

USACE INFRASTRUCTURE INITIATIVE STAKEHOLDER BRIEFING



U.S. Army Corps of Engineers
June 2018



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USACE INFRASTRUCTURE INITIATIVE STAKEHOLDER WEBINAR

2:00 – 3:30 PM EDT



WELCOME

Welcome to the USACE Infrastructure Initiative Stakeholder Webinar!

We will begin the presentation shortly, a few notes:

- The security code for the phone line is **1234**.
- All phone lines are currently muted.
- We ask that participants submit questions through the webinar chat. (NOTE: Please send your questions to **All Participants**.)
- After the formal presentation, we will go through the questions in the chat and then open up the phone line for questions if there is time.
- Please note that today's webinar will be recorded and transcribed for use by the USACE Infrastructure Team.



USACE INFRASTRUCTURE TEAM

- Susan Whittington, HQ, Team Lead
- Stacey Brown, OASA(CW) Advisor
- John Coho, HQ, WIFIA Team Lead
- Wes Coleman, HQ, Planning and Policy
- John D'Antonio, SPD, Albuquerque District
- PJ Donovan, LRD, Huntington District and PCX for Inland Navigation
- Dave Hobbie, POD, Alaska District and former detailee to CEQ
- Steve Kopecky, HQ, RIT Deputy for NWD and POD
- Lauren Leuck, IWR, Strategic Communications Team Lead
- Jennifer McCarthy, NAD, New England District and Permitting Team Lead
- Scott Murphy, HQ, Counsel
- Gene Pawlik, HQ, PAO
- Joe Savage, LRD, Huntington District
- Paul Scodari, IWR
- Aaron Snyder, MVD, St. Paul District and Funding and Financing Team Lead
- Greg Steele, NAD, Norfolk District
- Michael Tarpey, MVD, Rock Island District and Project Delivery Team Lead



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ADMINISTRATION'S INFRASTRUCTURE INITIATIVE

BACKGROUND

- Administration's goal = seek and secure long-term reforms on how infrastructure projects are regulated, funded, delivered, and maintained.
- President has proposed a \$200B federal commitment to produce a \$1.5T overall investment in infrastructure.
- The infrastructure legislative principles were publicly released on 12 February 2018 and can be found here:
<https://www.whitehouse.gov/wp-content/uploads/2018/02/INFRASTRUCTURE-211.pdf>.
- The Administration has also asked agencies to improve infrastructure delivery by pursuing changes that do not require legislation.





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ADMINISTRATION'S INFRASTRUCTURE INITIATIVE

USACE ROLE

- Working with the Administration on efforts to streamline permitting and accelerate infrastructure project delivery.
- We support innovative approaches to finance our Nation's infrastructure needs.
 - The traditional federal funding approach is not sustainable – at current funding levels, it would take over 100 years to complete currently authorized Civil Works projects.
- USACE focus areas within the Administration's Legislative Principles:
 - Incentive Grants
 - Water Infrastructure Finance and Innovation Act (WIFIA) Loans
 - Water Resources
 - Inland Navigation
 - Permitting Efficiencies



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ADMINISTRATION'S INFRASTRUCTURE INITIATIVE

USACE Water Resources
Infrastructure Program

Civil Works
Program

Permitting
Efficiencies

WIFIA
(Water
Infrastructure
Finance and
Innovation Act)

Incentive
Grants

MODIFY TRADITIONAL DELIVERY

NEW IMPLEMENTATION TOOLS



FUNDING AND FINANCING

Legislative Principles:

- **Incentive Grants** – provide \$100B in grant authority to USACE, DOT, and EPA to encourage non-federal investment
- **WIFIA Loans** – expand EPA's Water Infrastructure Finance Innovation Act (WIFIA) authorization to include non-Federal flood mitigation, navigation, and water supply and Federal deauthorized water resource projects
- **Inland Waterways** – expand authority for non-Federal construction and O&M, and non-Federal use of the Inland Waterway Trust Fund and General Funds
- **Fee Retention** – authorize user fee collection and retention under WRRDA Section 5014 Pilot Program (P3 projects)
- **Long-term Contracts** – expand USACE authority to enter into long-term contracts



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ADMINISTRATION'S INFRASTRUCTURE INITIATIVE



FUNDING AND FINANCING

Problems Areas:

- Insufficient funding for the Nation's infrastructure needs
- Unpredictable funding for federal projects

Actions:

- **Grants** – Encourage non-federal investment in infrastructure projects
- **Loans** – Working with EPA to implement WIFIA loans for water resources projects (flood mitigation, navigation, water supply)
- **Alternative Financing** – Supplement traditional project delivery with new methods to finance, incentivize, and transfer risks for infrastructure investments
- **Budgeting** – Reviewing internal budget policies and processes to provide more consistent and predictable funding stream



WIFIA: BASICS

- **Authorized by WRDA 2014, Subtitle C Innovative Financing Pilot Projects (Sections 5021-5035)**
 - Pilot program to allow non-federal entities to obtain federal credit (low-cost loans & loan guarantees) for infrastructure construction
 - USEPA: Federal credit for water & wastewater projects
 - USACE: Federal credit for Civil Works infrastructure projects
- **Rationale: Federal budget authority needed to extend credit is a small fraction of the amount of credit that can be provided**
 - Enables agencies to leverage budget authority to help non-federal entities finance capital projects



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WIFIA: KEY PROVISIONS

- Eligible Entities
- Eligible Projects
- Activities Eligible for Assistance
- Eligible Project Costs
- Maximum Loan Amount
- Non-Federal Share
- Maximum Federal Involvement
- Loan Repayment Sources
- Loan Repayment Commencement
- Loan Repayment Term



WIFIA: NEXT STEPS

- MOU between USACE and EPA
- Develop program review report (OMB A-129)
- Agency decisions on initial program
- Request funding
- Implement when funded



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ADMINISTRATION'S INFRASTRUCTURE INITIATIVE



ENHANCING PROJECT DELIVERY

Legislative Principles:

- **Hydropower** – Authority for commercial O&M activities at hydropower facilities
- **Project Deauthorization** – Authority to use a streamlined process for Civil Works projects
- **Contributed and Advanced Funds** – Authority to expand acceptance of funds
- **902 Cost Limits** – Authority to allow for waivers by the Secretary of the Army
- **Washington Aqueduct Divestiture** – Authority to divest federal assets (e.g., Washington Aqueduct) that may be better managed by state, local, or private entities



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ENHANCING PROJECT DELIVERY

Problems to Address:

- Projects take too long
- States and local entities want to be more involved

Actions:

- Legislative and administrative changes to streamline project delivery (e.g., 902 cost limits, innovative contracting strategies, contributed and advanced funds)
- Risk-informed decision making
- Delegations of decisions and authorities (IEPRs, review plans, 408 permissions, others)
- Project de-authorizations (projects that no longer have a Federal interest or are approaching the end of their service life)



PERMITTING IMPROVEMENTS

Legislative Principles:

- **“One Agency, One Decision”** – establish federal environmental review structure
- **NEPA Alternatives and Efficiencies** – CEQ to issue regulations to streamline
- **Mitigation Banks and Mitigation Credits** – remove duplication by eliminating Interagency Review Team, clarify creditable mitigation options
- **Nationwide Permits** – authorize Federal agencies to use nationwide permits without additional USACE review
- **Jurisdictional Determinations** – consolidate authority for Section 404 wetlands jurisdictional determinations with USACE
- **Section 404 Permit Veto** – eliminate duplicative oversight by removing EPA's authority to veto a 404 permit
- **Section 408 Permissions** – allow use of one NEPA document for both Section 404 and Section 408 actions where scopes of authority overlap
- **USACE Projects pursued by non-Federals** – allow use of existing environmental documentation for authorized USACE projects pursued by non-Federal interests



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PERMITTING IMPROVEMENTS

Problems to Address:

- Permitting process takes too long
- Duplicative requirements and oversight

Actions:

- “One Agency, One Decision”
 - Establishing Federal environmental review structure
- Clarifications or improvements to:
 - National Environmental Policy Act (NEPA)
 - Mitigation and mitigation banks
 - Nationwide Permits
 - Clean Water Act Sections 404 and 401
 - 33 USC 408 (Section 408) – to modify or alter USACE project
 - Permitting for CW projects undertaken by non-Federal sponsors



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ADMINISTRATION'S INFRASTRUCTURE INITIATIVE

OPPORTUNITIES FOR INPUT

- **Stakeholder Sessions in DC:**
 - May 2018 on Water Resources and Permitting
 - 35 national level stakeholder organizations
- **Stakeholder Webinars:**
 - June 7 from 2:00 – 3:00 pm EDT
 - June 20 from 2:00 – 3:00 pm EDT
- **USACE website for information:**
<http://www.usace.army.mil/Missions/Civil-Works/Infrastructure/>
- **Direct input or feedback to:**
CW.Infrastructure.Team@usace.army.mil.



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QUESTIONS