REVOLUTIONIZE USACE CIVIL WORKS

U.S. Army Corps of Engineers
December 2018
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
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-E-211.pdf.

- The Administration has also asked agencies to improve infrastructure delivery by pursuing changes that do not require legislation.
REVOLUTIONIZE USACE CIVIL WORKS

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
**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
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
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.
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
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
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)
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
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
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
REVOLUTIONIZE USACE CIVIL WORKS

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