amount provided for federal highways by Senate EPW in [S. 2302](#) and a \$93 billion increase over the current funding level provided in the FAST Act.

This funding is aimed at “transformative highway investments” intended to bring existing infrastructure up to a state of good repair and deliver projects, including investments in:

- **infrastructure projects** of regional and national significance
- **existing infrastructure**, including roads, bridges (including those in poor condition), tunnels and ferry systems
- **communities, tribes** and **continually disadvantaged areas**, including rural
- **innovative highway construction materials** that may last longer and reduce the carbon footprint
- the **Federal Land Transportation Program** in order to reduce the significant backlog on transportation assets in national parks and other federal lands
- **alternative fuel infrastructure** for zero pollution hydrogen and electric vehicles
- **carbon emissions reduction** technologies

Counties support efforts to bring locally owned infrastructure up to a state of good repair.

Counties face a significant maintenance backlog that was estimated at **\$19.4 billion** in 2018, primarily impacting roads, trails, bridges and visitor centers.

Many of these compromised structures are considered off-system and therefore receive considerably less in federal funding – if any at all – than bridges on the federal-aid system.

Our roads and bridges carry much more than just our local residents, and connect people, communities, businesses and economies each day.

Of the bridges classified as structurally deficient in America, counties own

53 PERCENT.

Counties own

62 PERCENT

of off-system bridges nationally, many of which fall solely on the county to operate and maintain.

Intergovernmental Partnership

One of the most important aspects of infrastructure development and maintenance is a strong intergovernmental partnership. Counties support provisions in the framework that would strengthen this relationship and urge Congress to prioritize a strong federal-state-local partnership as legislative text is developed. As significant owners and operators of the national transportation system, counties must be meaningfully included in discussions and local decision-making must be preserved.

Provisions within the Moving Forward framework that would enhance the federal-state-local partnership include:

- authorizing **technical assistance to counties** to enhance grant competitiveness and facilitate project delivery once a federal grant is secured
- expanding **local decision-making**
- providing **additional authority to MPOs** that demonstrate the ability to successfully administer federal funds
- **amending suballocations** to ensure mid-sized communities receive a portion of program funds

Counties support **strengthening the intergovernmental relationship** in a transportation and infrastructure package by:

- increasing local decision-making in the project selection process
- increasing the amount of direct funding to communities, including those below 200,000
- providing technical assistance to rural and small counties to enhance their competitiveness within the grant process and facilitate project delivery

Safety

The framework seeks to improve highway safety by:

- modifying the **Highway Safety Improvement Program (HSIP)** to focus on improvements that address the greatest safety risks to motorists, pedestrians and cyclists
- addressing hazards on **high-risk rural roads**
- improving **work-zone safety**
- requiring states and metropolitan planning organizations (MPO) to use **Complete Streets standards** in roadway design
- providing **safe routes to schools**
- implementing **Vision Zero** goals
- expanding innovative solutions to improve **highway-rail grade crossing safety**

Safety is at the forefront of local decision-making; however, without adequate federal investments, transportation infrastructure in rural areas is deteriorating, forcing county officials to make difficult financial and project repair decisions that may compromise safety.

Two-thirds of counties are considered rural, with rural roads accounting for almost
70 PERCENT
of the national transportation system.

In fact,
46 PERCENT
of the country's vehicular fatalities occur in rural areas while just 19 percent of America's population lives here.

80 PERCENT
of bridges in poor condition are also located in rural communities.

Resiliency

In 2018, 26 percent of counties had at least one disaster declaration and play a key role in pre-disaster mitigation and post-disaster recovery. The Moving Forward Framework seeks to boost the resiliency of infrastructure assets to climate change and other manmade and natural disasters by:

- creating a **new program** to **protect vulnerable transportation assets**
- investing in **evacuation routes**
- ensuring that **resiliency** is a **decision-making factor** in the **FHWA project selection process**
- modifying the **FHWA Emergency Relief program** to ensure facilities are rebuilt to more resilient standards

Carbon Emissions Reductions

Among our numerous responsibilities, environmental stewardship is a primary function of county governments to ensure healthy, safe and vibrant communities for our residents. The framework focuses on improving the health of our communities by:

- requiring states to measure **greenhouse gas emissions**
- directing states and MPOs to make investments to **reduce transportation-related emissions**
- instituting **stricter standards** around **tolling** and **congestion pricing**
- reforming the **Congestion Mitigation Air Quality (CMAQ)** program to prioritize zero emission options
- boosting investments in **transportation alternatives**

Federal Transit Administration **\$105 BILLION**

Counties are directly involved in 78 percent of all public transit systems. The framework would direct \$105 billion to the Federal Transit Administration (FTA). This is a \$44 billion increase over current transit levels provided in the FAST Act. These funds are intended to facilitate the delivery of public transit projects by:

- reforming the **Capital Investment Grant** program to provide for **new** transit capacity
- ensuring the federal government prioritizes **new** transit projects that **reduce congestion** and **mitigate greenhouse gas emissions**

Counties urge Congress to **include support for transit options in any future infrastructure package** in order to reduce traffic congestion, spur economic development and job growth, and enhance regional connectivity and mobility.

Counties urge our federal partners to **explore, implement and fund automated shuttles and transit network systems** for congestion mitigation that reduces the impact of driverless cars on road congestion and increases usage of Automated Transit Networks to relieve travel demands on roads

Federal Railroad Administration **\$55 BILLION**

The Moving Forward framework would direct \$55 billion to the Federal Railroad Administration (FRA), representing a \$44.6 billion increase over FAST Act spending levels for passenger rail. This funding would address national goals of increasing capacity to meet future demand, reducing congestion and meeting a state of good repair for passenger rail by:

- addressing the **backlog** of **rail infrastructure** and facility investments for passenger rail
- ensuring rail infrastructure projects account for **climate change**
- improving **safety** measures at **grade crossings**

USDOT Safety Subagencies \$10 BILLION

The framework would direct \$10 billion to DOT subagencies with safety missions, such as the Federal Motor Carrier Safety Administration (FMCSA) and the National Highway Traffic Safety Administration (NHTSA). The FAST Act authorized FMCSA at \$3.2 billion and NHTSA at \$3.7 billion over five years.

In rural counties,

80 PERCENT

of grade crossings lack signage, resulting in a 39 percent higher rate of fatalities at grade crossings in comparison with urban settings.

Counties urge Congress to provide additional funding to local governments, states and railroads to improve grade crossings and separations to allow for safer interactions between road and rail traffic.

We also support increased funding to eliminate or grade-separate the most serious hazards among the

165,000

rail-highway grade crossings not on the federal-aid or state-aid systems.

AIRPORT AND AIRWAY INFRASTRUCTURE \$30 BILLION

Counties are directly involved with 34 percent of public airports and support funding the airports and airway trust fund at levels that will meet current and future infrastructure needs. The Moving Forward framework would direct \$30 billion for provisions intended to increase investment in our nation's public airports and airspace infrastructure by:

- increasing and indexing to inflation the **Passenger Facility Charge** (PFC) cap
- advancing the deployment of **unmanned aircraft systems** (UAS) to assist with the construction of transportation infrastructure projects
- creating a **new Airport and Airway Investment Program** focused on enhancing and modernizing airports and airspace capacity
- providing **additional investments** to expedite the Federal Aviation Administration's **NextGen** program

Counties also support efforts by Congress to lift the cap on the Passenger Facility Charge in order to provide increased local decision-making in investment decisions; relieve burdens on federal taxpayers; and, increase airline competition.

Counties urge Congress to preserve local authority to regulate certain aspects of UAS operations to ensure public safety and privacy, including certain lower levels of altitude, time-and-day of operations restrictions and enforcement capabilities.

PORTS \$19.7 BILLION

Counties believe that a vibrant waterway transportation system is vital to our economy and provides our nation with the ability to meet the needs of the shipping public. To meet these needs, counties believe that the Harbor Maintenance Trust Fund should be unlocked and its revenues dedicated exclusively to harbor maintenance projects. The framework includes a bill that has already passed the U.S. House of Representatives – [H.R. 2440](#), the Full Utilization of the Harbor Maintenance Trust Fund Act. If passed by the Senate as either a standalone bill or a part of this package, this legislation would unlock the trust fund and require all revenue from port fees be directed towards the operation and maintenance of dredging at federally authorized ports.

Counties support the full expenditure of harbor maintenance trust fund collections on dredging and harbor maintenance, and providing equity for deep draft ports that contribute collections to the fund but do not have significant dredging needs by allowing them to utilize trust fund dollars for limited port-related uses other than dredging.

WATER RESOURCES \$60.5 BILLION

The Moving Forward framework would invest \$10 billion in water resource projects to address the growing backlog of authorized but unconstructed U.S. Army Corps of Engineers (USACE) projects that is currently estimated to be in excess of \$10 billion.

WATER RESOURCE DEVELOPMENT PROJECTS \$10 BILLION

The framework would direct \$7 billion in funding to the construction of congressionally authorized and locally supported water source development projects that address local flood control, navigation and environmental restoration projects, with the remaining \$3 billion directed toward modernizing the inland waterway navigation system.

We urge Congress to preserve local decision-making as water resource projects are developed, which includes the authority to assume full responsibility for planning and implementing flood control projects, assessing and mitigating their environmental impacts and determining the necessity or advisability of flood control projects by the federal government.

Counties urge Congress to appropriate the necessary funds to reduce the estimated

\$98 BILLION

backlog of USACE projects that includes many local projects critical to counties

CLEAN WATER \$50.5 BILLION

In 2016, counties spent \$22 billion on sewage and solid waste management alone and annually invest \$134 billion in infrastructure and maintaining and operating public works, such as public water systems. Of the \$50.5 billion provided, the framework would direct \$3.4 billion toward “transformative regional investments” that include a variety of restoration projects across the country. Moving Forward would direct the remaining \$47.1 billion for “transformative water investments” that include:

- addressing the **backlog** of state and **local water infrastructure** needs and local water quality challenges
- establishing **new minimum allocations** for **rural** and **small communities** for water infrastructure investment authorities
- directing the U.S. Environmental Protection Agency (EPA) Municipal Ombudsman to provide **technical, financial** and **planning assistance** to **rural** and **small communities**
- directing states to provide a **minimum** of **10 percent** of their annual **Clean Water State Revolving Fund** assistance in the form of **grants** to **local governments** with affordability concerns
- establishing a **new clean water grant authority** to **identify vulnerabilities** of wastewater utilities to disasters
- **requiring** states and **localities** to **report** an estimate of the costs necessary to address the resilience and sustainability of wastewater utilities to disasters

This framework would invest \$5.6 billion in a **new** Clean Water Act Grant Program to facilitate state and local clean water efforts by:

- providing **\$1 billion** in initial investments to make permanent an existing pilot program to aid municipalities in addressing **innovative water** and **stormwater projects**
- providing **\$1 billion** in **new** federal assistance to help communities address ongoing **waterway contamination**
- creates a **new** EPA program that will aid municipalities install innovative detection and treatment technologies that prevent **PFAS contamination** from entering local waterways
- providing **\$600 million** for state and **local** governments to construct innovative projects that reuse waste and stormwater resources
- directing \$2 billion over five years in direct federal grants to state and local governments to fund projects that capture, treat and/or reuse combined sanitary sewer overflows and stormwater to address **local water quality improvement projects affordably**
- providing **\$1 billion** over five years in **federal investments** to state and **local governments** to address ongoing nonpoint sources of **pollution**, including runoff from farms, managed forests and urban areas that may contain toxic chemicals

In 2016, counties spent

\$22 BILLION

on sewage and solid waste management alone and annually invest

\$134 BILLION

in infrastructure and maintaining and operating public works, such as public water systems.

As the boots on the ground, local officials know where federal resources can be maximized and must have a seat at the table as water projects are considered. A strong intergovernmental partnership is critical as this legislation moves forward.

Additionally, counties encourage Congress to study the health and environmental impacts of PFAS compounds and to work closely with local governments should rulemaking around PFAS be promulgated.

BROWNFIELDS RESTORATION \$2.7 BILLION

Moving Forward would direct \$2.7 billion for ongoing activities related to the EPA brownfields initiative, including:

- providing additional resources to **local governments** to **reclaim** and **reuse** abandoned and contaminated properties
- leveraging additional **public** and **private sector funds**

CLEAN DRINKING WATER AND CLEAN ENERGY \$59.7 BILLION

The U.S. House Committee on Energy and Commerce also had input in the Moving Forward framework, including provisions that would direct \$59.7 billion toward clean drinking water and clean energy programs by:

- establishing a **new \$2.5 billion grant program** to prevent Per- and Polyfluoroalkyl Substances (**PFAS**) contaminants in drinking water systems
- providing **\$1.85 billion** from FY 2021 – 2025 to **retrofit public schools** with energy efficient lights
- providing **\$1.75 billion** over five years in **weatherization grants** to promote smart buildings
- providing **\$850 million** over five years to develop **Smart Communities infrastructure**
- authorizing the U.S. Department of Energy (DOE) **Cities, Counties and Communities Energy Program** to provide TA for clean **energy grants**
- funding **TA** provided by **DOE national labs to local governments** looking to deploy smart community infrastructure
- investing **\$2.25 billion** over five years to create **new grant programs** for **alternative energy systems** and solar installations in underserved and rural communities

Counties urge Congress to provide direct federal funding for the environmental remediation of Brownfields sites to return these areas to a state of economic viability.

BROADBAND AND COMMUNICATIONS \$98 BILLION

The framework would direct \$98 billion for the deployment of broadband technologies nationwide. This funding would extend broadband internet service access to rural counties and other underserved areas by:

- investing **\$80 billion** from FY 2021 – 2025 to **deploy** secure and resilient **broadband** nationwide
- investing **\$5 billion** over five years for **low-interest financing** for **broadband** deployment through a **new credit program**
- providing **\$12 billion** in grants for the implementation of Next Generation 911 services

Counties support the framework’s inclusion of funding for Next Generation 911 (NG911). We urge the federal government to provide funding in a final bill that will facilitate the implementation of Next Generation 911 nationwide. As public service providers, local governments need strong federal partners to ensure these critical emergency services are available to county residents.

FUNDING AND FINANCING TOOLS

Moving Forward does not identify a single “pay for”; however, it does outline key items for consideration as funding and financing tools for the proposal are developed, including:

- addressing the long-term solvency of the Highway Trust Fund through user-based mechanisms
- improving existing trust funds with user-based fees to increase investments in port and airport infrastructure projects
- providing a long-term, sustainable source of water funding
- reinstating the Superfund tax to expedite the cleanup of hazardous waste sites
- strengthening **new** and existing infrastructure financing tools

A notable aspect of the Democratic proposal for federal highways is its inclusion of tests for **new** transportation user fees. Counties support bringing long-term certainty to the Highway Trust Fund (HTF) by using an “all tools in the toolbox” approach to more accurately capture all users of the road. Moving Forward authorizes a multi-year, national pilot program that would test revenue collection from alternative methods outside of the federal motor fuel user fee, including a House Republican-favored vehicle miles traveled user fee.

Existing potential financing tools House lawmakers outline in the proposal include:

- direct subsidy bonds
- Build America bonds
- qualified private activity bonds
- advanced refunding bonds
- tax credit bonds
- tax credits
- green energy credits

Counties believe that a user-pay approach should continue to be the cornerstone of federal transportation funding and that federal policy should provide counties the flexibility to use additional financing tools, such as tax-exempt bonds and public-private financing for delivering transportation projects.

We also **support the long-term solvency of the Highway Trust Fund by considering revenue sources that will better capture all users of the nation’s highways and account for all vehicles**, including electric vehicles and other emerging technologies. Congress should also consider streamlining administrative

requirements in order to direct more funding toward infrastructure improvements.

Additionally, **counties believe the tax-exempt status of bonds used for transportation infrastructure development should be continued** with no imposition of additional restrictions on arbitrage and advanced refunding of bonds.

Finally, we support the use of direct subsidy bonds (e.g. Build America Bonds) as additional financing tools for county governments but **not** as a replacement for traditional tax-exempt municipal bonds.

NACo GOVERNMENT AFFAIRS STAFF DIRECTORY

MATTHEW D. CHASE

EXECUTIVE DIRECTOR / CEO
mchase@naco.org
202.942.4201

DEBORAH COX

DEPUTY EXECUTIVE DIRECTOR /
DIRECTOR OF GOVERNMENT
AFFAIRS
dcox@naco.org
202.942.4286

ARTHUR SCOTT

ASSOCIATE LEGISLATIVE DIRECTOR
/ POLITICAL OUTREACH MANAGER
Agriculture & Rural Affairs
Telecommunications & Technology
Rural Action Caucus
ascott@naco.org
202.942.4230

BLAIRE BRYANT

ASSOCIATE LEGISLATIVE DIRECTOR
Health
bbryant@naco.org
202.942.4275

DARIA DANIEL

ASSOCIATE LEGISLATIVE DIRECTOR
Community, Economic & Workforce
Development
Large Urban County Caucus
ddaniel@naco.org
202.942.4212

ERYN HURLEY

ASSOCIATE LEGISLATIVE DIRECTOR
Finance, Pensions &
Intergovernmental Affairs
ehurley@naco.org
202.942.4204

JESSICA JENNINGS

ASSOCIATE LEGISLATIVE DIRECTOR
Transportation
jjennings@naco.org
202.942.4217

JONATHAN SHUFFIELD

ASSOCIATE LEGISLATIVE DIRECTOR
Public Lands
Western Interstate Region
jshuffield@naco.org
202.942.4207

LINDSEY HOLMAN

ASSOCIATE LEGISLATIVE DIRECTOR
Justice & Public Safety
lholman@naco.org
202.942.4213

RACHEL MERKER

ASSOCIATE LEGISLATIVE DIRECTOR
Human Services and Education
rmerker@naco.org
202.661.8843

BRETT MATTSON

LEGISLATIVE ASSOCIATE
bmattson@naco.org
202.942.4234

VALERIE BRANKOVIC

LEGISLATIVE ASSOCIATE
Veterans and Military Services
vbrankovic@naco.org
202.942.4254

NICOLETTE GERALD

LEGISLATIVE ASSISTANT
ngerald@naco.org
202.942.4260

ZACHARY GEORGE

LEGISLATIVE ASSISTANT
zgeorge@naco.org
202.661.8819

ABOUT NACo

The National Association of Counties (NACo) strengthens America's counties, including nearly 40,000 county elected officials and 3.6 million county employees. Founded in 1935, NACo unites county officials to advocate for county government priorities in federal policymaking; promote exemplary county policies and practices; nurture leadership skills and expand knowledge networks; optimize county and taxpayer resources and cost savings; and enrich the public's understanding of county government.

Each year, NACo's Board of Directors, in consultation with over 1,400 county officials on 10 policy steering committees, adopt the association's federal policy priorities. These policy priorities help shape NACo's advocacy efforts on behalf of America's counties.

