

# USACE INFRASTRUCTURE INITIATIVE FROM STAKEHOLDER SESSIONS FOR USER BOARD MEETING #87



**U.S. Army Corps of Engineers**  
**May 2018**



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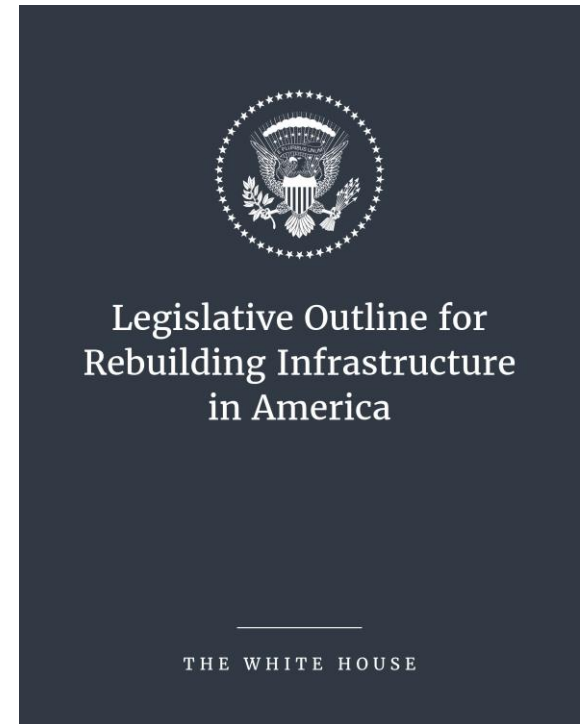
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# ADMINISTRATION'S INFRASTRUCTURE INITIATIVE

## 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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## 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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# ADMINISTRATION'S INFRASTRUCTURE INITIATIVE



## 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





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## 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)



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# ADMINISTRATION'S INFRASTRUCTURE INITIATIVE



## 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



## 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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## OPPORTUNITIES FOR INPUT

- **Stakeholder Sessions in DC:**
  - May 2018 on Water Resources and Permitting
  - 35 national level stakeholder organizations
  - Additional engagements being planned
- **Additional WIFIA outreach to be scheduled**
- **USACE website for information:**  
<http://www.usace.army.mil/Missions/Civil-Works/Infrastructure/>
- **Direct input or feedback to:**  
[CW.Infrastructure.Team@usace.army.mil](mailto:CW.Infrastructure.Team@usace.army.mil).