



Arlington County Federal Legislative Policy Priorities  
111<sup>th</sup> Congress, First Session  
*June 15, 2009*

## Arlington County Vision

*Arlington will be a diverse and inclusive world-class urban community with secure, attractive residential and commercial neighborhoods where people unite to form a caring, learning, participating, sustainable community in which each person is important.*

## INTRODUCTION

Local governments play a critical role in the American federal system of government. As the level of government closest to the people, they are responsible for the delivery of the majority of government services. Whether it is education, public safety, transportation, community planning, environmental stewardship, affordable housing, mental health and substance abuse treatment, child and family assistance programs, watershed and stormwater management, waste disposal and recycling, or countless other services; individuals look to local governments to provide it.

Broad policy and funding decisions made at the federal and state level directly impact the manner in which local governments function. It is therefore important for the Arlington County Board to articulate positions and concerns regarding those issues affecting local government and the residents we serve. Given Arlington's location in the National Capital Region and the number of federal employees and agencies that call Arlington home, we are in the unique position of being more closely linked to the federal government than most other communities.

The legislative priorities and policy positions contained in these pages represent only those issues that directly affect the ability of the County government to effectively deliver services to our residents. The Arlington County Board has a longstanding tradition of refraining from adopting an official statement or position on policies that are not within the authority and expertise of the County government.

The Arlington County Board enjoys a vigorous and continuous dialogue with our elected Members of Congress. This statement of policy and priorities is an important starting place for that dialogue. As with all policy documents, the County Board revises and updates its positions as new information becomes available. We do, however, expect this document to provide a general sense of the County's expectations with respect to the Federal role and how that role relates to the Arlington County government and our mutual constituents.

We are thankful for the efforts of our Congressional Delegation last year that resulted in numerous legislative victories for Arlington in the 110<sup>th</sup> Congress. The 111<sup>th</sup> Congress convenes at a time when there are many pressing national issues that must be addressed, and we look forward to continuing to work with our elected Members of Congress to ensure the most effective outcomes for our nation, the Commonwealth, and Arlington County.

## TOP COUNTY PRIORITIES

1. **American Recovery and Reinvestment Act (ARRA).** Arlington County applauds the Congress and the Administration for their efforts to address the nation's financial crisis and stabilize state and local governments. Local governments are important partners in this effort – Congress has done their part and now the time is for us, as the economic engines of the country, to do our part. Arlington County remains committed to providing responsible stewardship of these resources as we seek to create jobs, provide a boost to our economy by making strategic, long-term investments in our communities, while providing resources to assist those most affected by the economic downturn.

Action Requested: Arlington County looks forward to working with our federal and state partners on the implementation of ARRA.

2. **Federal Transportation Reauthorization Bill.** The reauthorization of the federal transportation bill is one of the most important issues facing the 111<sup>th</sup> Congress. The confluence of the important issues of global climate change, reducing our dependence on foreign oil, investing in our nation's infrastructure, and spurring long-term economic growth create the opportunity to fundamentally change the way people move for years to come. Never before have our citizens been as interested in and willing to utilize transit, and we must act now to make it more affordable, convenient, reliable and integrated in communities throughout the United States. Additionally, with 33% of all greenhouse gas emissions coming from the transportation sector, providing transportation choice is central in our efforts to combat global climate change. As such, the new authorization bill must embrace and reward the principles of smart growth, transit oriented development and transportation choice.

Congress must also increase funding for those transportation programs that benefit not only our transportation sector but that also benefit the sustainability of our communities. Currently, federal funding for transit programs accounts for only 20% of overall surface transportation funding. While the County understands all too well that there are pressing needs in the area of highways and bridges, we cannot accomplish our transportation and environmental goals with this disproportionate level of investment in transit. The federal government must recalibrate its investments in the transportation sector in such a way as to invest more heavily in multimodal strategies that focus on the ultimate goal of moving people, and not simply moving more vehicles.

Action Requested: Arlington County urges Congress to dramatically increase funding for transit programs; provide greater flexibility to states, local governments and metropolitan planning organizations in the use of federal funds to fit their area's unique needs; and integrate smart growth principles into federal programs and funding determinations.

3. **Climate Change.** Climate change represents an urgent threat to the environmental and economic health and sustainability of our local communities, the Commonwealth, our nation and the world. We recognize the vital role local governments play in the efforts to address this important issue, and Arlington has been proud to assume a leadership role. The Arlington Initiative to Reduce Emissions (AIRE) was announced on January 1, 2007, and we are well on our way to accomplishing our initial goal of achieving a 10% reduction (from CY2000 levels) in greenhouse gas emissions from County government operations by 2012.

Action Requested: Arlington County urges the Congress to enact meaningful climate change legislation in the 111<sup>th</sup> Congress that will reduce greenhouse gas emissions and incentivize renewable energy production.

4. **Federal Aviation Administration (FAA) Regulations on Building Height.** Arlington has requested that the FAA work with the County and the Metropolitan Washington Airports Authority (MWAA) on a process that would result in a prospective plan for the future airspace and radar operations associated with National Airport. The purpose is to develop a three party agreement that clarifies going forward building heights and massing that Arlington can plan for without impinging on airport operations and would be similar to the process currently underway in Miami, Florida. Current regulations require a building by building analysis with little guidance or support for new development by either FAA or MWAA.

Action Requested: Arlington County requests the assistance of our Congressional Delegation in facilitating meetings between the FAA, MWAA and Arlington County with the goal of producing an agreement that ensures safety and provides Arlington County with the information necessary for comprehensive planning.

5. **I-66 "Spot Improvements."** Arlington County commends the action by the National Capital Region Transportation Planning Board to place additional requirements on the I-66 Spot Improvements Project by providing conditional approval of the project through the 2009 Constrained Long-Range Transportation Plan (CLRP). While Arlington County supports efforts to reduce congestion on I-66 inside the beltway, we are strongly opposed to the project as proposed by the Virginia Department of Transportation (VDOT). Arlington believes that these efforts to widen I-66 are shortsighted and will be ineffective in reducing congestion. Prior to any efforts to widen I-66, a thorough study must be completed to examine multimodal improvements and environmental impacts of all alternatives, including but not limited to, the extension of Metrorail through Tysons Corner to Dulles International Airport, bus rapid transit and high occupancy toll lanes, extending the hours of HOV incentives inside the Beltway so that they are consistent with those outside the Beltway, additional incentives to increase group riding, and initiating HOV incentives in the contra flow direction. The problem of congestion on our roads is too complex and too difficult of a problem to be solved with simply building additional travel lanes and additional roads, and a systemic view that seeks a layered, multimodal transportation system focused on moving people, not vehicles, is needed.

Action Requested: Arlington County requests that FHWA and VDOT work with Arlington County to address our concerns regarding the effectiveness, environmental impacts, and impact on County streets before moving forward with the project. In addition, consistent with the TPB action, the County requests that no additional funding be allocated to the project until the completion of the requested multi-modal studies.

6. **I-95/395 High Occupancy Toll (HOT) Lanes Project.** On January 27<sup>th</sup>, the Arlington County Board passed a resolution of disapproval of the HOT Lanes Project as currently constituted. The project would convert the two existing High Occupancy Vehicle (HOV-3) lanes into HOT lanes between the Town of Dumfries and Arlington County. The County believes that the Categorical Exclusion documentation, approved by the Federal Highway Administration (FHWA) on August 31, 2008, did not receive adequate review and that this project will have an adverse impact on the citizens of Arlington County and the Northern Virginia region.

Action Requested: Arlington County requests that FHWA and VDOT work with the affected local jurisdictions to ensure that the impacts to localities created by this project are adequately captured and addressed in the environmental documentation and any subsequent project agreements.

7. **Four Mile Run Levee Certification.** In the wake of Hurricane Katrina, the Federal Emergency Management Agency (FEMA) has undertaken a program to re-certify our nation's levees and update our 90,000 flood hazard maps. While Arlington County understands and supports the goals of the program, we are concerned with the dramatic expansions of the 100-year flood zone for the levees that FEMA has reviewed to date, as well as the two year levee certification timeline. These new requirements will significantly increase the scope, design and cost of flood protection along Four Mile Run, making the FEMA deadline unrealistic.

Action Requested: Arlington County looks forward to working with our Congressional Delegation on this issue that will affect waterways throughout the United States.

8. **State and Local Tax Debt Collection.** Arlington supports the passage of federal legislation to amend Title 31, United States Code, to allow certain State and local tax debt to be collected through the reduction of Federal tax refunds. Since 1984, the Internal Revenue Service has offset federal tax refunds as a means to collect past-due federal internal revenue tax liabilities. Due to its success, Congress has expanded the Offset Program several times to include other debt obligations. Administered by the Financial Management Service (FMS), the Offset Program now includes past-due state child support payments, past-due federal government agency debt and past-due state income tax. The legislation would establish a pilot program whereby eligible States, on behalf of a local government, would notify the Secretary of the Treasury of individuals who owe past-due, legally enforceable tax obligations to the local government. The individual's federal tax refund would then be reduced by the amount of the outstanding debt, which would be sent to the state taxing authority for transfer to the local government. Taxes represent the very foundation of government. At all times, it is incumbent that all levels of government collect the taxes they are due. In times of increased budget pressures and falling revenues, enhancing our collection efforts help to reduce the pressure of raising taxes and fees or reducing services. This legislation is an important tool in this effort.

Action Requested: Arlington County requests the support of our Congressional Delegation and urges the Congress to enact this important legislation.

9. **Land Exchange of Navy Annex Property.** On September 17, 2008, Arlington County entered into a land exchange agreement with the Washington Headquarters Service within the Department of Defense that will provide Arlington National Cemetery with additional acreage adjacent to its current boundaries on which to grow and will provide the County with a site for the construction of the Arlington Heritage Center and Freedman's Village Museum. Arlington looks forward to continuing to work with the Department of Defense in fulfilling the terms of this exchange agreement in the coming years.

The Cemetery remains a priority of Arlington County, and our interests are inextricably linked. Not only is the Cemetery one of our nation's most historic, revered and recognizable treasures, it is also one of the region's largest attractions, with over four million visitors annually. Arlington County supports the planned extensions of Arlington National Cemetery to accommodate additional burial space and we look forward to working together on infrastructure investments to support increasing visitor demands.

Action Requested: No action requested at this time.

10. **Washington Metropolitan Area Transit Authority (WMATA).** Arlington County commends the Congress for the passage of the National Capital Transportation Amendments Act of 2007 last year. We are especially grateful for the leadership of the Washington Area Congressional Delegation in this historic effort. The Metro system is in desperate need of a significant infusion of capital funding in order to maintain current performance, and we are glad to have the federal government as our partner in addressing this shortfall. The combination of a now-aging system with continually growing ridership, and a host of policy imperatives - including the problems of traffic congestion, the need to lower greenhouse gas emissions, as well as the national interest in reducing dependence on foreign oil - all underscore the need for increased capital investment in the region's transit system. We look forward to working with our colleagues in local and state government to ensure the necessary actions are taken to amend the WMATA Compact, so that we may move swiftly to implementation.

Action Requested: Arlington County urges the Federal government to appropriately fund the federal investment in capital and preventive maintenance projects authorized under Title VI of Public Law 110-432. The legislation authorized \$1.5 billion in federal funding over ten years, and while no annual targets were set forth, at least \$150 million annually in the current and future fiscal year will enable WMATA to begin work on these important projects.

11. **No Child Left Behind (NCLB).** The Arlington County Board concurs with the resolution entitled "All Children Will Learn," passed by the Arlington County School Board last year. While Arlington County supports the underlying policy goals and spirit of NCLB, the manner in which it has been implemented has resulted in numerous burdensome requirements, a lack of flexibility for local school districts in addressing the needs of their students, and a lack of targeted investment in schools serving larger concentrations of low-income and minority students. Additionally, the funding provided by Congress to local school districts has been woefully inadequate; in particular over the last three fiscal years, where appropriated funding has only been half of what was authorized under NCLB. This cannot continue if we are to achieve the kind of results for our nation's children that we initially conceived by NCLB. It is going to take a concerted and coordinated effort among all levels of government to provide the level of education that our children deserve and our nation's future prosperity demands.

Action Requested: Arlington County urges the Congress to make necessary improvements to the NCLB that will provide additional flexibilities to local school districts that are necessary to achieve educational success. Additionally, full federal funding to local school districts in support of NCLB must be achieved.

12. **Immigration.** Our nation's immigration system is broken and is in need of comprehensive reform. Throughout history, new Americans have been a vital asset to our nation, Virginia and Arlington County; greatly enhancing our economic, social, and political systems. The time has come to implement an immigration system that recognizes the benefits provided by immigration, respects all individuals, and strengthens our national security. As such, Arlington urges Congress to enact policies that provide a path to citizenship, provide the resources necessary to ensure an effective and timely processing of those eligible for legal permanent residency or naturalization, and promote the integration of immigrants into our society.

Action Requested: Arlington County urges Congress to enact meaningful and comprehensive immigration reform.

# LEGISLATIVE POLICY STATEMENTS

## TRANSPORTATION

**Flight Operations at National Airport.** Arlington County agrees with the Washington Metropolitan Council of Governments and every other jurisdiction in the National Capitol Region in opposition to any increase in the number of takeoffs and landings, or slots, permitted each day at National Airport. While National Airport does have some additional runway capacity, it does not have the necessary infrastructure capacity in order to accommodate the additional travelers. Increasing the number of slots and changing the perimeter rules would have substantial negative impacts on congestion, efficiency, service and the surrounding community.

**Smart Growth.** Arlington County supports H.R. 1780, the Smart Planning for Smart Growth Act of 2009, which would provide grants to states and metropolitan planning organizations for the development and implementation of sustainable land use and transportation plans. Arlington has long been a national model of smart growth. Between 1996 and 2008, Arlington County added 13,000 housing units, over 1,300 hotel rooms, 5.5 million square feet of office space, over 1.3 million square feet of retail, over 23,000 residents and 11,000 workers while traffic trends remained flat and transit ridership grew by over 44%. This success is the result of a dedication to long-term planning and funding for transit oriented development and smart growth. Our experience has shown that these actions benefit the environment, the community, and the quality of life for our residents.

**Complete Streets.** Arlington County supports H.R. 1443 and S. 584, the Safe and Complete Streets Act of 2009. This important legislation will ensure the application of complete street principles to all federally funded transportation projects. Arlington is committed to constructing and managing our street network to be complete streets, making them safe and comfortable for pedestrians, bicyclists, transit riders, motorists, and other users. Arlington's Complete Streets Program has been an important tool in our effort to provide and promote affordable, convenient, and integrated transportation choices to those that live, work and play in Arlington.

## PUBLIC SAFETY/EMERGENCY PREPAREDNESS AND RESPONSE

**Reimbursement for Inaugural Expenses.** Arlington County applauds the Congress for including \$20 million in the Fiscal Year 2009 Omnibus Appropriations Act under the Edward Byrne Memorial Justice Assistance Grant Program to "reimburse state and local government for security and other expenses related to the 2009 Presidential Inauguration." Arlington County incurred approximately \$1.1 million in expenses related to the inauguration and we look forward to working with the Department of Justice to ensure federal reimbursement for these costs.

**Criminal Justice Reform.** While the United States represents only 5 percent of the world's population, we house 25 percent of the world's prisoners. Today, nearly 2.5 million people are in prison and approximately 5 million more are on probation or parole. Additionally, the number of incarcerated individuals with a mental illness or a substance abuse disorder has never been higher. The time has come for a candid review of our current policies to see if they are the most effective use of the limited resources available to combat crime.

For these reasons, Arlington County supports the passage of S. 714, The National Criminal Justice Commission Act of 2009. Importantly, this legislation will create a blue-ribbon commission charged with undertaking a complete review of our nation's criminal justice system and providing concrete proposals for reform that will reduce the overall incarceration rate, improve the treatment of mental illness and

substance abuse disorders and establish a system for re-integration of ex-offenders. We applaud Senator Jim Webb for his dedication to this issue and urge Congress to enact this legislation as the beginning of the long overdue process of reforming our nation's criminal justice system.

**Northern Virginia MMRS Jurisdiction.** Arlington is one of 124 contract counties in the Metropolitan Medical Response System (MMRS). Under the contract, Arlington receives federal funding of approximately \$250,000 per year to enhance existing local and regional emergency preparedness systems to respond effectively to a public health crisis. The current structure does not take into account the regional response capability required, and Arlington requests an expansion of the MMRS from Arlington to the entire National Capital Region.

## **ENERGY/ENVIRONMENT**

**Energy Efficiency and Conservation Block Grant Funding.** Arlington County supports full funding for the Energy Efficiency and Conservation Block Grant Program, as authorized by P.L. 110-140. The Energy Efficiency and Conservation Block Grant Program is intended for state and local governments and authorizes \$2 billion annually over five years to assist them in their efforts to address energy efficiency and emissions concerns based on emission allocation levels. Importantly, Congress included funding for the program in the ARRA, however Arlington has identified many additional greenhouse gas emissions reduction and energy efficiency activities that could be undertaken immediately should funding be provided. Local government has been and will ever be the laboratory for deployment of new technologies and programs, and increased federal investment in support of these activities will enable us to achieve our local, regional and national emissions reduction targets.

**Energy Recovery.** Arlington County supports continuation of the inclusion of waste-to-energy as a renewable energy resource under all applicable federal programs and encourages the federal government to continue to offer financial support and incentives for all resource recovery efforts from waste. The Environmental Protection Agency (EPA) has considered waste-to-energy a renewable energy source for nearly thirty years, and 24 states currently recognize this as well. Arlington County's waste-to-energy program is part of a comprehensive municipal solid waste management system that minimizes the reliance on landfills and emphasizes the recovery of energy and materials from waste. The waste-to-energy program does this with a cost effective system and does so in a manner that exceeds current EPA standards for emissions.

**Clean Water Act.** Arlington County supports continued full funding of the federal Clean Water State Revolving Fund Program and urges rejections of the reductions requested by the Administration or the imposition of new unfunded mandated on charges. These federal monies support the Virginia Revolving Loan Fund, from which Arlington is seeking low-interest loans to fund approximately \$500 million in improvements at the Arlington Water Pollution Control Plant. These improvements will maintain Arlington's regional leadership role in wastewater nutrient-reduction, critical to the rehabilitation of the Chesapeake Bay.

**Plastic Bag Reduction.** Arlington County supports H.R. 2091, the Plastic Bag Reduction Act of 2009, introduced by Representative Jim Moran. The legislation would place a 5 cent tax on single-use carryout bags, to be paid by the consumer at the point of sale. Arlington County has been at the forefront of the effort to curtail the use of plastic bags and encourage the use of reusable bags at the local level and this important legislation will provide additional incentives in support of the use of reusable bags.

## **PUBLIC HEALTH/HUMAN SERVICES**

**Medicaid Reform.** The federal government has traditionally been the lead unit of government for ensuring the provision of health care to our nation's most vulnerable citizens. In the forthcoming discussion on health care reform, Arlington County urges the federal government to maintain a responsible level of services and encourages additional flexibilities through the optional services waiver program to allow state governments to meet their unique needs.

**Combating Obesity.** Obesity has become an epidemic that threatens the health of millions of Americans in the United States by increasing their risk of many diseases and health conditions. Especially troubling is the rapid rise in the number of obese children, which has nearly doubled since 1980. We can and must do more to combat this public health issue. In March 2007, the Arlington County Board and School Board announced the creation of FitArlington, a program designed to create an environment that supports healthy lifestyles by promoting healthy eating and physical activity for people of all ages and abilities. Through activities such as creating awareness of the benefits of physical activity, developing programs and opportunities that provide fun and healthy recreational activities that everyone can enjoy, promoting the elimination of smoking in public places, the elimination of trans fats in restaurants, and healthy food choices in vending machines located in County facilities, FitArlington seeks to foster personal health and wellness.

**Workforce Investment Act.** This is the fourth year for an "unauthorized" Workforce Investment Act. Arlington County supports a reauthorization which would maintain the current level of control now given to local elected officials in appointing members to the Workforce Investment Boards; developing local Strategic Plans; designating One-Stop Operators and One-Stop Centers; and approving WIA budgets; would extend the level of local control to allow local elected officials: to determine the number of required representatives to the Workforce Investment Boards, to determine to necessity of Youth Councils. Arlington County opposes consolidating the current funding streams of WIA adult programs with programs funded by Wagner-Peyser, as well as the use of WIA funds for faith-based initiatives.

**Older Americans Act.** Arlington County urges the Congress to enact a substantial increase in annual funding for Older Americans Act (OAA) programs. These programs provide older adults with critical community-based long-term care services such as home care, home-delivered meals, adult day care, legal services, transportation and caregiver support. In 2006, Congress reauthorized OAA, however annual appropriations have not met authorized levels and have failed to keep pace with the rapid growth in the aging population. Funding for these programs represent a compassionate and cost-effective approach by promoting dignity and independence for our nation's aging population at a much lower cost to the taxpayer when compared to institutionalization.

## **HOUSING**

**Stabilizing the Housing Market.** The downturn of the housing market and the decline of property values have resulted in drastic negative impacts to our residents, our neighborhoods, and government services that are being reduced as a result of declining tax revenues. The federal government must work with state and local governments in order to stabilize the housing market, provide alternatives to foreclosure, and enact comprehensive housing finance legislative and regulatory reform that not only seeks to prevent future crises, but will also strengthen efforts aimed at meeting the affordable housing challenge by providing a wide range of housing that can accommodate households of all income levels, sizes and needs.

**Supportive Housing.** Arlington County is committed to providing community-based housing coupled with flexible community based services for our residents in need, especially those with serious, persistent disabilities and health-related issues that are a potential barrier for them in maintaining their housing.

Arlington's program is based upon the Housing First model, which has proven enormously successful throughout the country. Not only has our experience shown that this model is a more compassionate and effective way to assist our residents, but it is also cost-effective. It is much less expensive to provide stable, supportive housing to combat homelessness than it does to provide crisis care and emergency housing services. The Section 811 Program administered through the Department of Housing and Urban Development is an important federal resource in this effort, however improvements are needed in order to streamline and improve the program. Arlington County believes H.R. 1865 will provide for these necessary reforms and we urge the Congress to enact this legislation.

**Washington Area Housing Trust Fund.** Arlington supports funding for the Washington Area Housing Trust Fund to use for the regional trust fund that will be used for pre-development, new construction, rehabilitation, bridge financing, and down payment and closing cost assistance. The Fund's goals are to: 1) increase and preserve the Washington region's supply of affordable homes by providing loans, grants, and equity investments to locally supported affordable housing developments; 2) increase the visibility of affordable housing by engaging new corporate champions; 3) help educate the region about affordable housing needs and opportunities; and 4) encourage balanced growth by placing priority on increasing and preserving the supply of affordable housing near job and transportation centers.

## LAND USE

**Arlington Hall Expansion.** Arlington County remains concerned about the effects to the local community as a result of the planned National Guard and Foreign Service Training Center Expansions at Arlington Hall. The purpose of the National Guard Readiness Center expansion is to relocate approximately 1,100 employees from leased space in Crystal City to the Arlington Hall site. The County is concerned that traffic will be negatively impacted along George Mason Drive and the Arlington Blvd Access Road as a result of the significant increase in vehicle trips to the site generated by the expansion. The Army National Guard Readiness Center at Arlington Hall is located outside of a Metro corridor and is under served by public transportation unlike the current National Guard facilities in Crystal City. Arlington requests that the National Guard commit to develop and implement a comprehensive transportation demand management (TDM) plan for the facility; and work in coordination with Arlington to develop and implement transit solutions to serve the employees of the Arlington Hall site and the surrounding community.

**Potomac Interceptor.** The Potomac Interceptor sewer system, constructed over 70 years ago, is a major regional sanitary sewer line serving the east-central portions of the County. The system's insufficient capacity has resulted in sewer backups and overflows, and improvements are required to eliminate these problems and provide capacity for anticipated build-out conditions. Originally constructed on county property, the existing sewer line and the proposed replacements now traverse federal lands, including National Park Service (NPS) and Arlington National Cemetery (ANC) properties. Arlington looks forward to continuing to work closely with NPS, ANC, the Department of the Army Military District of Washington, the Fort Myer Military Community, and other Federal agencies, as necessary to ensure the project meets its goal of providing necessary upgrades to the system while also minimizing disturbance to the federal lands and their operation.

**Federal Building Standards.** DoD's Minimum Anti-terrorism Standards for Buildings as they relate to leased space far exceed the government-wide building security standards, and in effect preclude locations in an urban setting. Arlington County supports the adaptation of these overly prescriptive standards to ones that are comprehensive, performance-based, reflect broader risk mitigation capacities, national in scope, and take into account both community and federal priorities.

**Potomac River Boathouse.** Arlington County seeks assistance in gaining right-of-way access as well as access to the Potomac River for the development of a boat house accessible by Arlington County for the use of Arlington schools. The County seeks support and assistance from the Department of the Interior, the National Park Service, and the Congress to advance this project towards reality.

## **TAX/FINANCE/ECONOMIC DEVELOPMENT**

**Base Realignment and Closure (BRAC) Economic Assistance.** As a result of BRAC 2005, the County experienced a reduction of 17,000 jobs from the loss of approximately 4 million square feet of leased office space - equivalent to four military base closures. Arlington commends our Congressional delegation for its effective leadership to date in protecting the vital science and research agencies and urges continued commitment to preserve this vital strategic and economic presence in Arlington. Further federal action is required in order to provide appropriate assistance to communities facing the economic impacts of the BRAC process.

First, Congress should amend the Defense Economic Adjustment Program and other relevant federal laws to ensure that military leased space is eligible for the same BRAC economic assistance as any other community, and should ensure specific small business assistance funding over the full six-year BRAC period for BRAC-impacted areas. Secondly, additional funding is required for the Department of Labor's Workforce Investment Act National Emergency Grants Program for BRAC-related activities. Since 2007, the program has provided funding to states to assist them in providing early workforce planning assistance to impacted communities. This assistance has been critical in the establishment of the Alexandria/Arlington BRAC Consortium and the provision of career development and transition services. It has come to our attention that the Department of Labor intends to discontinue this program effective July 1, 2009, when current funds are scheduled to be expended. Should this occur, BRAC related services in Arlington and Alexandria will cease to operate at the very time that these services are most needed.

**Unfunded Mandates.** Arlington County opposes legislative and regulatory initiatives that undermine local government decision making authority and place mandates upon state and local governments without reliable and sustainable funding necessary to enact them. The Unfunded Mandates Reform Act of 1995 requires that the federal government consider the financial impact on state and local governments and the private sector as the result of federal legislative and regulatory actions. All levels of government must work together to meet our shared objectives on behalf of our citizens, and if the Federal government imposes new duties or responsibilities upon local governments, sufficient resources must be provided in order to carry them out.

**IRS Withholding Requirements.** Section 511 of Public Law 109-222, the Tax Increase and Prevention and Reconciliation Act of 2005, requires federal, state and local governments who spend more than \$100 million on goods and services to withhold three percent of all payments to contractors and vendors and remit those monies to the Internal Revenue Service (IRS). Congress has delayed by two years the implementation date of this requirement, now scheduled to go into effect on January 1, 2012. While Arlington agrees with the stated purpose of the provision, protecting against business tax evasion, the cost to local governments of complying with this provision would be overly burdensome. Arlington County supports H.R. 275 and S. 292, which would repeal this onerous provision.

**Taxation of Transient Accommodations.** Arlington County is opposed to any federal legislation that would prohibit localities from ensuring proper and equitable taxation of hotel rooms booked online through third party Internet intermediaries. States and local jurisdictions have long imposed a transient occupancy tax on the rental of guest accommodations, and these revenues are typically used to finance tourism promotion or tourism-related facilities. Traditionally, online reservations through third party Internet intermediaries resulted in a reservation being made on behalf of the guest, who would then be

charged directly by the hotel operator at checkout. The third party Internet intermediary would then be paid a commission by the hotel operator, as is the case with traditional travel agents. Over the last decade, however, many hotel operators have begun to negotiate the distribution of rooms through on-line companies on a prepaid basis, in which the Internet intermediary purchases a block of rooms from the hotel operator at a predetermined price below market rate and then sell those rooms directly to guests via the Internet. The current arrangement prohibits the locality from collecting taxes on the total amount of rent paid by the guest, or the final selling price, as has historically been the case. Instead, localities are only able to collect taxes on the price that the Internet intermediary pays to the hotel operator, undermining the essence of the transient occupancy tax. While no legislation has been introduced to date, we understand that various Members of Congress are looking into the issue at the request of the online hotel and travel industry and we urge the Congress to reject any preemptive action on this issue.

**Tax Treatment of Municipal Bonds.** Arlington County opposes any action to impose a federal tax on the interest from municipal bonds issued by local governments. Tax-exempt bonds are a critical asset for financing long-range investments in essential public services, and taxing interest earned on these bonds would make these bonds less competitive relative to federal debt instruments and corporate securities.