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July 6, 2021

The Honorable Charles E. Schumer
Majority Leader
United States Senate
Washington, DC 20510

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
Washington, DC 20515

The Honorable Mitch McConnell
Republican Leader
United States Senate
Washington, DC 20510

The Honorable Kevin McCarthy
Republican Leader
U.S. House of Representatives
Washington, DC 20515

Majority Leader Schumer, Speaker Pelosi, Republican Leader McConnell and Republican Leader McCarthy:

On behalf of the National League of Cities (NLC) and America's 19,000 cities, towns and villages, we write to share a comprehensive view of local government priorities for the bipartisan infrastructure framework and request your leadership to ensure successful passage of this legislation. Municipalities of all sizes own, zone and operate a significant portion of America's critical infrastructure. **We ask that this infrastructure package streamline infrastructure investment by directing it to the asset owners at the local level and eliminating circuitous and inefficient bureaucratic processes.** Every infrastructure dollar is needed, and the infrastructure delay in Washington is costing each American family \$3,300 in income each year, which is why we urge you to complete this package quickly.

America's communities are ready to rebuild and renew the pressing transportation, water, broadband and other infrastructure challenges across the country with your partnership. We encourage your consideration of the following programs, policies, and guidance.

Transportation (Transit, Low Carbon Buses, Airports, Ports, Power Infrastructure)

Local governments own and manage about 80% of the nation's urban, suburban, and rural roads and invest substantial local resources every year in regional connectivity and safety. Only [24.6%](#) of the nation's road mileage is eligible to receive federal support through the federal-aid program. NLC requests any new transportation funds be directed to the **Surface Transportation Block Grant (STBG) program**, which can be used more broadly in our road network; new community programs; or designated projects where there are known and pressing needs that are overlooked by today's structure and wait times for access to funds. NLC also strongly supports the addition of **safety and transportation technology programs** cities can access which are long-overdue and deserve federal attention.

Transit, Low Carbon Buses, Power Infrastructure

- **NLC supports extensive transit and mobility investments** through both transit formulas and the **Transportation Alternatives Program**.
- Cities have benefited from the **Low or No Emission Vehicle Program**, but this significant shift requires not just vehicles but the essential zoning and energy planning and buildout of charging infrastructure that realize their potential.

- To achieve more than pilot electric vehicle charging, NLC supports an **electric charging regional planning effort from the ground up** that feeds a national network of publicly zoned and privately operated charging in a competitive market. All Senate and House proposals currently overlook this critical step that would bring planning organizations, local government, utilities, businesses, state agencies and federal policymakers together.

Airports, Ports

- America’s most significant aviation need today is to begin **establishing regional transportation-to-air plans for the safe, quiet and secure integration of small unmanned aircraft delivery and advanced air mobility**.
- Additionally, with the pent-up demand for air travel and congestion at ports, NLC believes now is the time to raise the **passenger facility charge** to allow the nation’s primary airports to be less dependent on federal supports over time and for Congress to embrace **equitable waterway commercial user fees and customs duties necessary** to generate sufficient revenues to finance waterway and port operations and improvements.

Environment (Water, Resilience, Cleanup)

Local governments provide over 95% of the total funding for U.S. water infrastructure. With the nation’s growing water infrastructure needs, it is evident that our country must make substantial investments to repair and replace our nation’s aging water delivery and treatment systems. Moreover, the impacts of climate change will exacerbate current water infrastructure challenges, as well as create new challenges for local governments around both water quality and availability, as well as other sectors of the economy. These changes must be taken into consideration as Congress is considering new infrastructure investments—in order to save taxpayer dollars and protect our physical infrastructure and the health and safety of residents.

Water

NLC supports **financing, funding and flexibility** for local governments to help improve the nation’s drinking water, wastewater and stormwater infrastructure. NLC supports water infrastructure provisions included in the bipartisan **Drinking Water and Wastewater Infrastructure Act (S. 914)** and **Water Quality Protection and Job Creation Act (H.R. 1915)**.

- **Financing** – Continue programs such as the **Clean Water and Drinking Water State Revolving Funds** and **WIFIA**, which provide critical financing for water infrastructure projects. Additionally, add water and sewerage facilities to the list of **private activity bonds** that are not subject to the state volume cap.
- **Funding** – Provide additional support to local governments in the form of **grants** for sewer overflow and stormwater management; lead pipe replacement; water infrastructure resilience/sustainability to protect and reduce risk to extreme weather events; new/emerging technologies for cybersecurity improvements and water efficiency; and workforce development in the water sector and others.
- **Flexibility** – Local leaders need flexibility to meet their water infrastructure needs in a manner that does not financially burden ratepayers, such as by the flexibility to choose green infrastructure over gray infrastructure. Tools like the Integrated Planning Framework, revising the Financial Capability Assessment Framework and **allowing longer permit terms for pollution discharge permits (H.R. 1881)** are policy changes that can make a dramatic difference for communities in addressing affordability and equity issues.

Resilience, Power Infrastructure

Local leaders are taking action on climate change because local governments are first responders on the front lines of delivering services and protecting residents. Local elected officials are stewards of taxpayer dollars and

know that the cost of prevention pales in comparison to the cost of inaction—in terms of dollars, property and human life. Congress can help local leaders build resilient communities by **ensuring that our nation’s infrastructure can withstand the impacts of climate change, extreme weather events and cybersecurity threats**. Investment in pre-disaster mitigation, climate adaptation, and resilient infrastructure is good public policy that will save taxpayer dollars.

- **Improving energy efficiency and investing in renewable energy** makes good economic sense for residents, businesses and communities. NLC supports H.R. 425, a bipartisan bill to reauthorize and expand the **Energy Efficiency and Conservation Block Grant** to help local governments promote energy efficiency and advance renewable energy projects, thereby increasing energy independence and reducing greenhouse gas emissions. NLC also supports the **MICROGRID Act (H.R. 2482)** to incentivize the buildout and deployment of microgrids, which can provide backup power during emergencies, to help address the harm blackouts, grid outages and public safety power shutoffs have on local communities due to increased extreme weather events.
- **Invest in green infrastructure, nature-based solutions, open-space.** The use of green and natural infrastructure is one solution that can provide a multitude of community benefits, including stormwater management, extending the life of physical infrastructure, saving cities and taxpayers money, building community resilience, enhancing recreation opportunities and positive impacts on public health and well-being. Congress should support programs that will help communities **reduce the risks from disasters and natural hazards through pre-disaster mitigation**, such as the **FEMA Building Resilient Infrastructure and Communities (BRIC)** program and the recently enacted, **STORM Act**. NLC also supports the bipartisan **Outdoors for All Act** to increase access to outdoor recreation opportunities in communities.

Environmental Cleanup/Remediation

NLC supports efforts to address legacy pollution in America’s cities, towns and villages through both the **Superfund and Brownfields programs**. Reclaiming hazardous, polluted and underutilized Superfund sites and brownfields properties is a powerful economic development tool. The cleanup, reuse and redevelopment of these properties can support community revitalization through economic growth and job creation. Turning polluted properties back into productive real estate helps local governments create jobs in distressed communities, while simultaneously improving public health and safety. NLC supports the **LIFT America Act (H.R. 1848)**, which includes funding for brownfields restoration and reinvestment, among other provisions that we support.

Broadband

Too many American households and businesses remain cut off from reliable internet access, either because of a lack of infrastructure or because of outdated, inequitably distributed, or unaffordable options. Local governments have led the way throughout the pandemic in measuring access gaps in their communities and seeking emergency solutions, such as mobile hotspots and public wi-fi access points in parks. However, more work needs to be done to address the root causes behind the digital divide.

- **Address both urban and rural challenges.** As we recover and rebuild, Congress must invest in sustainable, locally led solutions to close the digital divide in rural, suburban, and urban communities. Broadband access is not a rural-only problem – more people without broadband at home living urban and suburban areas than in rural ones.
- Congress should **empower community leaders to drive broadband solutions** by removing legal barriers to local leadership, investing in sustainable long-term funding for broadband infrastructure, affordability programs and local digital inclusion work, and accurately measuring broadband access and availability.

- NLC supports substantial **new federal funding and financing** for both public and private broadband infrastructure investment, whether through programs administered by the Federal Communications Commission, National Telecommunications and Information Administration, U.S. Department of Agriculture, or other agencies. Federal broadband investments should support both underserved rural communities and underbuilt suburban and urban communities, and should reflect modern, reliable performance standards – such as 100/100Mbps speeds – that reflect current and anticipated broadband needs of residents and businesses.
- NLC supports **removing state barriers to local broadband investment** in municipal or public-private networks, and strongly supports **S. 1460/H.R. 1631 - the Community Broadband Act** and the municipal broadband provisions of **H.R. 1848 - the LIFT America Act**, **S. 745/H.R. 1783 - the Accessible, Affordable Internet for All Act**, and **S. 2071 - the BRIDGE Act**, which would enable communities to make their own broadband investments, particularly in places incumbent providers have declined to build.

NLC supports **promoting broadband adoption and affordability**, through funding for a long-term low-income broadband subscription subsidy, support and flexibility for the E-Rate program for schools and libraries, and digital inclusion grants for states, localities, and community organizations. NLC strongly supports **S. 2018/H.R. 1841, the Digital Equity Act** and the digital inclusion provisions of the **H.R. 1848 - the LIFT America Act**, **S. 745/H.R. 1783 - the Accessible, Affordable Internet for All Act**, and **S. 2071 - the BRIDGE Act**.

NLC supports improving **federal broadband measurement** and data collection systems, and urges Congress to direct the Federal Communications Commission to not only collect more geographically precise information about broadband access and infrastructure, but also to collect and make publicly available information about broadband subscription costs, network performance, and reliability.

NLC **opposes any new measures to preempt local decision-making authority** over telecommunications service and infrastructure, including federal interference with infrastructure siting processes and decisions, or telecommunications franchise negotiations. These franchises and agreements are a critical element of local broadband and infrastructure planning and help to support community services such as public access, educational and governmental television channels, streaming of government meetings, and local digital inclusion programming.

Workforce

As communities across America work to recover from the pandemic and build stronger local economies, an important component of that recovery is attracting and retaining local businesses. But these businesses can't operate without people. As Congress looks to invest significant funding in the infrastructure systems across our country, understanding the skills employers are looking for as they gear-up to do this work is imperative.

Current infrastructure investment proposals could create up to [15 million jobs](#) over the next decade, many of which would require short-term training rather than a college degree. With increased retirements across all infrastructure sectors, estimated at 2.7 million workers who will retire of the next decade, federal investments are needed to ensure those workers who have been hardest hit by the pandemic in our communities – those without an education past high school, workers of color, and women – can obtain the skills that employers require to fill these new job opportunities.

NLC supports **sector-based skills training investments**, including short-term occupational training and on-the-job training, that will support a local talent pipeline across infrastructure sectors. Without ensuring that we have a trained talent pipeline, there simply will not be enough skilled local labor to get the projects done. They will get done slower and cost more.

NLC strongly supports **H.R. 2459/S. 1078 – Building U.S. Infrastructure by Leveraging Skills (BUILDS) Act** and **H.R. 602/S. 200 – Relaunching America’s Workforce Act**, which invest in demand-driven training, including worked-based learning, to help train workers and meet increased employer demands.

Financing

The bipartisan infrastructure framework outlines several proposed financing sources for new infrastructure investments, and many of them are promising. [In the recent NLC State of the Cities survey, 91% of cities, towns and villages surveyed identified that insufficient funding for infrastructure is a top priority.](#) We offer the following details regarding the various proposed concepts:

- **Financing tools:** Cities benefit greatly from **tax-exempt municipal bonds** which are the primary funding mechanism for state and local government infrastructure projects, representing three-quarters of U.S. infrastructure investment. However, many cities report that while financing is available to them, they cannot use it due to an inability to pay or keep rates affordable. Where the tax base is small or the infrastructure asset is a significant replacement, financing options are available but may not be sufficient without grants. With additional financing options in discussion, Congress must ensure that the municipal bond market is protected from disruption while opening any new financing such as **direct-pay municipal bonds** or **infrastructure financing authorities**, and any new options must be exempt from sequestration. NLC supports maintaining the tax exemption for qualified **private activity bonds (PABs)** to finance critical infrastructure as well as reinstating the tax exemption on **advance refunding bonds** that allows cities to achieve lower interest rates and free up capital to make additional infrastructure improvements. Where federal funds are involved, NLC recommends ensuring sufficient protections to balance immediate transportation needs against the financial burden on future generations.
- **Private investment:** NLC supports the participation of **public-private financing** options in the U.S. market such as transit-oriented development, but the viability of public-private arrangements requires revenue commitments that come from fees on users or commitment of municipal revenue. Additionally, **asset recycling** may have a limited use in the U.S. given the extensive autonomy of assets which are revenue-stable, including ports, airports and power infrastructure.
- **Recovery of federal funds:** Every effort should be made to ensure the fair assessment of **IRS collected taxes**. If **unused unemployment insurance** or **early COVID related funds** are available, some recovery for infrastructure is welcome. However, NLC must reiterate our [strong opposition to clawing back or repurposing local government coronavirus relief funds from the American Rescue Plan Act \(ARPA\)](#). These federal funds were provided to local governments to address the ongoing impacts of the coronavirus pandemic and are essential to providing emergency assistance to households and small businesses, maintaining critical government services, driving economic recovery and addressing the ongoing public health crisis. Any changes to the parameters would need to be thoughtfully considered, but one thing is clear – local ARPA funds represent a productive model for federal partnership with local governments.
- **Annual surcharge on Electric Vehicles (EVs):** As the number of electric vehicle and alternative transportation users rise, an offset must be created to fairly reflect their share of road usage, but it must be balanced with the need for reductions in vehicle emissions, particularly in urban areas.
- **Index gas tax to inflation:** NLC would support the indexing of the gas tax as a bridge to a long-term solution to funding the Highway Trust Fund. The decrease in Highway Trust Fund revenue collections indicate the need for an alternative transportation funding system, including programs that take into account **vehicle gross weight and emissions**. NLC is open to Congress requiring heavier trucks to increase their highway contributions in proportion to the costs they impose on the highway system or allowing for more significant tolling of commercial routes and vehicles.

- **Adjust user fees:** NLC would support a fair adjustment of **customs fees** representing economic transactions and better meeting the true cost of building the infrastructure that these goods rely on. However, NLC would recommend any user-pays model is well connected to reinvestment in that infrastructure. For example, while NLC supports **reinstating the Superfund fees for chemicals**, the funds that this revenue source generates should remain dedicated to the cleanup of Superfund sites already on the National Priority List, as well as any additional sites added to the list. NLC encourages Congress to increase the size of the Hazardous Substance Response Trust Fund to ensure that hazardous waste disposal sites can continue to be identified, evaluated and cleaned up, but the revenue generated under this provision should not be diverted.

NLC remains willing to engage on any revenue proposals to provide the local perspective, and we welcome more conversations with negotiators about additional options being considered.

Thank you for your leadership on solutions to America's infrastructure challenges. We look forward to working with you on advancing a plan that supports infrastructure partnership with local governments. If you have any questions, please do not hesitate to contact Irma Esparza Diggs, NLC Senior Executive and Director of Federal Advocacy, at 202-626-3176 or diggs@nlc.org.

Sincerely,



Clarence E. Anthony
CEO and Executive Director

