

INFRA Webinar Series

How to Compete for INFRA Grants – Rural and Tribal Applicants

July 18, 2017

Infrastructure for Rebuilding America (INFRA) Program – Rural and Tribal Applicants

(Highlighted text adds to what was said in the July 13, 2017 webinar)

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 said USDOT will release the awards for the FY17 small projects in the near future.

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. USDOT recognized that for rural and tribal participants roads may not be designated on the National Highway System. To qualify for the INFRA grants, they recommended interested rural or tribal parties determine if their roads are on the National Highway Freight Network, specifically if the road is designated as a critical rural freight corridor.

Mr. Baumer then provided a summary of the new selection criteria developed by the Trump Administration. These criteria can be found in Sections A and 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. For rural, less wealthy areas, or tribal applicants, Mr. Baumer said they would consider the area's fiscal constraints. 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 – As part of broader Administration efforts to improve the streamlining process, the Department outlined a new approach that would help streamline across agencies to make sure projects are permitted in an expedited timeframe. USDOT recognizes that projects may have already completed their reviews but if a project would benefit from this new approach, applicants should describe how in the application.
- 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 September 30, 2020 and Fiscal Year 2018 (FY18) by September 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 recommended the BCA be in an unlocked Excel spreadsheet so analysts can see how the calculations were done and can manipulate the numbers should they need to. He said grants.gov is limited on the size and amount of attachments, so applicants can post large attachments to a website and link to it in the application instead. Mr. Baumer recommended applicants submit applications in advance of the deadline to avoid last minute complications. He clarified that USDOT will pull the most recent submission from grants.gov so if an applicant wants to make changes but has already submitted its application they can simply resubmit, before the deadline, and USDOT will review that application.

Question and Answer

Q: Are marine highways eligible for INFRA Funding? What about construction costs for deepening navigation channels?

A: Mr. Baumer said it depends on the kind of marine highway project. Port infrastructure is eligible under INFRA, so a port expanding within its facility would be eligible. However, if a project involves funding for navigational dredging, which is under the jurisdiction of the Army Corps of Engineers, it would not be eligible.

Funding for projects to deepen navigation channels tests the outer bounds of the program. Mr. Baumer reminded webinar attendees the funding for the INFRA program comes from the Highway Trust Fund so the further a project gets from a surface transportation project the more difficult it would be to meet the criteria. However, if the navigation project is part of a larger surface construction project it could be eligible.

Q: Will small project applicants for the second round of the FASTLANE program hear if they received an award before the November 2 INFRA deadline? Should small projects resubmit under this new NOFO?

A: Mr. Baumer said applicants will hear about the second round of FASTLANE small awards before the November 2 deadline. He said USDOT is close to making its announcements. He noted the second round of FASTLANE received over \$1.8 billion in small project request for just under \$80 million in available funding. Mr. Baumer said that, given the odds, chances are that a small project in the second round of FASTLANE will not receive funds, so sponsors may want to start thinking about their INFRA applications.

Q: Are applicants other than states eligible to directly receive funding?

A: Yes, most public sector applicants are eligible. Statute says that states, metropolitan planning organizations with a 200,000 population, local governments, political subdivisions of state or local governments, public authorities (including port authorities) with a transportation function, federal land management agencies applying jointly with a State, tribal government/consortiums, or multi-state or multi-jurisdictional group of public entities are eligible to apply.

Q: Can a county co-op on a road project that spans two or more counties?

A: Mr. Baumer answered that USDOT is very interested in multijurisdictional projects. He noted that it is important that any highway project is located either on the National Highway System (NHS) or else on the National Highway Freight Network (NHFN) but specified that grade separation projects do not need to be located on either.

Q: Are Federal Aid System routes eligible?

A: Mr. Baumer said that the Federal Aid System is a little broader than the NHS. He recommended applicants check with the FHWA to make sure the highway segment is eligible.

Q: Should the FY18 small projects apply with the FASTLANE criteria or the new INFRA criteria?

A: Going forward, all applications should abide by the INFRA criteria.

Q: Can Mr. Baumer provide an example of an eligible small scope project?

A: Mr. Baumer said that a project on the NHS that will cost \$20 million in total and that is applying for \$10 million in grant funding would be an eligible small project. He emphasized that only 80 percent of the funding can come from federal sources.

Q: Are tribal transportation program funds federal or nonfederal?

A: USDOT is still working on an answer to this question and will post it to the FAQ section of the INFRA website.

Q: Can you explain what is required if an application breaks a project out into components, each with independent utility? Is a BCA required for each?

A: Yes, each component should have a separate BCA but the application should also include a summary of the benefits of the entire package.

Q: Can you expand on what is on the NHS, are county roads eligible?

A: The NHS is a very specific network that FHWA has legally designated. In some cases the roads are maintained by counties and in others by states. Applicants should go to FHWA's website to see the maps of the system.

Q: Can rail and or transit be part of the project?

A: Freight rail projects are eligible projects. While some freight rail projects may have benefits to commuter rail, the primary benefits must stem from freight. Grade separation projects are eligible regardless if the railway is carrying freight or passengers. Broadly speaking, transit isn't eligible as part of this program.

Q: What does USDOT mean by private freight rail when it is mentioned under eligible projects?

A: Mr. Baumer said the facility that might receive an award does not necessarily need to be a public facility; it could be a privately owned and operated freight rail facility or port terminal, etc. He emphasized that the applicant still has to be a public sector entity but that it could partner with a private facility for the application.

Q: Would a tribal land project close to the highway be eligible? What if it connects to the NHS?

A: If a highway project is not on the NHS or NHFN it is not eligible. However, the NHFN contains two components, critical urban freight corridors and critical rural freight corridors, which can be designated by State governments. An applicant can apply for a critical rural freight corridor designation. The designation does not need to be finalized by the application deadline as long as the applicant can show they are in the process and will be designated before obligation.

Q: Do you anticipate the new BCA guidelines will be so significantly different that projects that submitted applications under the second round of FASTLANE in December 2016 will need to redo them?

A: The guidance will provide more clarity, consistency, and include additional recommended standard parameter values. USDOT does not anticipate that applicants will require a wholesale revision of their BCA.

Q: Is the purchase of equipment to assess system condition eligible?

A: Mr. Baumer said no, the USDOT would like projects that result in construction. If the purchase of equipment is a line item to get a larger project done, it could work but not as the only thing requiring funding.

Q: Can a local government submit an application for a road on the NHS or does it need to cooperate with a State DOT?

A: Mr. Baumer said USDOT understands that local areas do not always have the same priorities as state DOTs which is why they allow for such entities to apply to the program on their own. If the NHS road is owned and improved by the local government submitting the application it would not need state DOT approval. However, if the state DOT owns the road and is in charge of making any improvements on it, it should be a partner on the application.

Q: Are projects located on tribal land a good fit for the program?

A: Mr. Baumer said the INFRA program does have very narrow eligibility which means that not all applications can work. However, USDOT is willing to work with a tribal applicant if they have an eligible project to help it be competitive.

Q: Is there any news to share on TIGER?

A: In late May, Congress passed a FY17 appropriations bill that included \$500 million for the TIGER grant program. USDOT has been working to draft a NOFO to solicit grants, which has not yet been published but should be soon.

Q: Since economic vitality will be emphasized in this new INFRA program, will USDOT be looking for BCA ratios greater than 1? Will a higher ratio be viewed more favorably?

A: Yes, USDOT will be looking for BCA ratios greater than 1 and higher ratios will be view more favorably. USDOT will be assessing for quality and accuracy in the BCA as well as to understand the relative net benefits. It will also asses the actual benefit cost ratio and compare it broadly against others as part of the evaluation process.

Q: Will USDOT share how each project scored?

A: USDOT meets with applicants after the competition on how their project was received and how it could be improved. Mr. Baumer said applicants can reach out to USDOT after the competition to schedule a debrief.

Q: Please expand upon the timeline for these grants.

A: The NOFO is open until November 2. After the deadline, USDOT will download all applications and experts will evaluate them on the project generally and then how it aligns with the criteria. The Secretary will then select projects to be awarded funds. Per statute, USDOT must send the list of selected project to Congress. Congress has sixty days to pass a joint resolution which must then be signed by the President to stop a project from being funded, which is very unlikely. After the window has passed, USDOT will make the project announcements and work with awardees on how the funds will be delivered. Broadly speaking, Mr. Baumer could not say exact dates for how long the process will last but he advised listeners not to expect to hear about selections before summer 2018.

Mr. Baumer closed the webinar by noting that USDOT will continue to host these presentations throughout the INFRA process. He said there will most likely be a webinar in August about the BCA. He advised webinar attendees to use the INFRA [website](#) as a resource and to email INFRAgrants@dot.gov with any specific questions.