

WRITTEN STATEMENT FOR THE RECORD

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ON BEHALF OF THE NATIONAL ASSOCIATION OF COUNTIES

HEARING TITLED, "IMPLEMENTING IIJA: OPPORTUNITIES FOR LOCAL JURISDICTIONS TO ADDRESS TRANSPORTATION CHALLENGES" BEFORE THE COMMITTEE ON THE ENVIRONMENT & PUBLIC WORKS SUBCOMMITTEE ON TRANSPORTATION & INFRASTRUCTURE UNITED STATES SENATE

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Good afternoon, Chairman Cardin, Ranking Member Cramer, Senator Lummis and the distinguished members of the Subcommittee. Thank you for the opportunity to testify before you today to provide a local perspective of the implementation of the historic *Infrastructure Investment and Jobs Act* (IIJA/P.L. 117-58).

My name is Jim Willox, and I am the Chairman of the Board of Commissioners in Converse County, Wyoming, where I have served since 2007. I also serve as President of the Wyoming County Commissioners Association (WCCA) and am an active member of the National Association of Counties (NACo).

Among Wyoming's 23 counties, Converse is centrally located in the state and is one of the ten largest counties by size at just over 4,200 square miles. With just under 14,000 residents and a population density of 3.2, Converse County is considered rural by the U.S. Census Bureau. Mineral-related extraction and energy production are the largest economic drivers in our region. Home to the country's largest uranium mine, substantial oil and gas reserves, five wind farms, solar potential and sprawling cattle and sheep ranches, Converse County is critical to the United States' natural resource and energy production.

Converse is characteristic of Western counties, including isolated geography, sparse population and extreme climate conditions. Counties in the West are also uniquely challenged by federal land ownership, which severely constrains the ability of our counties to raise revenue. Roughly 15 percent of Converse County's surface acreage is federally owned. In the mineral rich northern portion of the county, this figure increases to 65 percent.

Like Converse County, nearly two-thirds of America's counties are rural, meaning they are located outside of an urbanized area and encompassing less than 50,000 residents. Of these rural communities, half have a population below 25,000. At the same time, there are more than 120 major urban counties, where essential services are provided locally to more than 130 million county residents.

While some transportation challenges may be siloed in certain regions of the country, rural, suburban and urban counties alike rely on a strong, solutions-based intergovernmental partnerships to meet our significant public transportation responsibilities. Sixty-six years since the authorization of the Interstate Highway System, the need to improve highway, road and bridge infrastructure is felt nationwide.

In addition to Converse County, I am here today on behalf of NACo, who represent the interests of all of America's 3,069 counties, parishes and boroughs – including Wyoming's 23 counties. Through NACo, county officials work together to find solutions for the vast amount of the nation's surface transportation assets that we build, own, operate, maintain and use on a daily basis.

County governments collectively own more public road miles (44 percent) and bridges (38 percent) than any other level of government. Converse County owns and operates well above the national average at <u>62 percent</u>. In Wyoming, 64 percent of public road miles are maintained by local governments.

As <u>leaders</u> in the national infrastructure network, counties annually invest \$60.5 billion in the construction of transportation infrastructure and the maintenance and operation of public works and

act as a driving force that connects communities and strengthens economies.

As we celebrate the one-year anniversary of the enactment of the IIJA, America's counties thank you for your work to deliver a historic investment in American infrastructure. We are pleased to see that infrastructure investment continues to be a bipartisan topic of discussion among our congressional leaders and appreciate the opportunity to provide a local perspective on implementation.

To this end, counties offer the following considerations:

- <u>America's counties are working to deliver transformational infrastructure projects for our</u> residents and need responsive federal partners.
- Federal policymakers should eliminate obstacles and ensure the timely establishment and rollout of competitive grant awards.
- <u>Counties act as safeguards of the national transportation system and urge direct funding of</u> <u>local infrastructure.</u>

America's counties are working to deliver transformational infrastructure projects for our residents and need responsive federal partners.

Counties appreciate the bipartisan work of lawmakers in delivering the IIJA, a truly once-in-ageneration opportunity for state and local governments to improve our nation's infrastructure. As FY 2022 funding is awarded by the U.S. Department of Transportation (USDOT), counties are good stewards, delivering results for our residents.

In Wyoming, this includes the repair or rehabilitation of 45 locally owned bridges across the state with the help of the Wyoming Department of Transportation (WYDOT). This would not be possible without our WYDOT partners, who are investing almost 35 percent of available funds in local bridge projects, rather than the minimum 15 percent required by law.

Statutorily referred to as "off-system bridges" (OSBs), local bridges are critical connections in communities across the country. Unfortunately, because of their location off of the National Highway System (NHS), these structures are typically ineligible for Federal-Aid Highway Program (FAHP) funds.

OSBs are a national concern for counties, <u>who collectively own 62 percent</u> of these often-compromised structures. Wyoming is <u>well above the national average</u> at 82 percent. Representing vital cogs in the national system, nearly 50 percent of all public bridges in the country are off-system and fall to the responsibility of local governments to operate and maintain.

In Wyoming and across the country, many of these bridges carry low traffic volumes but may be the only connection to emergency services, economic operations or schools. A failure in some could completely isolate families, business and access to critical resources and institutions. A road is only as good as its weakest mile, or in this case, bridge. The connectivity of our interstate, highway, gravel road, and bridge infrastructure is vital. If you cannot get from point-to-point, what good is our system?

While FAHP funds are apportioned in lump sums directly to state departments of transportation (DOTs), county public works departments rely on the consistency of these programs for a number of reasons, including local sub-allocations and critical OSB set-asides. Although the set-asides are flat through FY 2026, new (Bridge Formula Program) and existing (Surface Transportation Block Grant) formula programs in the IIJA boost support for OSBs by roughly 130 percent over the authorization levels set by *the Fixing America's Surface Transportation Act* (FAST Act/P.L 114-94).

In addition to increasing FAHP funds by 32 percent from the FAST Act, the IIJA also significantly increased the number of competitive funding opportunities that counties may apply for directly through USDOT. New practices – such as using a common application for multiple funding opportunities – and new programs – such as the Bridge Investment Program (BIP) – have been vital for the counties in Wyoming and across the nation in applying for competitive programs.

We applaud USDOT's recent announcement of the first round of BIP awards, where 40 percent of grants were awarded to counties or county authorities. These crucial planning grants will help counties build capacity and advance local bridge projects to the capital construction phase. Like the BIP, the new Rural Surface Transportation Block Grant (RSTBG) increases in funding over the life of the IIJA.

RSTBG is a much-needed opportunity for eligible counties to invest in America's rural roadway system, where nearly half of the <u>nation's traffic fatalities occur</u>. The new Safe Streets for All Program is also an important new opportunity for counties to improve load road safety, where local and tribal governments and Metropolitan Planning Organizations are the sole eligible entities.

While the IIJA offers many new opportunities, county governments of all sizes may still face barriers to access, and this is especially true for rural America. Seeking federal grant funds comes with a cost. Unfortunately, this cost can be prohibitive for small or rural counties who must first and foremost evaluate the feasibility of applying for a competitive opportunity.

Capacity issues and constrained finances are common at the local level. In many cases, the elected official may be the one writing the grant. Should a small or rural county successfully overcome the obstacles they face and receive a federal grant, the subsequent reporting requirements that accompanies the award may be too onerous for the jurisdiction to comply with. In many small counties, the reporting requirement may fall on the county clerk or treasurer, who are seldom proficient in federal grant requirement reporting. Nevertheless, we comply.

True for all recipients of federal infrastructure funds, confusing, complex and often unnecessary regulations can make implementing an award just as challenging as applying and competing for the opportunity.

<u>Federal policymakers should eliminate obstacles and ensure the timely establishment and rollout of competitive grant awards.</u>

The IIJA has provided a path forward for badly needed improvements in communities across the country, and Congress and federal agencies must now ensure it can meet its intended goal of improving American infrastructure. Past examples must serve as cautionary tales where overreach and

regulation prevent the timely deployment of badly needed investments.

The IIJA significantly expanded Buy America (BA) provisions, including to all federally supported infrastructure projects, and the White House Office of Management and Budget (OMB) subsequently issued implementation guidance.

Counties fully appreciate the intent of BABA, though strongly believe it should be applied in a commonsense way that appreciates any lack of domestic availability or grand costs inconsistent with the public interest and issues waivers accordingly. In response to the guidance, NACo submitted <u>public</u> <u>comments</u> to covered agencies in support of waivers that would offer additional time for local compliance.

Local governments rely on guidance released by federal agencies, such as the aforementioned OMB BABA memo and instructions from USDOT's sub-administrations, such as the Federal Highway Administration (FHWA). County officials encourage our federal partners to avoid being overly prescriptive in crafting implementation guidance and rather issue clear directives that grant maximum flexibility.

Streamlining the federal permitting process is a longstanding priority of local governments, who bear the costs of unnecessary delays created by the decades-old environmental review process established under *the National Environmental Policy Act* (NEPA/P.L. 91-190). **NEPA must be narrowly tailored to ensure agencies consider the environmental impacts of their actions, not create unintended consequences that delay or prevent the delivery of critical infrastructure for our residents.**

Unintended consequences resulting from the current NEPA process continue to degrade county budgets and delay even the simplest of projects with little to no impact on the surrounding environment. While categorical exclusions (CEs) are intended to address projects like this, in practice they may be disregarded for fear of litigation or other reasons, forcing a county to undergo the same process it would have without the exclusion.

There is generally little or no reason to go through the NEPA process to repair or replace a county road or bridge that has been in place for decades. We have roads in Converse County that have been in place for 100 years. No additional analysis is needed and NEPA in this case only adds costs, delays and frustration to the real goal of improving our transportation system.

As strong <u>supporters</u> of the "One Federal Decision" initiative, counties are pleased to see elements of OFD codified by the IIJA. We encourage federal agencies to apply OFD whenever possible to deploy investments as quickly as possible in a way that is environmentally sound. Among other permitting provisions, the BIL also nominally improved CEs, though counties support further increases to the thresholds. In today's cost environment, the \$6 million CE remains low and unnecessarily burdensome.

The county message is simple: get grant funds out as quickly as possible to the communities where they are needed most. In the current economic environment, construction materials are extremely expensive and delays can result in unmanageable project cost increases. Inflationary pressures, combined with the four-year expiration date on most USDOT funds, could have disastrous

consequences for the IIJA's investments.

This includes the potential for leaving the investments unrealized for future generations who will be left to pay the debt. Counties urge federal lawmakers to extend the timeline that these funds remain available, thereby ensuring not only the delivery of transformational infrastructure projects as intended by the IIJA, but also longer term employment opportunities.

<u>Counties act as safeguards of the national transportation system and urge direct funding of local</u> <u>infrastructure.</u>

While county officials appreciate the IIJA's creation of dozens of new opportunities with the potential to fulfill a variety of local infrastructure needs, we do not believe new competitive opportunities should come in lieu of direct federal funding for locally owned infrastructure.

When the national transportation network is considered, too often *only* federal highways come to mind. In reality, the network depends on road classifications of all types and a failure at any level can have catastrophic consequences for the rest of the system. No better example exists than the current supply chain shortage.

As a major rail strike looms, heavy truck travel continues with the potential to greatly increase. USDOT reports that <u>46 percent</u> of heavy truck vehicle miles traveled occurred on local rural roads, where 56,500 bridges have been posted for load capacity or closed entirely. The impact of this closed bridge is felt far beyond local economies when trucks are forced to travel up to three times longer distances to find a passable bridge.

Felt even closer to home, a fellow Commissioner of mine must use gravel and paved counties roads; and local, state, and federal roadways when delivering his cattle to market – all in a single, two-and-a-half-hour trip. Workers in resource rich northern Converse County take similar trips daily to help energize our country.

Breakdowns in the supply chain can be mitigated at the local level if we are equipped to do so, including by having the maximum flexibility possible to use federal grant funds to operate almost half of America's public road miles and four out of every ten of the nation's bridges.

Counties stand ready to meet new and ongoing challenges to the national network; however, we must rely on a strong intergovernmental partnership to meet our considerable transportation responsibilities that serve many more individuals than just our residents. Forty-five states <u>limit the ability of counties</u> to raise revenue in various ways. Western counties face an additional obstacle posed by the large share of public lands owned by the federal government that fall within our county boundaries, which prevents counties from levying property taxes in these areas.

As proven good stewards of federal dollars, county officials believe a direct, consistent federal funding stream for local roads and bridges would ensure a more robust infrastructure system in the future.

Wyoming Governor Mark Gordon has noted that the debt from this bill, and others passed in response to the pandemic, will be carried by future generations; therefore, we must make generational investments with these funds.

County officials live and work in our communities every day and know the needs of our residents better than federal agency officials. Allowing more time and broad flexibility offers the best opportunity to achieve meaningful improvements for decades to come.

Conclusion

Chairman Cardin, Ranking Member Cramer, Senator Lummis and the distinguished members of the Subcommittee, thank you again for the opportunity to testify before you today to provide a local progress update on the implementation of the IIJA.

Today's one-year anniversary of the IIJA marks an occasion to be celebrated! County leaders thank you for your bipartisan efforts to strengthen America's infrastructure and looks forward to working with you to achieve our shared infrastructure goals.