

INFRA Webinar Series
How to Compete for INFRA Grants
July 13, 2017

Infrastructure for Rebuilding America (INFRA) Program

Paul Baumer, Policy Advisor to the Under Secretary of Transportation for Policy at the U.S. Department of Transportation (USDOT), provided webinar attendees with a brief background on the notice of funding opportunity (NOFO) for the INFRA program, released June 29, 2017.

Originally created by the passage of the Fixing America's Surface Transportation (FAST) Act, signed into law in 2015, the Nationally Significant Freight and Highway Projects Program (NSFHPP) was referred to as the FASTLANE program under the Obama Administration and has been rebranded the INFRA program by the Trump Administration. This most recent round of funding availability includes around \$1.5 billion, preserves statutory requirements, and utilizes updated criteria to best align selections with the new Administration's goals. Applications are due by 8pm Eastern on November 2, 2017.

Mr. Baumer informed webinar attendees that the eligible applicants, eligible projects, eligible project costs, minimum project sizes, cost share, and basic requirements all remain the same, per statute.

Mr. Baumer then provided a summary of the new selection criteria developed by the Trump Administration. These criteria can be found in Section E of the NOFO.

- *Support for national or regional economic vitality*
 - This criterion was developed as a way for USDOT to evaluate the outcomes of the project. Mr. Baumer stated they will evaluate not only the economic outcomes, like benefits to congestion reduction or freight movement, but also safety outcomes, economic development benefits, and bottleneck elimination. In assessing this criterion USDOT plans to rely on the applicant's benefit-cost analysis (BCA). Mr. Baumer added that additional benefits not necessarily captured by the BCA should be included.
- *Leveraging of federal funding*
 - USDOT is seeking applications that maximize the benefits and impact of INFRA awards. Sponsors should bring as many resources as possible to the table to get the best possible outcome. Mr. Baumer noted that USDOT recognizes that not all areas are created equal and have varying constraints. Therefore, USDOT asks applicants to describe their constraints in their applications. USDOT also requests that applicants describe if they are a regular recipient of federal funding, in which case USDOT may consider the sponsor's leveraging across all programs rather than only INFRA project leveraging. Mr. Baumer added that USDOT is asking applicants to describe how they will account for future operations and maintenance or life cycle costs.
- *Potential for innovation*
 - Environmental review and permitting – The Administration is focused on streamlining and improving project approvals and is therefore interested in having INFRA projects be models for a new streamlined approach to these approvals. Mr. Baumer advised applicants to describe why they are a good candidate for testing new approaches.
 - Use of experimental project delivery authorities – Mr. Baumer explained that the Federal Highway Administration (FHWA) has experimental authority to waive specific regulations in the interest of piloting experimental approaches to project delivery. He noted that, because they are under FHWA's authority, SEP-14 and SEP-15 only apply to highway projects. Mr. Baumer said USDOT will not make an approval determination but instead asks applicants to describe if they think they have an innovative

approach and how using the authorities would help the project advance its approach. Ultimately, applicants will undergo a separate process during which FHWA will determine whether or not to approve the waivers.

- Safety and technology – Mr. Baumer said that safety is very important to USDOT and they expect all projects to be made as safe as possible. This criterion encourages applicants to develop an innovative approach to safety including innovative design and technology or improvements to enhance the environment for automation. This could also include improvements that enhance the detection and mitigation of infrastructure risks.
- *Performance and accountability*
 - Mr. Baumer said that USDOT is allowing applicants to condition funding on specific measurable outcomes. He noted the NOFO provides examples but that they aren't exhaustive. He also said applicants can make proposals surrounding the adoption of specific policy changes, either by the sponsor or by the jurisdiction that will advance policy goals. USDOT does not intend to impose these requirements on unwilling or uninterested recipients.

Mr. Baumer said USDOT is also taking note of other considerations from applications including:

- Geographic diversity: this is required by statute but USDOT will consider the need for balance between urban and rural areas when making decisions. USDOT acknowledges the balance between urban and rural is not binary and will consider relative populations of areas to try to strike balance in awardees.
- Project readiness: USDOT will consider risks to the delivery of project, including permitting feasibility as well as funding and financing risks. Mr. Baumer noted that funding needs to be obligated for Fiscal Year 2017 (FY17) by Sept 30, 2020 and Fiscal Year 2018 (FY18) by Sept 30, 2021.

Mr. Baumer then provided a suggested format for project applications, which is detailed in Section D of the NOFO. Applications should have: 1) a cover page; 2) a project narrative that is no longer than 25 pages and includes a project description, location, parties involved, funding sources, descriptions of how the project meets the merit criteria, project readiness, and how the project meets the large or small project requirements; 3) an appendix that includes the BCA and other supplemental information, including maps or information on environmental documentation. Mr. Baumer said that grants.gov is limited to 10 attachments but that applications can include hyperlinks to documents hosted online instead. He advised applicants to submit applications in advance of the deadline to avoid unnecessary complications.

Question and Answer

Q: Can you clarify the differences between the INFRA program and the FASTLANE program?

A: Mr. Baumer answered that the two programs are statutorily the same as the NSFHPP, created by the FAST Act in 2015. The main changes between FASTLANE and INFRA lie in the merit criteria, which feature an increased emphasis on leverage and include criteria relating to innovation and performance and accountability. He said that if a sponsor had previously applied for funding under FASTLANE and was eligible, it will remain eligible under this program. However, this Administration's focus is slightly different from the previous Administration's. He noted that USDOT will be using the 2016 FASTLANE criteria to make the small project set aside selections for the last FASTLANE NOFO but advised large project applicants to resubmit their applications with information addressing the new criteria.

Q: What is the timeline of the selections?

A: The FY17 small projects selections should be announced soon. The timeline for this most recent INFRA NOFO is not yet set. Mr. Baumer said that both the FY17 and FY18 recipients will be announced at the same time. He forecasted that awards may be announced in late spring/summer 2018, but it is too early to give a confident projection.

Q: What advice would you give applicants thinking about applying for the INFRA program who still have pending small project applicants under the FASTLANE program? Will an agency that submitted a small grant application under FASTLANE have the opportunity to revise their application to better align with INFRA?

A: The December 2016 FASTLANE NOFO made around \$80 million available for small projects. Mr. Baumer said that USDOT received about 123 applications requesting more than \$1.8 billion for that pot of funding. USDOT is working to make selections as quickly as possible but he said that, considering the odds, sponsors would be safe submitting applications under the INFRA program as well. If a sponsor is reapplying for the INFRA NOFO, they should clarify how the project meets the INFRA criteria.

Q: What will happen to large project applicants who submitted under the second round of FASTLANE?

A: USDOT will not be making selections for those applications and those funds are now being combined with the FY18 funding under the INFRA NOFO. USDOT encourages applicants to resubmit their projects with an appendix that describes how the project addresses the new selection criteria.

Q: Will the large project applications under the second round of FASTLANE receive feedback? What about feedback on if the project fits the INFRA criteria?

A: Because USDOT did not fully evaluate the large projects submitted under the 2016 round two FASTLANE NOFO, feedback on those applications will be limited. Further, the criteria under INFRA is quite different from FASTLANE, so feedback would not necessarily be useful.

Q: Can a project be submitted twice under INFRA, one for the FY17 funds and one for the FY18 funds?

A: No, the INFRA NOFO is one opportunity that combines both FY17 and FY18 funds.

Q: Are regional transportation planning commissions eligible to apply?

A: Statute says that a political subdivision of a state or local government is eligible so, provided the commission is such an entity, they are eligible.

Q: Do projects need to be located inside an urbanized area?

A: No, statute created a 25 percent set aside for rural areas and USDOT will work to balance the needs of rural and urban areas in their selections.

Q: Is there a revised guidance document for the BCA and is there a template?

A: USDOT is updating the guidance and expects it should be available on the INFRA website by the week of July 17. USDOT does not have a template but suggests applicants put their BCA in an Excel document that is unprotected and clearly shows calculations.

Q: Since the FY17 and FY18 funds are combined, are applicants able to specify which year of funding they would like to pull from to meet the milestones of construction?

A: If an applicant feels strongly that they would be better served by receiving FY18 funds versus FY17 funds, they can specify that in the application. Mr. Baumer noted that funds are available for up to three years after obligation so they are not anticipating many issues with those constraints.

Q: Can you further explain the criteria pertaining to whether or not an applicant has previously received federal funding? Would having previous federal funding be a positive or negative for a project?

A: Mr. Baumer explained that the language about previously receiving federal funding is included under the leveraging criterion. USDOT is interested in projects that minimize the use of federal funding to achieve the maximum benefit. However, USDOT will consider whether or not an applicant is a regular recipient of federal funding, like State DOTs or MPOs. Programmatically these entities might achieve very high leveraging of federal funds but the INFRA project submission happens to have a relatively high federal percentage. Such an entity could argue that they condense federal dollars into as few projects as possible but that across their overall program they achieve high leverage and USDOT would consider this in a positive light.

Q: What are the funding request limits for both small and large projects?

A: There are no request limits but, per statute, the minimum project size for a large project is the lesser of \$100 million or 30 percent of the state's FY16 apportionment. For small projects, the minimum project size is a project that does not meet the minimum size for larger projects. Because of this, if a small project costs less than \$100 million and projects can only request for funding from the INFRA program to cover 60 percent of the project costs, then the maximum request would be a little less than \$60 million. The minimum grant size for large projects is \$25 million and for small projects is \$5 million. The maximum federal grant share is 60 percent from INFRA and 80 percent for total Federal funding.

Q: What is meant by a network and how does that affect a project's size?

A: The INFRA grants are meant for large scale projects but USDOT believes that there are only so many megaprojects that fit the minimum size requirements. Because of this, applicants can bring together a network of functionally smaller projects that have a large, widespread impact. USDOT is interested in providing flexibility for project sponsors to propose potentially transformative projects in any way they can.

Q: Can other federal nonformula funds be used as leverage?

A: Mr. Baumer answered that yes, they can be used as leverage but that they would be considered federal sources and therefore count against the 80 percent federal limit.

Q: Will greater credit be given to projects that use nonfederal funds as leverage rather than state or local funds?

A: USDOT will consider state and local funds as nonfederal. In addition, USDOT is interested in applications that explain to what extent they assessed the potential of private investment in the project and if they were successful in attracting such investments.

Q: Does an in kind match count as leveraging?

A: Mr. Baumer explained that an in kind match is difficult to assess in terms of leveraging. USDOT is more interested in applications that go beyond the minimum match to get as much outside funding as possible. However, USDOT will take into account the applicant's circumstances, such as if they are located in a rural or less wealthy area, when assessing projects.

Q: Are inland waterway projects eligible to apply?

A: The surface transportation elements of inland waterways are eligible, like pier improvements or elevators for rail or roadway access. Dredging projects that are part of the construction of a new berth or part of building new port infrastructure would also be eligible but navigational dredging is not.

Q: FASTLANE wanted projects with benefits to freight, do INFRA projects not necessarily need this? Would a highway project that benefits passenger traffic be eligible? Will projects on the critical urban and rural freight corridors be a priority? How important is it for a project to tie back to the national freight strategy?

A: Mr. Baumer answered that highway projects are eligible as long as they have benefits to economic mobility or safety. Highway projects do not necessarily have to be freight specific as long as they are on the National Highway System (NHS). However, intermodal projects must be freight specific and cannot include passenger rail. An exception is for grade crossings or separations, which can be completed on passenger rail lines.

USDOT thinks that freight projects will compete well under the support for national or regional economic vitality criterion, as they can help eliminate bottlenecks, increase economic development and create opportunities. Eligibility for critical urban and rural freight corridors remain the same because they are located on the national highway freight network. Mr. Baumer said it is good to consult the national freight strategy because it can help an applicant determine how their project will improve freight movement and fit the economic vitality criterion.

Q: Are alternative mode projects, such as transit, bike, or pedestrian projects, available for funding under the multimodal cap?

A: If the project is not located on the NHS, not a grade crossing or separation, or else not a freight intermodal project it is not eligible.

Q: Are roadway projects that are located in an active port area but are outside the actual marine terminal considered a port project and would they count against the intermodal cap?

A: Mr. Baumer answered that USDOT would need to look at the specific project in order to determine where it fell. If the roadway is located on the NHS then it would not count against the cap.

Q: Can private industry partner with a government agency to submit an application?

A: Yes, USDOT is interested in projects that have the support of the private sector. Mr. Baumer emphasized that the lead applicant must be a public sector agency and that sponsor will be responsible for the grant funds but that a private entity can be a partner on the application.

Q: How will USDOT categorize projects that cross both rural and urban areas?

A: USDOT will look at where the project is located as well as where the bulk of the project cost is accrued. As an example, if a project has six miles in an urban area and four in a rural area, USDOT may assign 60 percent of the funds under the urban designation and 40 percent under the rural. USDOT may also require that the dollars only be spent in one portion of the project. Applications should describe if they consider themselves to be urban or rural.

Q: How stringent is the 18 month requirement for a project to begin building? The environmental review process can often take a very long time and might make meeting that deadline difficult. The National Environmental Policy Act (NEPA) process is dictated by the Federal government so how can a project streamline that without Federal help?

A: Mr. Baumer answered that it is a legal requirement for a project to be likely to enter into construction within 18 months of obligation of funds. He noted that this is within 18 months of obligation, not of award announcement. Sometimes obligation does not occur for months after grant approval because USDOT is waiting for various permitting and developmental parts to be completed.

USDOT understands that the NEPA requirements are Federal but also stated that completing those requirements on time requires collaboration at the local level between the federal and local governments. USDOT is proposing new approaches to streamline permitting but also expects that applicants accelerate their own processes. USDOT plans to coordinate across agencies to ensure permitting is completed in a timely and efficient manner.

Q: Are the selection criteria weighted?

A: Mr. Baumer said USDOT will look at all criteria and assess them equally.

Q: Is TIFIA considered federal assistance and is it considered a benefit under the leverage criteria?

A: Mr. Baumer answered that TIFIA will be considered a nonfederal source in terms of the leverage criteria. However, for the statutory requirement, TIFIA credit assistance will count against the maximum 80 percent cap for federal assistance.

Q: Does a road have to be classified on the NHS for a rail grade separation project?

A: No, grade separations are a separate category of eligibility.

Q: Is funding from Amtrak included in the 80 percent federal cap?

A: USDOT will follow up on this question in the F&Q page on the INFRA website.

Q: What is the timeline for this round of INFRA awards?

A: Applications are due in November and USDOT will work to evaluate them as quickly as possible. An exact timeline is difficult to establish because USDOT does not know how many applications they will receive or how long evaluating them will take under the new criteria. Mr. Baumer said, for purposes of an example, if they make selections on June 1, 2018 they would then have to submit the list of projects to Congress. Congress would then have 60 days to determine if

they would not like a project to receive funds. Should they approve of all projects, USDOT will begin working with recipients after the 60 day deadline. For projects that are ready to go, they could receive their funds within three months. For projects that still have milestones to complete, USDOT will most likely hold the obligation of funds until after those are met.

Q: Do private activity bonds or Garvey bonds count toward the 80 percent federal cap?

A: Mr. Baumer explained that private activity bonds are usually from a private borrower to a private developer and therefore he did not think they would be considered federal. However, he said he would double check to make sure. Mr. Baumer also said he would need to follow up on the Garvey bond question.

Q: Will there be small awards under this NOFO and if so when will they be announced?

A: There will be small awards under this NOFO, using the FY18 funds. USDOT will likely make the small and large selections for the INFRA program at the same time. The small awards under the FASTLANE program have not yet been selected but USDOT will make them as soon as possible.

Q: The NOFO solicits projects with components, when would it be appropriate to break a project into more than one?

A: USDOT designed the NOFO to offer flexibility for applicants that have a broader vision to deliver transformative benefits. USDOT will assess whether a single component in the application could be funded or else may choose to fund the series of components.

Q: The NOFO seems to have an emphasis on agency coordination in application submissions, will this lead USDOT to prioritize State DOTs as project leads?

A: Mr. Baumer said that USDOT does not anticipate prioritizing applicants. However, for the environmental permitting innovation criterion, it may be easier for USDOT to quickly and efficiently work with an applicant if a State DOT is willing to participate and help. Mr. Baumer emphasized that USDOT is willing to accept applications from State DOTs and non-State DOTs alike.

Q: For a project using tolls to support their financing, will it be evaluated differently if the financing is private as opposed to public?

A: Mr. Baumer said he thought the answer to this question is no. He said the leverage criterion is very interested in achieving leverage but would be indifferent as to whether that leverage comes from a public or private entity. USDOT is most interested in projects that reduce their dependence on federal dollars.

Q: What happens if an application is submitted but later the sponsor wants to make changes to the documents?

A: USDOT will download the most recent submission from every applicant. So, should an application need to be edited, the sponsor should resubmit the full application and USDOT will download that one.

Q: Does the streamlining criterion include non-USDOT processes, like fish and wildlife and the Army Corps of Engineers?

A: Yes, USDOT plans to coordinate across the federal government.

Q: Can you provide details as to how the projects are selected and the Congressional approval process?

A: Per statute, the authority falls on the Secretary of Transportation to make the final selections. USDOT will have an evaluation process to assess eligibility and provide relevant information to the Secretary so she can make an informed decision. After the selections are made, they are submitted to Congress for a 60 day evaluation period, usually falling to the Members on relevant committees, including House Transportation and Infrastructure, Senate Environment and Public Works and Senate Commerce Committees. The House and the Senate must pass a joint resolution should they want to deny a project funding, which must be signed by the President.

Q: Will projects have to meet performance metrics at certain intervals?

A: Mr. Baumer said that performance metrics must only be met if a project included them as part of the performance and accountability criterion.

Q: Would a group of local agencies who submit projects together under one lead sponsor be more competitive than if they were to submit individually?

A: Mr. Baumer said the network approach to applications would be very competitive.

Q: Is an MPO endorsement needed?

A: Mr. Baumer said an endorsement is not needed but that USDOT is interested in projects that have broad support.

Q: Can INFRA be used for a proposed project that already has executed contracts and already has some federal funds?

A: Mr. Baumer said that it is difficult to make the argument that a project that has already committed to spending its own funding needs an INFRA grant. If it is a separate piece of the project or if the applicant is seeking to expand it, that could be competitive.

Q: Will applying performance metrics rank a project higher?

A: Mr. Baumer answered that yes, according to the criterion USDOT will prioritize projects that are willing to commit themselves to some kind of performance standard.

USDOT reminded webinar attendees that they will host another INFRA focused webinar Tuesday, July 18 at 2pm Eastern. This webinar will focus on how to compete for INFRA grants, particularly for rural and tribal applications. Interested parties can register for this webinar [here](#).