

October 27, 2008

Dear Speaker Pelosi, Minority Leader Boehner, Majority Leader Hoyer, Majority Leader Reid, Minority Leader McConnell, Chairman Oberstar, Ranking Member Mica, Chairman Boxer, Ranking Member Inhofe:

The National Association of Regional Councils (NARC) applauds your efforts in urging more opportunities to rebuild our economy, particularly through a thorough, detailed examination of infrastructure spending. The infrastructure inadequacies plaguing our communities – crumbling bridges, aging highways, rail, ports, mass transit, and deteriorating water and sewer systems – are in dire need of maintenance and improvement. Significant infrastructure attention and funding at all levels of government is required to improve safety, the environment, interconnectivity and commerce. Your willingness to find real solutions to these challenges is a necessary step in defining a commitment to upgrading our infrastructure nationwide. NARC supports increased infrastructure funding in a second stimulus effort, encouraging opportunities that foster multi-jurisdictional, regional solutions to improve the economy.

Why NARC believes U.S. infrastructure investment important?

NARC believes in strong, federal-level infrastructure investment:

- It is a key stimulus for economic growth and a measure of global competitiveness;
- History has proven the long-term infrastructure investments in the 1940s, 1950s, and 1960s led to America's unprecedented growth through job creation, building a foundation for future economic prosperity;
- It is critical to Americans' quality of life;
- It is central to making America more environmentally sustainable; and,
- It is the lifeline of health, safety and security to our communities and citizens.

Where does U.S. infrastructure investment stand?

- The American Society of Civil Engineers estimates that \$1.6 trillion is needed over a five-year period in federal, state and local funds, not accounting for population growth, to bring the nation's infrastructure to an acceptable condition.
- An August 2007 Congressional Budget Office report highlighted that commitments of both state and localities have continued to increase since 1980, with them shouldering around three-fourths of total spending (close to 90 percent of spending on operation and maintenance), while federal spending on infrastructure hovers around 3 percent of total expenditures in the federal budget.
- The New America Foundation has reported that many state and local governments are facing budgetary crises that will constrain a great majority of infrastructure spending due to the current economic slowdown and turmoil in the housing and credit markets. State and local governments are facing the perfect storm of increased federal mandates, balanced budget requirements, debt limitations and the need to keep low taxes, and, therefore, do not have the budget capacity to tap into the markets like in the past.
- Foreclosure increases, declining property values and falling consumer spending are likely to accelerate and further limit infrastructure spending.
- The America 2050 initiative points out that by the year 2050, the U.S. population is expected to grow by almost half from its 2000 level – providing tremendous opportunities even as it creates new challenges for communities and regions already reeling from growth-related concerns, such as the constraints of aging infrastructure systems in limiting economic potential.
- In terms of jobs creation, the US DOT estimates that for every \$1 billion invested in transportation by the federal government, 47,500 jobs are created; the National Utility Contractors Association estimates that for every \$1 billion spent on water infrastructure 57,400 jobs are created; and, the National Resources Defense Councils estimates that a \$100 billion initial investment in clean energy infrastructure will yield two million jobs over two years.
- Many of our regions, as studied by NARC, face severe underinvestment as needs outstrip our ability to fund critical infrastructure. From Boston to Miami, Atlanta to Sacramento, and Chicago to Houston, all of urban and rural America are sitting on billions of dollars of unfunded, dormant infrastructure projects.

What are some solutions?

NARC is part of the solution. NARC, representing regional Councils of Government (COGs), Metropolitan Planning Organizations (MPOs) and Rural Planning Organizations (RPOs), serves as the national voice for regionalism – advocating regional cooperation as the most effective way to address a variety community planning, development and infrastructure issues. These regional agencies and their local elected officials are knowledgeable about the infrastructure issues that cut across city, county and, often times, state boundaries, and their expertise in regional infrastructure financing, planning and development, and implementing new, emerging technologies is an important asset in determining infrastructure investments and spending.

As you are probably aware, COGs and MPOs are responsible for billions of dollars in transportation planning and programming each year, coordinating the overall planning and programming for projects and operations regionally throughout the country. They are also responsible for building local capacity; developing and implementing strategic investment plans; fostering regional cooperation and economic competitiveness; forging public and private partnerships; and, securing and managing funds from local, state, federal and private sources. In fact, NARC member, Gary Gallegos, executive director of the San Diego Association of Governments (SANDAG) will detail the specifics of regional organizations and their positive impacts on and real needs for investing in infrastructure to boost the economy, using the San Diego region as an example, at the October 29th House Transportation and Infrastructure Committee hearing, “Investing in Infrastructure: The Road to Recovery.”

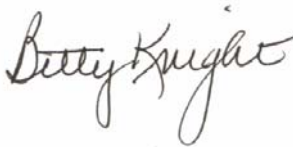
NARC and its members appreciate your commitment to making sustained and strategic public investments in infrastructure. We offer our support on funding for ready-to-go infrastructure projects in the second stimulus package to stimulate jobs, reinvigorate local and national economies and possibly forestall deep problems within state and local governments.

The more infrastructure is promoted at all levels of government, the better understanding and more support voters, citizens, businesses and policymakers will have when preparing for future efforts and challenges, many of which will be centered around reauthorizing the surface transportation bill, creating a water trust fund and dealing with the impacts of climate change – all infrastructure-related issues.

As we move forward, we hope to partner with other organizations, our elected leaders and businesses to develop strong policies and strategic plans that will engage our regions in infrastructure solutions that will transform and improve our system at all levels.

NARC offers its assistance to you and your colleagues on these efforts. Please do not hesitate to contact NARC’s executive director Fred Abousleman for more information at 202.986.1032, x216 or fred@narc.org. Thank you.

Sincerely,



Betty Knight
President, National Association of Regional Councils
Presiding Commissioner, Platte County, Missouri