

REVOLUTIONIZE USACE CIVIL WORKS



U.S. Army Corps of Engineers

December 2018



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REVOLUTIONIZE USACE CIVIL WORKS STAKEHOLDER WEBINAR

11:00 – 12:30 PM EST



WELCOME

Welcome to the Revolutionize USACE Civil Works Stakeholder Webinar!

We will begin the presentation shortly, a few notes:

- The security code for the phone line is **0039** (if needed).
- All phone lines are currently muted.
- We ask that participants submit questions through the webinar chat. (NOTE: Please send your questions to **Everyone.**)
- 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.



REVOLUTIONIZE USACE CIVIL WORKS



AGENDA

- Background on Infrastructure Initiative
- Explain transition to Revolutionize USACE Civil Works
- Describe 3 objectives of Revolutionize USACE Civil Works
 - ▶ Accelerate Project Delivery
 - ▶ Transform Project Financing and Budgeting
 - ▶ Improve Permitting and Regulation Reform
- Next Steps
- Q&A



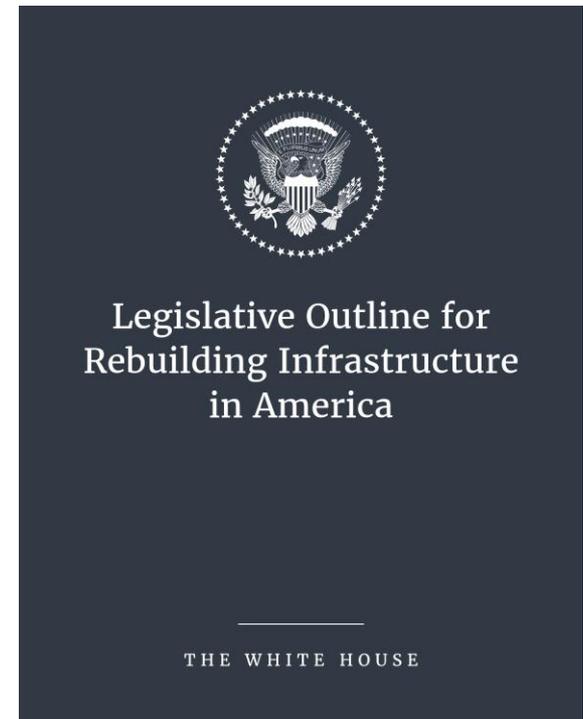
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ADMINISTRATION'S INFRASTRUCTURE INITIATIVE



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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THREE OBJECTIVES

Accelerate Project Delivery

**Transform Project
Financing and Budgeting**

**Improve Permitting and
Regulation Reform**

DESIRED END STATE

Start and finish projects faster

**More efficient project delivery using
alternative financing tools and new
budgeting processes**

**Streamlined permit processes and
elimination of duplicative reviews to
expedite delivery of projects**



Accelerate Project Delivery

Problems to Address:

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

Focus Areas:

- Enterprise project delivery strategies
- Acquisition processes
- Risk-informed decision-making and delegate decision authority
- Innovation



Accelerate Project Delivery

Accomplishments to Date:

▪ **Project Delivery:**

- ✓ Established aggressive schedules for all emergency supplemental projects
- ✓ Identified different contract types and methods to reduce schedules/costs for emergency supplemental activities
- ✓ Streamlined contracting processes (e.g. Increased threshold for certain contract consolidations)

▪ **Risk Informed Decision Making and Delegations of Authority:**

- ✓ Section 408 permissions
- ✓ Independent External Peer Reviews
- ✓ Design and Construction deficiencies <\$500K
- ✓ Model Certifications



Accelerate Project Delivery

Key Actions In Progress:

- ❑ **Execution of Authorized Projects by Non-Federal Sponsors:**
 - ❑ Developing guidance per WRDA to allow potential credit for reimbursement of the Federal share.
 - ❑ Developing guidance on recent WRDA amendment that negates Federal permit requirement when a non-Federal interest constructs a USACE project under certain conditions.
- ❑ **Continued Streamlining Acquisition:** Identify and implement additional acquisition changes to support accelerated project delivery.



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Transform Project Financing and Budgeting

Problems to Address:

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

Focus Areas:

- Implement Alternative Financing Tools
 - Water Infrastructure Finance and Innovation Act (WIFIA) Loans
 - Public-Private Partnership (P3) policy
- Revolutionize Civil Works Budgeting
- Increase Funding Flexibility



Transform Project Financing and Budgeting

Accomplishments to Date:

▪ **P3 Policy:**

- ✓ Guidance from ASA(CW) issued September 2018

▪ **WIFA Loans:**

- ✓ MOU with EPA signed
- ✓ OMB A-129 program review completed
- ✓ Credit subsidy model (draft completed)

▪ **Civil Works Budgeting:**

- ✓ Completed analysis on cost of inefficient funding streams
- ✓ Developed draft metrics that increase leveraging of Federal funds and accelerate completion of existing portfolio
- ✓ Developed proposal for increased funding flexibilities



Transform Project Financing and Budgeting

Key Actions In Progress:

P3 Call for Proposals:

- Call for P3 pilot proposals January 2019 - Federal Register
- P3 External Webinars 11 and 12 December – slides on website

WIFIA:

- Finalize credit subsidy model
- Development of program structure and rules (spring 2019)
- Credit subsidy appropriation necessary to issue loans

Civil Works Budgeting:

- Finalize multi-year budget approach
- Develop justification and support for new approach
- Develop specific actionable recommendations (internal and external)



Improve Permitting and Regulation Reform

Problems to Address:

- Permitting process takes too long
- Duplicative requirements and oversight

Focus Areas:

- Simplify Environmental Reviews and Permits
 - Executive Order 13807 guidance for “One Federal Decision”
 - Section 10/404 permits and Section 408 permissions
- Mitigation
 - Credits, criteria and processes for third party mitigation
- Regulation Reform
 - 53 regulations identified under Executive Order 13777



Improve Permitting and Regulation Reform

Accomplishments to Date:

- ✓ Streamlined Section 408 Permission Requests (see <https://www.usace.army.mil/Missions/Civil-Works/Section408/>)
- ✓ Alignment of Section 404/10/103 and 408 Programs
 - ✓ Lead District
 - ✓ Single Point of Contact
 - ✓ Single Decision Document and Transmittal Letter
- ✓ Improved Public Access to Tracking Systems
- ✓ Mitigation - Regulatory Guidance Letter on removal of obsolete structures
- ✓ One Federal Decision Implementation Guidance
- ✓ Guidance for State Assumption under Section 404(g)
- ✓ Regulation Reform – reviewed 53 regulations



Improve Permitting and Regulation Reform

Key Actions In Progress:

Mitigation:

- Additional guidance on credit release schedules for mitigation banks and equivalency in service areas.
- Revise 2008 Mitigation Rule to streamline third party mitigation process/approvals

Tracking Systems: Establish public website for submittal of applications and to determine status of submittals

Nationwide Permits: Streamline processes and pre-construction notification (PCN) requirements

Civil Works Projects: Permit requirements for authorized Civil Works projects undertaken by non-Federal interests

Regulation Reform: Continue working efforts to repeal, replace, or modify regulations



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NEXT STEPS AND FURTHER INFORMATION

- **USACE public website for information:**
<http://www.usace.army.mil/Missions/Civil-Works/Infrastructure/>
- **USACE CW P3 public website:**
https://www.usace.army.mil/Missions/Civil-Works/Infrastructure/Infra_P3_program/
- **Direct input, feedback, or meeting requests to:**
CW.Infrastructure.Team@usace.army.mil