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ASSOCIATION
OF TOWNS
AND TOWNSHIPS**

Transportation Priorities in the 118th Congress

Ensure Federal Transportation Funds Flow to Towns and Townships

NATaT Supports Increasing Access to the Federal Off-System Bridge Program

NATaT supports the U.S. Department of Transportation's (USDOT's) Off-System Bridge program, which funds state and local bridges that are not on the Federal-aid Highway system. However, many of the nation's "bridges" that need repair and replacement are not eligible because they do not meet the federal definition of a bridge. Federal regulations define a bridge as a structure having a span greater than 20 feet (23 CFR 661.17(a)(1)). NATaT supports a carve-out of the off-system bridge program to include structures that are 10 to 20 feet, which states must distribute through a competitive process.

NATaT Supports a Realistic Definition of "Rural"

The Bipartisan Infrastructure Law created many opportunities for local governments to secure federal assistance to shore up failing infrastructure, including infrastructure in smaller, more rural communities. However, many of the programs – transportation and otherwise – have different definitions of "rural." For example, the Federal Highway Administration's Rural Surface Transportation Grant Program and the Rebuilding America's Infrastructure Sustainably and Equitably (RAISE) Grant Program define rural as "Located outside of a U.S. Census-designated urbanized area with a population of 200,000 or more." The Federal Transit Administration's Bus and Bus Facilities Grant program and the Federal Railroad Administration's Railroad Crossing Elimination Grant program define rural as "Located outside of a U.S. Census-designated urbanized area (<50,000)." The majority of towns and townships in this country have a population of 5,000 or less. If the federal government wants to ensure needed funds are getting to all areas of the country – urban and rural and anywhere in between – a more realistic definition of rural is necessary.

NATaT supports the Rebuilding Rural Roads Act (H.R. 3002) that reduces the population definition of rural area in the Rural Surface Transportation Grant Program from 200,000 to 20,000. This bill would level the playing field for rural America to access competitive grant funds by making sure the eligibility requirements accurately represent rural communities.

Keep Heavier, Larger Trucks Off Our Roadways

NATaT Opposes the SHIP IT Act (H.R. 471)

The current weight limit for trucks operating on the federal highway system is 80,000 pounds. The SHIP IT Act would create a nationwide “pilot” program to increase the national truck weight limit to 91,000 pounds or higher. The measure would also create an unlimited weight limit for battery powered trucks. NATaT opposes this effort as larger, heavier trucks imperil road safety and severely impact our already weakening infrastructure, especially on local roads and bridges where these vehicles ultimately travel.

Funding the Highway Trust Fund

NATaT Cautions Against VMT

As federal receipts into the Highway Trust Fund continue to decline, federal policymakers are considering ways to fund the national transportation system. One mechanism is a “vehicle miles traveled” (VMT) fee. NATaT is concerned that a VMT fee would impact rural drivers disproportionately higher than others. Studies have shown that a per-mile VMT fee of between five cents and 25 cents would increase the daily work trip costs for low-income rural residents between \$2.80 and \$14 per day. NATaT wants to ensure that any effort to impose VMT fees considers the limited transportation options for rural residents and the resulting need to use their vehicles to access work and daily services.



Tax Priorities in the 118th Congress

Tax Parity for Volunteer Drivers

NATaT Supports Increased Federal Volunteer Driver Mileage Reimbursement

NATaT supports reintroduction of the Volunteer Driver Appreciation Act. The federal business driver mileage reimbursement is 65.5¢/mile and the federal volunteer driver mileage reimbursement is 14¢/mile and has been that rate for decades. NATaT supports efforts to raise the volunteer mileage rate to the standard business rate for volunteers who drive their vehicles on behalf of charitable nonprofits to transport property or individuals. With increased transportation and energy costs, many individuals have stopped donating their time to help others. Eliminating the difference between the charitable mileage rate and the standard business rate will allow volunteers to defray one of the largest costs associated with volunteering.

Support the Preservation of Tax-Exempt Municipal Bonds and Reinstate Advance Refunding

NATaT Supports the Bipartisan Investing in Our Communities Act (H.R. 1837) to Advance Refunding of Municipal Bonds

Changes to the tax code in 2017 led to the repeal of the exclusion of interest income earned on advance refunding bonds from federal income taxation. This change to the tax code makes it more expensive for local governments to take advantage of a favorable interest rate (similar to individuals refinancing their home mortgage) thus reducing their borrowing costs and freeing up resources for new projects. According to recent data, \$2.35 billion is saved per year on the issuances of advance refunding bonds.



Farm Bill Priorities in the 118th Congress

All Titles

NATaT Supports Enhancing Accessibility to Farm Bill Programs

Current regulations and statutory requirements are cumbersome and restrict many communities from accessing the resources provided by Farm Bill programs. NATaT supports legislative action to streamline application processes and reporting requirements for Farm Bill programs and efforts to use competitive grants over direct and guaranteed loans. NATaT supports decreasing or eliminating federal match requirements that often keep our most disadvantaged rural communities from accessing these much-needed resources.

Rural Development Title

NATaT Supports Funds Directed to Capacity Building in Rural Areas

NATaT supports efforts to secure additional funding for rural capacity building — a provision in the Rural Development title of the Farm Bill that supports the development of rural communities by providing technical assistance and training to local communities and organizations. It is aimed at improving the capacity of rural communities to plan, implement and sustain projects that will promote economic development, environmental sustainability, and social well-being. By investing in rural capacity building and preparedness, Congress will help ensure that rural towns and townships have access to vital resources to meet the needs of rural America.

NATaT Supports Efforts to Bridge the Digital Divide

Access to high-speed internet connectivity is critical to rural America's economic and social sustainability. According to the Federal Communications Commission, approximately 14.5 million Americans lack access to broadband speeds of at least 25 Mbps download and 3 Mbps upload, with 11 million of these Americans residing in rural areas. Universal deployment of high-speed internet to rural communities would bring many essential benefits, including improved health care access through telemedicine services, increased ability for remote education and to help close the homework gap, and the promotion of quality economic development through the ability to support remote work opportunities.

The Farm Bill is a critical opportunity to authorize universal deployment and adoption of high-speed broadband services in rural America. In the next Farm Bill, NATaT supports increased authorizations for the Rural Broadband, Community Connect, and Distance Learning and Telemedicine Grant Programs. NATaT also supports a multi-year authorization of the ReConnect Loan and Grant Program, as Congress currently reauthorizes the program annually through the appropriations process.

We also support the Middle Mile Infrastructure Program, which did not receive a multi-year authorization in the 2018 Farm Bill. The Bipartisan Infrastructure Law provided one-time middle mile funding, but Congress has not appropriated funding specifically for middle mile, which helps reduce the cost of bringing high-speed Internet to unserved and underserved communities.



Telecommunications Priorities in the 118th Congress

Broadband plays a crucial role in our daily lives and is essential for economic development, education, healthcare, and social interaction. In recent years, historic amounts of funding have been allocated to support programs aimed at solving the digital divide, especially in rural America. From the American Rescue Plan Act (ARPA) to the Infrastructure Investment and Jobs Act (IIJA), billions of dollars are available for broadband deployment, affordability, and digital equity efforts. Working in collaboration with broadband service providers, NATaT is committed to bringing accessible, affordable, reliable, and secure high-speed internet to both unserved and underserved areas within its member states.

Ensure the Long-Term Stability of the Universal Service Fund

NATaT Supports Efforts to Reform the Universal Service Contributions System

Universal Service is the principle that all Americans should have access to quality telecommunications and information services at “just, reasonable, and affordable rates,” regardless of where they live or their economic status. The Federal Communications Commission (FCC) has established several programs to fulfill the goals of Universal Service: Connect America Fund (formerly known as High-Cost Support) for rural areas; Lifeline (for low-income consumers); Schools and Libraries (E-Rate); and Rural Health Care. These programs are funded by the Universal Service Fund (USF) through contribution fees assessed on the revenues of providers of telecommunications services, such as service over traditional circuit-switched or mobile lines.

These contributions are declining dramatically as customers migrate from traditional telecommunications services to broadband and other services that contribute at lower rates or not at all. NATaT supports the Reforming Broadband Connectivity Act (H.R. 1812/S. 975), which would direct the FCC to initiate a rulemaking process to reform the USF contributions system in a fair and equitable manner for consumers and businesses to ensure the long-term viability of the Universal Service programs.

NATaT Opposes Efforts to Preempt Local Authority

NATaT Supports Reversal of Franchise Fee Order

NATaT opposes any federal efforts that further limit the authority of local franchising authorities (LFAs) to regulate and assess fees on cable operators and other providers of wireline video and broadband

services. In August 2019, the FCC adopted new rules that permit cable operators to reduce their franchise fee payments by the fair market value of their non-cash “in-kind” contributions. The rule change meant that any non-monetary benefit negotiated by an LFA in a franchise agreement could be charged back against franchise fees, including institutional networks, complimentary cable service to government buildings, electronic program guides, and the value of PEG channel capacity itself. Congress did not intend these in-kind obligations to be franchise fees and neither the plain language nor the legislative history of the Cable Act supports the Commission’s adoption of the new rules.

NATaT supports the Protecting Community Television Act (H.R. 907/S. 340), which would reverse the FCC’s 2019 order requiring that cable-related, in-kind contributions be subjected to the statutory five percent franchise fee cap.