

PNWER Economic Recovery Strategy - during COVID
Letter to PNWER Working Group Co-Chairs

Background:

Over the past 20 years, PNWER's Regional Center for Disaster Resilience (www.regionalresilience.org) has been involved in all sorts of disaster planning, earthquakes, pandemics, terrorist attacks on critical infrastructure, storms, fuel shortages, etc. In almost every exercise we have done, we have seen that the public sector has done significant planning for response, but very little for recovery. In fact, there is usually no one who is tasked with making recovery plans until after the response phase is completed. When we looked at the massive disasters of the past decade: Hurricane Katrina in Louisiana, Hurricane Sandy, on the east coast, Hurricane Maria in Puerto Rico, and in all of these one thing was clear: there was a crucial need to involve the business sector right in the beginning, and even before the disaster to craft a recovery plan.

None of us have seen a global pandemic in the way that COVID is now unfolding. We are still very much in the response phase, and all our government focus is on the health care system, and how to support supplies and health care workers, which is entirely appropriate. However, we are heading into a very serious disaster with the potential economic impacts of the policies necessary to slow down the virus. It is imperative now to pull together our best minds to be developing specific strategies for regional economic recovery, and this must be done with deep engagement and leadership of the private sector, and it is imperative to engage a public/private partnership approach.

During this unfolding disaster, PNWER is redefining its role to begin to assist in facilitating a bottom up approach to sector by sector economic recovery planning - listening to our business associations, our chambers, our industry sector leaders to listen to the challenges and possible solutions that they see toward survival. Our goal is for each of our working groups to begin a series of online facilitated listening sessions to hear from the business sector what they need, and begin to develop a roadmap that can then be shared with our local and state and provincial and territorial government agencies, as well our federal governments.

We may also be able to play a role in informing at the same time, our business partners of the possible opportunities in the federal stimulus packages passed both by Washington, DC and Ottawa, and be able to share best practices as various sectors look at those opportunities.

We are hoping to provide support to host conference calls, webinars, etc to begin this process of developing a roadmap for economic recovery.

Since our founding 30 years ago, PNWER has been driven by its core mission of bringing people together to connect and strengthen relationships throughout the region, across borders and industries, developing strategies to enhance our economic vitality. In this time of great uncertainty, these bi-national relationships and the role of the PNWER networks are more important than ever.

It is during these times that the strength of our relationships and our spirit of regional collaboration will enable us to endure, grow, and flourish once more. Now more than ever it is important to share best practices and collaborate on building a strategy for economic recovery.

We would like to work with our PNWER working group co-chairs to facilitate web-based meetings, webinars, surveys, conference calls to reach out to your industry and address some of the following questions toward developing a roadmap to economic recovery for each of our region's key sectors:

1. *What are the challenges your industry is facing during the current crisis?*
2. *What associations are collecting data reflecting impact of COVID-19 in your sector?*
3. *What is needed to help jumpstart the economy especially in your sector?*
4. *What key barriers to re-entry are you facing as a business, and as an employer?*
5. *What solutions can you suggest?*
6. *How can PNWER help?*
7. *Has the federal stimulus package been helpful?*
8. *What are some success stories in your industry?*

Target Audience: Local and Regional industry sector professionals, Chamber leaders, non-profits, academia – in a sector by sector approach with each PNWER Working Group.

Can you let us know what you think of this idea, and if you are willing to co-chair some of the calls?

Who in your industry sector should be invited to a series of calls on these questions?

Are there specific thought leaders that you would recommend as a speaker for a webinar for your sector?



Regional Infrastructure Accelerator Program RFI

<https://www.federalregister.gov/documents/2020/02/28/2020-04099/regional-infrastructure-accelerator-program>

Submitted March 24, 2020

Structure:

1. *What would be an effective form of the accelerator that could influence the development of infrastructure projects, and what type of structure and authority would be required for the establishment of a regional accelerator? Are there examples of such entities from around the country and abroad, or in other sectors that could be used as a model for the Program?*

An effective accelerator should have several key features and be modeled off of successful infrastructure accelerator programs across the US and the world. One such example would be a statutory organization with a formal structure, bi-laws, and a formal private sector role would be an effective form for an accelerator program. Statutory organizations are embedded by law into state government budgets, which ensures their ability to operate on an ongoing basis. A statutory accelerator would become an established institution with buy-in from the state, ensuring it has the authority to work with the federal government and could sustain itself even without federal funding from the Regional Accelerator Program. Formal bi-laws and a clearly established private sector role would ensure that the accelerator balances public and private sector interests in a clear and transparent way.

A private sector council to provide consultation and guidance is among these key features. Private sector councils help ensure that the accelerator's infrastructure projects will effectively serve the business communities in the area. Furthermore, they can connect projects to capital investments, thereby giving projects a better chance of success.

Several models of infrastructure accelerator programs exist across the US and the world. The Pacific Northwest is home to the Freight Action Strategy for the Everett-Seattle-Tacoma Corridor (FAST Corridor), which brought together 26 cities, ports, counties, state, regional and federal transportation agencies, trucking and railroad interests to pool resources and collectively problem-solve transportation concerns in Washington state.¹ Established in 1998, this program

¹ "FAST Corridor Brochure" http://sp.rail.transportation.org/Documents/fast_101.pdf

has funded the completion of 19 projects, with several others currently underway.² With buy-in from both public and private sector partners, the FAST Corridor coalition was able to adequately prioritize and fund much-needed infrastructure projects that support the economic well-being of the entire region. Matt Rose, former Executive Chairman of BNSF Railway, remarked in 2015 that the FAST Corridor needs to be done on a multi-state basis. Building from this FAST Corridor model, the Accelerator should similarly be able to bring these dispersed groups of stakeholders together to achieve project success.

Internationally, SaskBuilds in Saskatchewan, Canada would be another effective model for the Accelerators. SaskBuilds was established by the Governments of Canada and Saskatchewan to facilitate the effective funding of provincial infrastructure projects. Since its establishment in 2014, SaskBuilds has facilitated four public-private partnership (P3) projects that provided thousands of jobs and over \$500 million in savings for taxpayers.³

- 2. What barriers such as regulatory, technical and institutional (public or private) would hinder implementation? What authority should the accelerator(s) have to effectively carry out its mission?*

There are potential barriers in state laws that would limit the scope and ability of the accelerator program. Some states, cities, and counties have laws, codes, or other technical obstructions that would public-private partnerships for infrastructure projects. This would be addressed by ensuring that state legislators and other local government officials have a formal role in the Accelerator structure. Providing local legislators with an avenue for input ensures that they are engaged in the Accelerator's work and can advocate on its behalf to change prohibitory legislation.

The Accelerator should have the authority to bring convene stakeholders and plug into federal funding resources. Legal standing is an important component of this authority. Standing enables convening authority so the Accelerator can bring together railroads, transportation departments, legislators, and community members. Once the appropriate stakeholders are brought together, the Accelerator can then fast track infrastructure projects by identifying state and federal financial resources and providing support to the project. Furthermore, the Accelerator should have the ability to communicate directly with federal agencies in Washington D.C. This ensures that they are able to inform clients about how best to navigate complex federal funding initiatives to achieve optimal project results.

Geographic Diversity:

- 1. What is the most effective regional approach in achieving geographic diversity?*

² "Fast Corridor" Port of Seattle. <https://www.portseattle.org/projects/fast-corridor>

³ "Home - SaskBuilds" SaskBuilds. <http://www.saskbuilds.ca/>

To achieve maximum geographic diversity, multi-state consortia should be allowed to apply as an Accelerator. A multi-state consortia approach ensures that rural and urban interests are well incorporated, and facilitates the development of multi-state transportation corridors. These multi-state transportation corridors are vital to existing economies. Currently there is a need for strengthening cooperation across state lines for big infrastructure projects. Few formal structures exist to ensure multi-state projects are completed, leaving several crucial infrastructure projects to slip through the cracks. These projects currently lack leadership, initiative, or coordinating capacity to reach completion.

Another regional approach that achieves geographic diversity is identifying a region from an economic perspective, looking for ways to deepen existing economic interdependencies with infrastructure projects. For example, several western states in the U.S. have deep economic ties with one another that would be strengthened through grade separation projects which could allow more freight to transit the region. Identifying multi-state economic clusters allows for the combination of densely populated urban areas with distant rural communities that rely on each other for the exchange of goods and capital.

2. What consideration should be given to urban versus rural areas, regional versus statewide or multi-State accelerators?

Regional accelerators that take a multi-state approach should be prioritized over single state or statewide accelerator programs. As previously discussed in question 1, there is a pressing need for multi-state collaboration on infrastructure projects.

Accelerators that can serve both rural and urban areas should similarly be given greater priority for funding during the application process. Ultimately this program should prioritize areas with the greatest need for institutional resources that cannot currently be accessed due to inefficient funding. This includes rural areas that cannot afford to hire specialists to help navigate the federal funding process. As much as possible, the Accelerator's network should include rural and urban legislators that are in contact with one another, as this is a good way to ensure that projects are well received across the board.

Potential opportunities for the projects to benefit trade with Canada and Mexico should be recognized as a plus. Canada and Mexico are two of the US's main trading partners, and ensuring fast, secure, and reliable movement of goods, services, and workers on our railways and highways is critical to that continued relationship.

3. Given the appropriated amount (\$5 million), what would be the optimum range and most effective number of awards for regional accelerators? What would be an appropriate size program to consider in addressing the needs of priority infrastructure projects in rural areas?

Approximately three to five awards should be available, with each awardee given approximately \$500,000 to \$1.5 million on a sliding scale based on the demonstrated need of the communities served by the accelerator. Programs that address both urban and rural areas should be given larger amounts.

Qualifications:

1. *What resources, competencies and experience would be required from and within an accelerator? The approach should consider the resources required in accelerating the development of smaller rural projects and assisting inexperienced or under-resourced regions.*

Resources: Accelerators should be able to provide long-term support and sustainable program viability. They should also have an administrative infrastructure to support this program. The Accelerator applicant should either have an administrative support structure in place, or a clear plan to quickly put the structure into place.

Competencies: The Accelerator should be able to leverage an existing regional network of public-private leaders (when present) to address specific needs. Members of the potential Accelerator should demonstrate their ability to source independent financing if necessary. They should also have a long-term outlook due to existing political support.

Experience: Accelerator applicants should have broad-based experience in developing projects, in the transportation and other relevant sectors. Priority should be given to applicants with a proven history of pulling together best practices from other regions and countries. Applicants with demonstrated success aggregating applied research which led to actual project or program deployment should also be given more consideration in the application process.

2. *If external resources and expertise would be contemplated, what would be the acquisition strategy while ensuring transparency and accountability?*

Should external resources and expertise be contemplated, the Accelerator should maintain a commitment to federal processes for contracting services. This includes utilizing the open source bidding proposal process to effectively and transparently select the appropriately qualified external resource providers.

3. *What is the best way to conduct an effective and transparent selection process? What evaluation criteria should the Bureau consider?*

When evaluating applicants to the Regional Infrastructure Accelerator Program, the Bureau should rate the applicants on several different criteria.

- Ability to move potential projects into real projects
 - Project expertise of the stakeholders should extend beyond transportation-focused projects to include capital and efficiencies experience.

The Accelerator can range in heavy capital to non-heavy capital projects, assisting in technology-driven projects by pulling together stakeholders on issues like 5G infrastructure.

- Competency and credibility of the applicant's team
- Experience
 - This extends to both experience with research, grants, and management of projects that are similar in scale and scope to the Regional Accelerator Program
- Demonstrated partnerships
 - Partnerships will strengthen the ability of the applicant to deliver on the objectives of the accelerator program. This includes a demonstrated ability to bridge the public and private sector interests to deliver a satisfactory product or project. Special consideration should be given to applicants who can demonstrate verified partnerships which will help the accelerator achieve success. This includes letters of support from state departments of transportation and private sector participants.

Applicants with a list of potential projects that could be helped through an accelerator program should be given extra consideration during the application process.

When selecting the awardees for the Program, the Bureau should consider four main criteria: experience, reputation, effectiveness, and sustainability. The selection process should be holistic, allowing for groups with experience in similar programs to apply while also recognizing the value in groups that pull from experience in different sectors.

The experience of the applying party and its staff should be considered when selecting a program for an award. For the initial regional accelerator programs, priority should be given to entities that consist of reputable individuals with proven histories of effectiveness. A good reputation can be based on several metrics, including proven project history, positive relationships with the public and private sector, and mechanisms for meaningful stakeholder input. Effectiveness can be measured by analyzing the number of grants and efforts the organization or group of individuals has gone through, seeing if the intended outcomes match the projected outcomes or exceed expectations.

Sustainability should be the final pillar of evaluation criteria. The applicants should have a clearly stated plan for establishing long-term funding and making the program multi-year and financially independent of 1441 funding.

Other criteria to consider include having a clear connection to the community the applicants plan to serve. This should specifically highlight how they are going to engage rural areas and ensure they are receiving adequate funding and attention in this program. Applicants who serve multi-modal areas should be given priority. This means that applicants should articulate how they will serve not just highways, but also rail, marine, and air.

Applicants should be able to demonstrate how they will serve a geographically diverse region, and articulate what that looks like. They should be able to identify metropolitan areas, rural communities, and tribal communities who will be served by the accelerator.

Finally, they should be able to articulate how their regional accelerator could be used as a model for the rest of the country.

Approach:

1. *What is the most effective approach to achieve the goals of the Program through an accelerator? In responding, please address considerations for the creation, selection and designation of regional accelerator(s).*

Given the extraordinary economic crisis at hand, an applicant that is already established in some format would most effectively achieve the goals of the Program through an accelerator. The ability to ‘hit the ground running’ with identified partnerships for potential projects will shorten the timeline from grant distribution to project delivery.

Accelerators that address both rural and urban applications will be more effective in addressing several of the infrastructure failures across the U.S.

Accelerators that would address multi-modal forms of transportation would similarly be a more effective way to achieve the goals of the Program. Multi-modal accelerators provide greater opportunities for projects. This allows for the incorporation of highway, rail, and port projects. Features such as borders, gateways, and corridors should be included in the defined geographic areas, and seen as a benefit during accelerator selection.

2. *What actions are required to plan, implement and assess effectiveness of regional accelerators? If your response considers a phased approach, what would be the activities, resources and timelines for each phase? If new entities are considered, how much time would be needed to stand up a regional accelerator and what would be the major challenges?*

Evaluating an accelerator program should include three main questions: 1) How quickly can the accelerator get off the ground; 2) how many projects can the accelerator address in a fiscal cycle; and 3) how many of the projects that come through the accelerator get financed or succeed in some way.

3. *How could an accelerator leverage the Federal funding beyond the initial Federal support? If feasible, could a standalone, self-funded and sustainable model continue to deliver the intended benefits under the Program?*

Given adequate buy-in from participating states and sponsorship from the private sector, an accelerator could become a standalone, self-funded and sustainable model beyond initial Federal support. A key part of this strategy is for the accelerator program to establish a good reputation as a center that “gets things done.” There is a need for this kind of a program throughout the United States. Once an accelerator is able to get a few programs off the ground, it will be able to leverage that reputation to draw in projects, state funding, other federal funds, and private sector contributions to continue the program.

- 4. Rural transportation infrastructure is of critical interest to the Department. How could Regional Infrastructure Accelerators assist in supporting priority programs in the region such as Rural Opportunities to Use Transportation for Economic Success (ROUTES) and the Bureau's Railroad Rehabilitation & Improvement Financing (RRIF) credit program that further accelerate projects?*

Regional Infrastructure Accelerators could assist ROUTES by hosting an orientation to help stakeholders understand what the program does. As a new program, most local leaders do not currently understand how the program works or what it does. By bringing in state departments of transportation, tribal leaders, and local governments for an orientation on ROUTES, this will enable the effective execution of the program. Furthermore, this allows for the customization of ROUTES to the geographic area.

Accelerators can support the Bureau's RRIF credit program by providing guidance for the updates on the new revisions to the RRIF.

An Accelerator should be able to bundle a series of rural projects to provide a more attractive candidate for public and private funding. The Connell Rail Interchange project in Washington state is a good example. It is one of several Class I/short haul RR, port, city and agricultural commodity and community safety intermodal projects on the Great Northern Corridor between the NW Seaport Alliance in Seattle/Tacoma and Chicago. It has raised approximately 18M\$ of the needed \$24M for construction from a variety of railroad, port, city and state funds.

Under the R.O.U.T.E.S program support for economic development, the project could identify gap funding through the federal RRIF, Build or Infra programs as part Great Northern Corridor project list that taken in total can dramatically reduce traffic bottlenecks, enhance global market access and cut highway/rail safety accidents

Measures of Success:

- 1. How would Bureau assess and monitor the success of the program in accomplishing the goals and objectives?*

The Bureau would monitor and assess the success of an accelerator with a yearly review that looks at each of the progress markers laid out in the accelerator's application.

- 2. What would be appropriate key performance indicators that help measure the effectiveness of this demonstration program? Please consider the planned activities under the Program as indicated in Section 1441 of the FAST Act.*

Evaluation would be based on the status of the project pre-involvement of the accelerator and examining whether progress was made. The baseline of each project would need to be noted, evaluating whether or not the accelerator has expedited the timeline of the project. Another measure of success should include how the accelerator built capacity for state, local and tribal governments to evaluate and structure projects involving investment of private capital, as described in Section 1441. Evaluations should determine how the accelerator has decreased costs, increased private funding, and reduced permitting costs.

Other Considerations:

- 1. What else should the Bureau consider (in addition to the statutory criteria in Section 1441 of the FAST Act) and/or do to ensure an effective and successful regional accelerator program?*

To ensure an effective and successful regional accelerator program, the Bureau should consider how the accelerators plan to collaborate with pertinent federal departments, specifically the Federal Permitting Improvement Steering Council. This furthers the ability to work on infrastructure permitting as envisioned in FAST 41.