

July 21, 2020

RE: Additional Support and Flexible Revenue Replacement for Infrastructure and Economic Recovery

Dear Members of the North Carolina Congressional Delegation,

We, the undersigned North Carolina-based organizations, thank you for your continued focus on addressing the damaging health and economic effects of the COVID-19 pandemic.

As we are sure you are aware, those effects include the choking of revenue streams that fund infrastructure vital to a healthy economy and crucial to economic recovery moving forward. Road construction and maintenance, public schools and other educational buildings, water and sewer facilities, and numerous other public works create a foundation on which private-sector activity flourishes. Without that foundation, economic recovery will be delayed. Jobs across the construction and associated industries will be lost.

Right now, in North Carolina, we know that the gas tax – the single largest source of revenue that goes toward road construction and maintenance – declined roughly 20 percent in the month of April. Proceeds from the state's highway use tax, a 3 percent tax on auto sales, dropped 27 percent.

As local governments have seen similar declines in sales tax collections and utility payments, a common response has been to delay construction projects. For example, the City of Raleigh has announced plans to cut \$13 million from its capital spending plan. Nationally, a National League of Cities survey found that 65 percent of cities are being forced to delay or cancel capital expenditure or infrastructure projects in order to address lost revenue. And counties across North Carolina report freezing capital project spending in their 2020-21 fiscal year budgets due to the decreasing and uncertain revenue picture.

Collectively, these cuts to infrastructure spending at the state and local levels will have a profound effect on North Carolina's economy unless Congress provides additional assistance.

We urge you to support additional and flexible revenue replacement to state and local governments so that the public and private sectors can continue to work together to build our infrastructure and help provide a path to economic recovery during this time of crisis.

We appreciate your consideration and would be glad to provide any additional information.

Sincerely,

American Council of Engineering Companies—North Carolina, Jim Smith, Executive Director

American Society of Landscape Architects—North Carolina, Courtney Landoll, President-Elect

Carolinas Associated General Contractors, Dave Simpson, President and CEO

Carolina Asphalt Pavement Association, Ellis Powell, Executive Director

Carolinas Electrical Contractors Association, Kendall Parker, Executive Director

North Carolina Aggregates Association, Jasper G. Stem, Jr., Executive Director

North Carolina Association of County Commissioners, Kevin Leonard, Executive Director

North Carolina League of Municipalities, Paul Meyer, Executive Director

North Carolina Society of Surveyors, James I. Jeffreys III, President

Plumbing-Heating-Cooling Contractors of North Carolina, Rob McClintock, President

Professional Engineers of North Carolina, Jennifer Bell, President

United Minority Contractors of North Carolina, Patrice Gilmore, Chair