



Year in Review and Legislative Updates

Transportation

NATaT had four priorities in the surface transportation reauthorization, which was included in the recently passed Infrastructure Investment and Jobs Act (IIJA).

Enact a six-year surface transportation bill that directs more federal funds to towns and townships and allows those funds to be used on local roads.

While the bill is a five-year authorization, it still allows for the stability NATaT desires by requesting a six-year bill. There are several programs included in the bill that would get more federal transportation funds directed to towns and townships.

Prior to passage of the IIJA, Federal transportation funds could not be used for projects on roads functionally classified as local roads. NATaT, individually, worked with Rep. Angie Craig's office to introduce a bill that would allow communities with populations under 5,000 to use federal funds on local roads. That bill was included in the transportation authorization bill (which is in the bipartisan infrastructure package awaiting a House vote). Current bill language allows communities with a population under 50,000 to access funds for local roads, but we are working to keep that population limit at status quo – 5,000 or less. This is the first time EVER that federal transportation dollars can be used for local road maintenance and related projects.

The IIJA increases Transportation Alternatives (TA) funding, setting it at 10% of total STBG funds each fiscal year. It also increases from 50% to 59% the portion of TA funds that must be suballocated to areas of the State based on population. Regarding the Federal share, the law:

1. provides for a Federal share up to 100%;
2. allows Highway Safety Improvement Program funds to be used toward the non-Federal share; and
3. allows non-Federal share requirements to be met on an aggregate basis instead of by project.

There is a new set aside for projects in rural areas. Not more than 15 percent of a state's STBG allocation can be used for eligible STBG projects on local roads, rural minor collectors, ice roads, or seasonal roads. Funds can be used for maintenance of these roads, and up to 5% for certain barge landing, dock and waterfront infrastructure projects.

Finally, IIJA created a new rural surface transportation grant program to provide grants, on a competitive basis, to eligible entities to improve and expand the surface transportation infrastructure in rural areas. The goals of the program include increasing connectivity, improving the safety and

reliability of the movement of people and freight, and generating regional economic growth and improving quality of life.

Increase federal assistance for off-system bridges.

The law creates a new formula program with increased funds (\$27.5B) for the bridge program and increases the off-system bridge set-aside from 15 percent of the state's total bridge allocation in fiscal year (FY) 2009 to 20 percent of that allocation. It also changes the definition of "off-system bridge" to a highway bridge *or low water crossing* located on a public road, other than a bridge *or low water crossing* on a Federal-aid highway.

IIJA creates a new grant program funded at \$9.2B to assist state, local, federal, and tribal entities in rehabilitating or replacing bridges, including culverts, and eligibility for large projects and bundling of smaller bridges. Under this program, the minimum grant amount for a large project is not less than \$50 million; and the minimum grant amount for any other eligible project is \$2.5 million.

IIJA also made changes to the National Highway Performance Program by adding new eligible projects, one of which is protective features (related to mitigating risk of recurring damage or the cost of future repairs from extreme weather events, flooding, or other natural disasters) on Federal-aid highways and off-system bridges.

Ensure that any move to a vehicle-miles traveled (VMT) fee to help fund transportation infrastructure considers the lack of transportation alternatives for rural communities.

The IIJA establishes a pilot program to demonstrate a national motor vehicle per-mile user fee. In carrying out the pilot program, the Secretary, in coordination with the Secretary of the Treasury, shall provide different methods that volunteer participants can choose from to track motor vehicle miles traveled, solicit volunteer participants from all 50 States, the District of Columbia, and the Commonwealth of Puerto Rico, ensure an equitable geographic distribution by population among volunteer participants, and include commercial vehicles and passenger motor vehicles.

Restrict the flow of larger, heavier trucks on our roads and bridges.

There are no provisions included in the bill that would lift weight and/or length restrictions in any NATaT member state or the National Interstate Highway System as a whole.

IIJA Follow Up

On December 1st, the Federal Highway Administration (FHWA) issued a Request for Information asking for comments on (i) Potential opportunities and challenges for implementing new IIJA programs; (ii) potential opportunities and challenges for implementing existing programs modified by the IIJA; (iii) solutions or suggestions as to how FHWA might implement the IIJA; (iv) necessity for additional guidance, FAQs, or program changes; and (v) areas requiring new and continued research.

This RFI gives NATaT the opportunity to communicate to the FHWA the background/purpose of the original bill to allow communities under 5,000 population to use STBG funds for local road projects. We can recommend priority be given to this smaller subset over the communities with a population between 5,000 and 50,000. **Comments are due December 17th.**

NATaT staff is conducting research on federal transit funding and data on vehicle miles traveled by rural drivers as we begin our advocacy efforts for the next reauthorization.

Finally, TFG staff is compiling a guidebook of all programs – new and existing – funded in the IJA and will provide that guidebook to NATaT.

Broadband/Telecommunications

Broadband Regulatory Filings

NATaT joined comments submitted by the National Association of Telecommunications Officers and Advisors opposing two petitions for declaratory ruling filed pursuant to section 253 of the 1996 Telecommunications Act, which authorizes the Federal Communications Commission (FCC) to preempt state and local laws that present barriers to market entry. NATOA's comments made clear the Commission could not allow section 253 petitions to be used as a backdoor for issuing sweeping preemptions of local governments' rights of way ordinances and fees. The Bluebird petition was withdrawn and the Mediacom petition is still under review.

Broadband Legislative Advocacy

NATaT supported and/or provided feedback on numerous broadband-related bills introduced during the 117th Congress, including:

- **The Broadening Online Opportunities through Simple Technologies (BOOST) Act (HR 1362)**, which would enable rural homeowners and primary lessees to claim a \$300 tax credit after purchasing a mobile hotspot or a signal booster to increase the strength or range of their wireless service.
- **The Community Broadband Act (HR 1631)**, which would prohibit state laws that ban or limit broadband systems administered by municipalities, co-ops, or public-private partnerships.
- **The Middle Mile Broadband Deployment Act (S. 2473)** would create a program within the National Telecommunications and Information Administration to award grants for middle-mile infrastructure.
- **The Broadband Reform and Investment to Drive Growth in the Economy (BRIDGE) Act (S. 2071)**, which would provide \$40 billion to States, Tribal Governments, and U.S. Territories to ensure all Americans have access to affordable, high-speed broadband. It would prioritize unserved, underserved, and high-cost areas with investments in "future proof" networks.

NATaT also supported and provided feedback on Congressional efforts to update federal standards for high-speed broadband above the current definition of 25 Mbps download and 3 Mbps upload.

Support for Volunteer First Responders

Volunteer Responder Incentive Protection Act

NATaT worked with the National Volunteer Fire Coalition, Congressional Fire Services Institute, and International Association of Fire Chiefs to secure a **permanent** tax benefit for volunteer fire and EMS personnel. That bill allows tax-free property tax benefits and up to \$600 tax-free payments per year to volunteer first responders. This will be used as a recruitment and retention tool for the dwindling pool of volunteers. This tax benefit was in law from 2007 to 2010, and it took ten years of advocacy to reinstate and make permanent.

Length of Service Award Program (LOSAP)

NATaT worked with the organizations listed above to pass legislation that simplifies the administration of LOSAPs in the Internal Revenue Code so that more volunteer departments can use these pension-like benefits as a recruitment and retention tool. We also helped change the law related to LOSAPs that allows the top-level contribution amount to LOSAPs be adjusted to inflation.

Volunteer Responder Housing Act (HR 4377/S 2316)

NATaT worked with Senator Tammy Baldwin's office and Rep. Cindy Axne's office to re-introduce this measure and help secure cosponsors. The bill would make volunteer fire and EMS personnel eligible for assistance under the Department of Agriculture Single Family Housing Guaranteed Loan Program and the Department of Housing and Urban Development Good Neighbor Next Door Sales Program.

Neither measure has passed the House nor Senate.

Retention and Recruitment Guide

The National Volunteer Fire Council is working with the US Fire Administration on a retention and recruitment guide for volunteer emergency services and requested NATaT's input. NVFC will share that guide upon completion.

Other Priorities

Coronavirus Relief - American Rescue Plan Act (ARPA) inclusion of federal funding for all units of local government.

NATaT worked in close coordination with the National Association of Counties, National League of Cities, US Conference of Mayors, and Government Finance Officers Association to ensure all units of local government – large and small – had access to ARPA's Coronavirus Local Fiscal Relief Fund (CLFRF). Smaller local governments – or non-entitlement units of local government (NEU) – will receive their allocations through their respective states but report to the Department of Treasury. NATaT hosted a webinar for members to explain in detail what the funding can be used for and how to access those funds. NATaT staff has fielded queries on ARPA spending from our state associations and individual members.

Not only did NATaT play an integral role in assuring all local governments have access to ARPA funds, but we continue to work with Treasury staff to ensure the requirements to apply for funds and report how those funds are used are simplified and appropriate for our smaller NEUs that do not have experience managing federal dollars. NATaT communicated concerns our members have about the detailed information required to access ARPA funds to Treasury. They are no longer requiring personal information through ID.me and are now looking for a more user-friendly option. NATaT communicated to Treasury the need to simplify reporting requirements for NEUs, including holding Treasury webinars on reporting requirements. We are now working in partnership with Treasury to make sure the outreach is clear and concise and done in a way that makes our smaller communities more comfortable receiving and spending this money. Our last call with Treasury was on October 8, 2021, and they've asked for our guidance in working with NEUs moving forward.

Three of NATaT's member states – Ohio, Illinois, North Dakota – are categorized as “Weak Minor Civil Divisions” or “MCDs” and therefore not guaranteed allocations. NATaT staff worked directly with Members of Congress from Ohio and Illinois to ensure townships in those states have access to ARPA funds. We drafted support letters for Members and communicated directly to Treasury.

ARPA Flexibility Bill

NATaT drafted comments to Treasury on easing restrictions to how CLFRF funds can be spent. Treasury has not yet issued its final guidance, but on October 19th, the Senate passed S. 3011, the State, Local, Tribal, and Territorial Fiscal Recovery, Infrastructure, and Disaster Relief Flexibility Act with little to no fanfare. This bipartisan legislation provides additional flexibility for spending a community's ARPA allocation. On October 26th, Rep. Dusty Johnson (R-SD) and 31 bipartisan Members introduced the House companion bill H.R. 5735.

This legislation would streamline and strengthen ARPA in three ways:

- Recipients can allocate up to \$10 million of ARPA funds for government services.
- Allows \$10 million or 30% of the total ARPA allocation, whichever is higher, to new infrastructure-related activities. More specifically, the bill lists 27 infrastructure-related activities that would be eligible under the law.
- Provides the use of funds for “emergency relief from natural disasters or the negative economic impact of natural disasters.”

NATaT issued an advocacy alert and drafted letters of support for Members of Congress and House Leadership. To date, HR 5735 has 123 cosponsors, including Members from each NATaT-member state but North Dakota.

2020 Census

NATaT has worked closely with the US Census Bureau's Office of Congressional and Intergovernmental Affairs to ensure our members had the necessary timeline and information to ensure an accurate Census count. We are in contact with Census staff to answer specific inquiries from the Board and/or our members and organized a November 19 U.S. Census Data Training Webinar, which included an overview of 2020 Decennial and American Community Survey data.

NATaT also drafted a memo on “Differential Privacy” and the impact on rural geographies of the Census Bureau’s use of its disclosure avoidance system (DAS) that prevents Census responses from being linked to specific individuals.

Waters of the US

The Biden Administration plans to re-write the Waters of the US (WOTUS) rule, which defines the bodies of water under the Clean Water Act’s jurisdiction. NATaT is part of an intergovernmental working group led by the EPA and the US Army Corps of Engineers and provided preliminary comments on the new rule on September 3rd. Those comments included the provisions NATaT wants included in the final rule and highlights the more problematic provisions of the rule (most notably, ditches and ephemeral streams, which were specifically excluded from CWA jurisdiction under the Trump Administration’s *Navigable Waters Protection Rule* on WOTUS).

An interim WOTUS rule was proposed by the EPA and Corps on November 18th. That interim rule interprets WOTUS to mean the waters defined by a collection of Corps and EPA regulations referred to as the “1986 regulations,” with amendments to reflect the agencies’ interpretation of the statutory limits on the scope of WOTUS as informed by two Supreme Court decisions. The agencies say in the proposed rule that recent court decisions have reinforced the need for a stable and certain definition of WOTUS, noting that federal district courts in both Arizona and New Mexico have vacated the *Navigable Waters Protection Rule* on WOTUS.

NATaT is poised to engage with the EPA and Corps as the formal rulemaking process continues.

Tax-Exempt Municipal Bonds and Advance Refunding

NATaT continues to support the preservation of tax-exempt municipal bonds and has advocated to restore local government authority to advance refund tax-exempt bonds (authority was eliminated in the Tax Cuts and Jobs Act of 2017). A provision to restore advance refunding has been included in various bills over the past four years but has not been part of any bill that has become law.

Fiscal Year 2022 Budget and Appropriations

NATaT supports funding for the following programs in the annual budget and appropriations processes: U.S. Department of Agriculture’s Rural Development programs, Federal Emergency Management Agency’s assistance to firefighter grant programs, the Economic Development Administration (EDA), and the U.S. Census Bureau. These programs are funded in the Agriculture Appropriations bill, Homeland Security Appropriations bill, and Commerce Appropriations bill, respectively. NATaT sends letters of support for these programs to House and Senate appropriators every year.

On December 3, Congress passed a stopgap appropriations bill or “Continuing Resolution” to fund the federal government at FY 2021 levels through mid-February 2022, thereby averting a government shutdown.

Other Advocacy and Administrative Efforts

Successful **NATaT Virtual Fly-In**.

Participated in the **Small Town America Civic Volunteer Award** program.

Working partnerships with federal agencies and national groups on issues of interest to NATaT.

NATaT Weekly Legislative Updates provide a Congressional Outlook for the week ahead and review of federal action on issues of interest to NATaT that occurred the previous week.

The Interconnect is a biweekly newsletter that focuses on federal actions related to broadband, cyber, and tech innovation.

Shared relevant **grant opportunities**.

Special legislative reports (*e.g.*, IJJA, ARPA, Preview of the First 100 Days of the Biden Administration).

Breaking news reports on issues/announcements of interest to NATaT.

Organized and facilitated **monthly conference calls** for NATaT Board of Directors.

Organized and facilitated **board meetings**.

Hosted **webinars** for NATaT members on ARPA funding and the Census.

Participated in NATaT-member **State Association meetings** (Ohio, Pennsylvania, Illinois).

Drafted **articles for association member magazines** on federal legislative and regulatory topics.

Maintained and regularly updated **NATaT website**.