



441 G St. N.W.
Washington, DC 20548

Accessible Version

August 3, 2017

The Honorable John Barrasso
Chairman

The Honorable Tom Carper
Ranking Member
Committee on Environment and Public Works
United State Senate

The Honorable Bill Shuster
Chairman

The Honorable Peter DeFazio
Ranking Member
Committee on Transportation and Infrastructure
House of Representatives

CORPS OF ENGINEERS: Extent and Status of Expedited Permit Processing for Public-Utility Companies, Natural Gas Companies, and Railroad Carriers

When cities, counties, or other nonfederal public entities, such as port authorities or regional water authorities, propose public works projects in federally regulated waters and wetlands, such as road construction and sewer line construction or maintenance, permits may be required from the U.S. Army Corps of Engineers (Corps) before proceeding.¹ Similarly, private entities that propose to build pipelines or other infrastructure in federally regulated waters and wetlands may require permits from the Corps. To obtain these permits, the entities generally submit a permit application that contains a description of the proposed project and other information the Corps needs to evaluate how the project will affect federally regulated waters and wetlands.² Once the Corps receives a permit application from the applicant, the permit review process begins.

In 2000, the Water Resources Development Act of 2000, included a provision to expedite the Corps' permit processing for nonfederal public entities.³ Specifically, section 214 of the act authorized the Secretary of the Army, after providing public notice, to accept and expend funds from nonfederal public entities—known as funding entities—to expedite the evaluation of permit applications for proposed projects that fall under the jurisdiction of the Department of the Army.⁴

¹Section 404 of the Clean Water Act is the principal federal program that provides regulatory protections for waters of the United States. It generally prohibits the discharge of dredged or fill material into waters of the United States, which include certain wetlands, without a permit from the Corps. In addition, under section 10 of the Rivers and Harbors Act of 1899, structures or work in, over, or under any navigable water of the United States, or any structures or work that would affect the course, location, condition, or capacity of those waters are prohibited without a permit from the Corps.

²See 33 C.F.R. § 325.1(d), (e) for the information required in a Corps permit application.

³Pub. L. No. 106-541, § 214 (2000).

⁴We examined the Corps' implementation of this authority in GAO, *Waters and Wetlands: Corps of Engineers Needs to Ensure That Permit Decisions Made Using Funds from Nonfederal Public Entities Are Transparent and Impartial*, [GAO-07-478](#) (Washington, D.C.: May 16, 2007) and GAO, *Status of U.S. Army Corps of Engineers Efforts to*

In 2010, section 214 was amended to, among other things, limit the expedited permit processing to projects or activities for a public purpose. According to a Corps official, in fiscal year 2016, 23 of the 38 Corps districts had active funding agreements with nonfederal public entities to expedite permit processing under the section 214 authority.⁵

In June 2014, the Water Resources Reform and Development Act of 2014 extended the section 214 authority to include public-utility companies and natural gas companies, and in December 2016, section 214 of the Water Resources Development Act of 2000 was amended to include railroad carriers.⁶ Section 214 of the Water Resources Development Act of 2000, as amended, includes a provision for GAO to study the Corps' implementation of its authority to expedite permit processing for public-utility companies, natural gas companies, and railroad carriers, and report by June 10, 2018. This report examines to what extent the Corps has implemented its authority to expedite permit processing for public-utility companies, natural gas companies, and railroad carriers, and how it has implemented this authority, and it provides information about the agreements implemented.

To examine the extent to which the Corps has implemented its authority to expedite permit processing for public-utility companies, natural gas companies, and railroad carriers, we asked Corps headquarters officials to identify all of the Corps district offices where agreements had been approved or were under development. Corps headquarters queried district offices to provide us with a list of such agreements. To determine how the Corps has implemented its authority and to provide information about agreements, we collected and reviewed all approved agreements and a draft agreement that was near approval, as well as associated documents, such as Corps public notices and activity reports to funding entities. From these documents, we identified the objectives and terms of the agreements and the status of work under the terms of these agreements. We also interviewed Corps officials and representatives of public-utility company and natural gas company funding entities about the development and implementation of agreements to expedite permit processing for each entity's priority projects under section 214 as amended and to identify potential advantages and challenges of the agreements.

Specifically, we conducted telephone interviews with Corps officials in headquarters and in its Alaska, Los Angeles, New England, and Sacramento District offices to discuss their approved or nearly-approved agreements to expedite permit processing for funding entity projects.

Separately, we conducted telephone interviews with representatives of two selected public-utility companies and the sole natural gas company that had agreements approved or near approval to discuss their participation in those agreements. According to a Corps official, there were no agreements with railroad carriers approved or in development at the time of our review.

We conducted this performance audit from July 2016 to August 2017, in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Implement GAO's 2007 Recommendations Regarding Its Section 214 Authority, [GAO-10-385R](#) (Washington, D.C.: Feb. 19, 2010).

⁵The Corps prepares an annual summary report on the implementation of section 214 funding agreements, which is available on its website.

⁶Water Resources Reform and Development Act of 2014, Pub. L. No. 113-121, tit. I, § 1006(1) (2014); Water Infrastructure Improvements for the Nation Act, Pub. L. No. 114-322, tit. I, subtit. A, § 1125 (2016).

Background

Located within the Department of Defense, the Corps has both military and civilian responsibilities.⁷ The Corps' Civil Works program, which is responsible for water resources, is organized into three tiers: a national headquarters in Washington, D.C.; eight regional divisions that were generally established according to watershed boundaries; and 38 districts nationwide. Under the Corps' Civil Works mission, its Regulatory Program is responsible for regulating certain activities in federally-regulated waters and issuing permit decisions for those activities, such as crossings of federally-regulated waters by natural gas pipelines. The authority to issue permit decisions has largely been delegated to the Corps' districts, with policy oversight at the Corps' division offices and headquarters.

To obtain a permit, entities are to submit an application to the Corps detailing the proposed project's purpose, location, and likely impacts to the aquatic environment. The Corps reviews the application to ensure it contains the minimum required information, which may vary by project, as well as the extent and functional values of the water resources that may be impacted. Once the permit application is submitted, the permit review process begins. This process is governed by federal regulations and Corps headquarters' guidance documents. The regulations set the overall review framework by describing the factors that Corps' districts are to consider when deciding whether to issue a permit, and the general evaluation procedures.⁸

Corps guidance documents describe in more detail the steps the districts must follow to implement the regulations, including documentation that they should maintain in the administrative record to support permitting decisions. The regulations allow the districts to issue different types of permits—including nationwide permits (and other types of general permits), letters of permission, and standard permits—depending on the scope and likely impacts of the proposed projects.⁹ The specific steps the districts follow to review a permit application depend on the type of permit the Corps uses to approve the proposed project.

Under the section 214 authority, as amended, the Corps may accept and expend funds from a funding entity—non-federal public entities, public-utility companies, natural gas companies, and railroad carriers—to expedite the evaluation of permit applications for proposed projects with a public purpose. To accept funds under this authority, a Corps district enters into a legal agreement with a funding entity that specifies the duration of the arrangement, the amount of funds to be received, and how the funds are to be used. The agreements may specify expedited processing for a single large project or for multiple projects identified as priorities by the entities, such as public-utility projects needed to meet a state mandate. The agreements are generally between the Corps and one funding entity, such as a city or county, but various departments within a funding entity may submit permit applications for expedited review under the agreement.

⁷The Corps' Military program provides, among other things, engineering and construction services to other U.S. government agencies and to foreign governments. This report focuses only on the Corps' Civil Works program.

⁸33 C.F.R. Pts 320-330, 332.

⁹Nationwide permits authorize 52 classes of activities throughout the nation, such as minor dredging, road crossings, and bank stabilization that the Corps has determined are likely to have no more than minimal individual and cumulative adverse environmental effects. For projects likely to have more substantial impacts on waters and wetlands, the Corps can issue standard permits. The Corps may use letters of permission in lieu of a standard permit when certain circumstances are met.

The Corps' guidance for establishing, managing, and overseeing funding agreements under the 214 authority was most recently updated in September 2015.¹⁰ It includes guidelines for, among other things, accountability to ensure funds are expended for the intended purpose, impartiality to ensure the acceptance of funds does not affect the Corps' decision making, and public notice for comments prior to accepting funding. As specified in the guidance, Corps districts with active agreements are to report annually to headquarters on their activities under the agreements. For example, they are to report how the funding agreement has been used to expedite the permit process and how impartiality and training requirements have been met, along with a list of funds accepted and permits reviewed and approved under the funding agreement.

Summary

The Corps has implemented the authority to expedite permit processing for public-utility companies and a natural gas company by approving or developing funding agreements with seven public-utility companies and one natural gas company, as shown in table 1. Three Corps districts—Alaska, Los Angeles, and New England—have approved funding agreements, and four districts—Chicago, Jacksonville, Sacramento, and St. Paul—have taken the initial step of providing public notice of preliminary intent and are in the process of drafting or finalizing funding agreements. According to a Corps official, as of June 8, 2017, no agreements had been approved or were in development for railroad carriers.¹¹

Table 1: U.S. Army Corps of Engineers Districts, Public-Utility Companies, and a Natural Gas Company with Funding Agreements for Expedited Permit Processing Approved or Under Development, as of June 8, 2017

Lead Corps district	Funding entity	Funding agreement status
Alaska	Alaska Gasline Development Corporation	Approved June 2015; renewed February 2017
Chicago	Northern Indiana Public Service Company	Public notice of preliminary intent posted March 2017
Jacksonville	Florida Power & Light Company	Public notice of preliminary intent posted April 2017
Los Angeles	Southern California Edison	Approved January 2017
New England	National Grid	Approved March 2017
Sacramento	Pacific Gas and Electric	A Corps official expects approval in June or July 2017
St. Paul	American Transmission Company, LLC and WEC Energy Group	Public notice of preliminary intent posted February 2017

Source: GAO analysis of U.S. Army Corps of Engineers funding agreement documentation and information provided by a Corps official. | GAO-17-678R

Note: Two funding entities have facilities within the boundaries of adjacent U.S. Army Corps of Engineers (Corps) districts. As a result, the Corps' Sacramento District is also participating in the approved Southern California Edison

¹⁰U.S. Army Corps of Engineers, *Updated Implementation Guidance for Section 1006 of the Water Resources Reform and Development Act of 2014 and Guidance on the Use of Funding Agreements within the Regulatory Program*, Memorandum for Commanders, Major Subordinate Commands, and District Commands (Sept. 2, 2015).

¹¹The section 214 authority for railroad carriers was enacted in December 2016. A Corps headquarters official said that one railroad carrier has expressed interest in expedited permit processing, but has not taken action to initiate the development of a funding agreement with a Corps district office as of June 8, 2017.

agreement, and the Los Angeles and San Francisco Districts are participating in the Pacific Gas and Electric agreement that is under development.

Corps officials and funding entity representatives we interviewed described the development of the funding agreements as a collaborative process. The funding entities generally approached the Corps districts to propose the development of an agreement. Following Corps headquarters guidance, the districts posted a public notice of preliminary intent for the potential acceptance of funding to expedite permit processing. To develop the agreement with the public-utility company or natural gas company funding entity, Corps district officials generally used a previously approved section 214 agreement with a nonfederal public entity as a template. The three approved agreements that we reviewed contain basic information, such as the initiation and expiration date for the agreement, the amount of funding to be provided, and the types of activities being funded. The funding entities also included elements in the agreement to meet their specific needs, such as a list of priority projects for expedited permit processing, or requirements for the district to report to the funding entity on expenses and activities under the agreement. The district officials we interviewed said they followed the Corps guidance for establishing funding agreements, for example, including a process for accountability to ensure funds are expended for the intended purposes. The final agreements were approved by both parties and posted for public notice by the Corps. As shown in table 2, the development of the three approved agreements—from initial proposal to approval—took approximately 9 to 13 months, and the agreements’ duration—the time between approval and expiration—is about 3 to 4 years.¹²

Table 2: Length of Time for the U.S. Army Corps of Engineers, Public-Utility Companies, and a Natural Gas Company to Develop Funding Agreements for Expedited Permit Processing, and Agreement Duration, as of June 8, 2017

District with approved agreement	Approximate length of time to develop agreement	Month and year agreement approved	Month and year agreement expires
Alaska	9 months	June 2015	September 2018
Los Angeles	13 months	January 2017	June 2021
New England	12 months	March 2017	March 2020

Source: GAO analysis of U.S. Army Corps of Engineers funding agreement documentation and interviews with Corps officials and funding entity representatives. | GAO-17-678R

Note: The Alaska District agreement was renewed in February 2017. According to a Corps official, the Sacramento District draft agreement is expected to be approved in June or July 2017. The development time is the approximate number of months from initial proposal to approval of the agreement according to Corps officials and funding entity representatives we interviewed.

The three approved agreements provide funding for the Corps’ expenses—primarily the salary of a dedicated district official to process the entity’s permit applications—and require the Corps to report to the entity on expenses and activities under the agreements. Table 3 shows the funding, district staffing, and reporting required under the approved funding agreements. The Alaska agreement was fully funded upon approval and funding was increased upon renewal, while the Los Angeles and New England agreements were initially funded for the first year, and will subsequently be funded annually based on the Corps’ estimates of its expenses under the agreement for the coming year. Each agreement provides for one dedicated Corps district official to process permit applications and perform other duties as specified under the

¹²In general, the funding entities proposed the development of a funding agreement to the Corps and the two parties then worked collaboratively to establish the terms and approve the agreement.

agreement. The requirements for the districts to report to the funding entity on expenses and activities vary in frequency and level of detail under each agreement.

Table 3: Funding, Staffing, and Reporting Under Agreements between the U.S. Army Corps of Engineers, Public-Utility Companies, and a Natural Gas Company, as of June 8, 2017

District with approved agreement	Funding provided to the district	District staffing	District reporting to the funding entity
Alaska	\$228,560 total, including funding added at renewal.	One dedicated reviewer.	Quarterly status reports.
Los Angeles	\$240,000 for calendar year 2017; future funding based on annual estimates.	One dedicated reviewer.	High-level monthly reports and detailed quarterly reports.
New England	\$219,524 for fiscal year 2017; future funding based on annual estimates.	One dedicated reviewer.	Monthly timesheets for expenses incurred, and quarterly meetings.

Source: GAO analysis of U.S. Army Corps of Engineers funding agreement documentation. | GAO-17-678R

Note: The Los Angeles and New England agreements were initially funded for the first year, and will subsequently be funded annually based on the Corps' estimates of its expenses under the agreement for the coming year, primarily the cost of a dedicated reviewer.

Our review of the three approved agreements and associated documents, such as activity reports, found that the primary activities of the Corps' districts under the agreements are to (1) review permit applications for the funding entity's multiple priority projects, and (2) prepare documentation necessary for any required environmental reviews, such as environmental assessments and environmental impact statements required under the National Environmental Policy Act. According to a Corps headquarters official, for the three approved agreements as of June 8, 2017,

- five projects have been authorized to proceed under existing permits, and three permit decisions were pending under the Los Angeles District agreement;
- one environmental review was ongoing under the Alaska District agreement; and
- permit evaluation under the New England District agreement was to begin when the Corps hired a dedicated employee.

As of June 2017, the Alaska District agreement is the only agreement with implementation ongoing for more than a year. The district's annual report to Corps headquarters on expedited permit processing activities states that processing times for non-funded reviews have not been affected by its efforts to expedite work for the funding entity under the agreement.

Overall, Corps district officials and funding entity representatives we interviewed said that potential advantages of the agreements include:

- having a dedicated lead Corps reviewer working on processing permit applications for the funding entity's multiple projects and gaining expertise on the types of projects typically proposed by the funding entity; and
- having the Corps reviewer involved early in projects to help avoid potential planning mistakes and to educate funding entity staff on the proper preparation of permit applications.

Two Corps district officials and two funding entity representatives said that a potential challenge in their collaborative efforts to develop agreements is establishing appropriate milestones and

metrics to measure the Corps' performance. For example, the funding entities or the Corps may propose including metrics, such as number of days for the permit review process, in the agreements to help them determine if the Corps has expedited permit processing. However, a Corps district official said that they do not have full control over certain aspects of the permit review process, such as consultation with other agencies under other federal laws, and therefore such metrics may not always appropriately measure Corps district performance. Nevertheless, the Los Angeles and New England District agreements include agreed-upon metrics, such as a target number of days for permit processing. According to a district official, the Alaska District agreement does not include metrics because both parties wanted flexibility in the agreement. Corps headquarters officials also said that the Alaska District agreement does not easily lend itself to performance metrics because it is centered on the development of a supplemental environmental impact statement by the Corps for a project that requires a Corps permit rather than the review of multiple projects for a funding entity.

Corps district officials we interviewed said they anticipated few additional agreements with public-utility companies and natural gas companies in the future primarily because few companies have a large number of priority projects that might need an expedited permit review. Moreover, Corps headquarters officials said that agreement terms can be developed to meet the specific needs of the funding entity (such as addressing a single large project) or to include multiple entities collectively sharing the cost of expediting the review process for their permits, among other options. Also, depending on the amount of review work needed, agreements may provide for a part-time rather than full-time Corps reviewer. A Corps headquarters official said that one railroad carrier had expressed interest in having a section 214 agreement but had not taken steps to initiate the process to develop an agreement as of June 8, 2017.

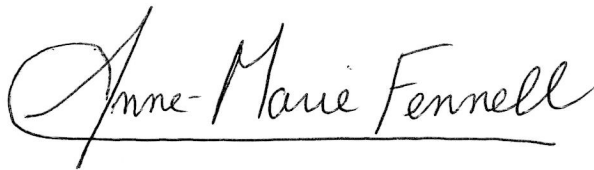
For more information on the three approved agreements, see enclosures I, II, and III.

Agency Comments

We provided a draft of this product to the Department of Defense for review and comment. The Corps provided technical comments that we incorporated, as appropriate.

We are sending copies of this report to the appropriate congressional committees, the Secretary of Defense, and other interested parties. In addition, the report is available at no charge on the GAO website at <http://www.gao.gov>.

If you or your staff have any questions about this report, please contact me at (202) 512-3841 or fennella@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff who made key contributions to this report include Vondalee R. Hunt, Assistant Director; Brad Dobbins; and Jeanette Soares.



Anne-Marie Fennell
Director, Natural Resources and Environment
Enclosures

Enclosure I

Information on the Approved Alaska District Agreement to Expedite Corps Permit Processing for a Natural Gas Company Under Section 214 of the Water Resources Development Act of 2000, as Amended.

Corps District: Alaska

Funding entity: Alaska Gasline Development Corporation

Purpose of agreement: A funding entity representative said that the funding entity's objectives are to expedite the district's development and approval of a supplemental environmental impact statement for the approximately 900-mile-long Alaska Stand Alone Pipeline, and then expedite Corps permit processing for the project after this environmental review is approved.

Time to develop the approved agreement and agreement duration: Development of the agreement took approximately 9 months, involving the collaborative drafting of the agreement, consulting with stakeholders, and the Corps asking for public comments on the agreement. The agreement was approved in June 2015, renewed in February 2017, and expires in September 2018.

Implementation status: During 2017, the district was reviewing and analyzing various aspects of the planned project and drafting sections for the project's supplemental environmental impact statement. The district's fiscal year 2016 annual report to Corps headquarters on activities under the funding agreement states that processing times for non-funded application reviews were not slowed because other staff were available to handle them.

Funding, staffing, and progress reporting: The agreement initially authorized \$201,900 in funding for the district; the total funding amount was increased to \$228,560 in February 2017 when the agreement was renewed. One dedicated full-time Corps staff person is the lead reviewer for the funding entity; there is also a back-up reviewer for when the lead is unavailable, such as when on leave. The Corps provides quarterly reports to the funding entity identifying expenditures for specific activities in the ongoing development of the environmental review. A district official said that the agreement does not include metrics because both parties wanted flexibility in the agreement.

Potential advantages and challenges: A district official we interviewed said that an advantage of the agreement is that its funding provides for one dedicated Corps staff person to focus full-time on project review, uninterrupted by other demands. Regarding challenges, based on lessons learned from implementing the agreement, a district official said that future agreements may benefit from more specific milestones and deliverables to help ensure the Corps' efforts are focused on the funding entity's priority needs. One funding entity representative said the lack of clarity as to whether work under the agreement is being expedited has been a challenge, particularly since the agreement did not specify a schedule or milestones to measure whether the work is on track, and the review is taking longer than the 1 year that the entity expected. The representative said that, in part, this may be because of a lack of continuity when the district changed the lead reviewer. However, according to the representative, this did not affect the project's progress, because the state legislature delayed the project to consider whether to continue with the work. The district and funding entity amended the agreement in February 2017 to extend the expiration date from June 2017 to September 2018, provide additional funding, and specify an updated set of tasks and budget for completing the permit process for the project.

Potential for additional agreements: As of June 8, 2017, no additional agreements with public-utility companies or natural gas companies are approved or pending in the Alaska District. A district official we interviewed said that there is little potential for future agreements in the district because Alaska's small population centers have little demand for large-scale public-utility or natural gas projects with a large number of permits to process.

Enclosure II

Information on the Approved Los Angeles District Agreement to Expedite Corps Permit Processing for a Public-Utility Company Under Section 214 of the Water Resources Development Act of 2000, as Amended.

Corps District: Los Angeles; the Corps' Sacramento District is also participating in the agreement.

Funding entity: Southern California Edison

Purpose of agreement: A funding entity representative said that the funding entity's objectives are for the district to expedite the review of permits for maintaining existing power infrastructure and building new infrastructure as wind and solar power sources are added in the region. Corps officials said they anticipate that the impacts associated with most of the projects reviewed under this agreement will be covered by existing general permits, but some individual permits may require environmental assessments that would be developed under the agreement, where applicable.

Time to develop the approved agreement and agreement duration: Development of the agreement took approximately 13 months, involving the collaborative drafting of the agreement, legal review of the draft, and the Corps asking for public comments on the agreement. The agreement was approved in January 2017 and expires in June 2021.

Implementation status: According to a Corps official, as of June 8, 2017, five projects had been authorized to proceed under existing permits, including, for example, projects to repair an underground powerline, repair existing access roads, and improve pumps and drainage for an existing hydropower facility. In addition, three permit decisions were pending.

Funding, staffing, and progress reporting: The agreement authorized initial funding of \$240,000, the anticipated costs under the agreement through December 31, 2017. Subsequent funding will be provided based on the district's estimate for each calendar year. One dedicated full-time Corps staff person is the lead reviewer for the funding entity; a back-up reviewer may be added if necessary. The district will provide high-level monthly status reports and detailed quarterly reports identifying expenditures for specific tasks. The agreement includes performance measures for monitoring the expedited process; for example, calendar day timeframes within which the Corps is expected to complete specific activities, such as permit processing, and percentage targets for completing the activities within the timeframes.

Potential advantages and challenges: A district official we interviewed said that advantages of the agreement include that a dedicated reviewer will likely gain expertise on funding entity projects, be able to shift priorities quickly as needed, process permits more quickly, and educate funding entity staff on how to develop acceptable permit applications. The funding entity representatives we interviewed said they anticipate the following advantages: shorter timeframes for the approval of permits that are measurable based on the agreement's performance measures, improved quality of permit applications to the Corps to further enhance processing efficiency, more technical guidance provided by the Corps to help the funding entity keep up on new or changing regulations, increased expertise of Corps staff regarding the utility's projects and operations, and development of programmatic solutions to increase efficiency that can be applied across the funding entity's operations. According to the district official, a challenge under the agreement is for the lead reviewer to balance the need to prepare monthly and quarterly reports for the funding entity with the primary priority of processing permit applications. According to the funding entity representatives, a potential challenge is ensuring that Corps staff have the proper level of knowledge and experience to effectively handle the funding entity's priority projects.

Potential for additional agreements: The Los Angeles District is also a participant in the draft Sacramento District agreement because Pacific Gas and Electric has a utility facility under the

district's jurisdiction. No additional public-utility company or natural gas company agreements are approved or pending with the district as of June 8, 2017. According to a district official, there is little potential for future agreements within the district because Pacific Gas and Electric is the primary utility in the district. According to a district official, other utilities have asked about agreements, but the Corps determined that they did not have a sufficient amount of high-priority work to warrant the effort to establish an agreement.

Enclosure III

Information on the Approved New England District Agreement to Expedite Corps Permit Processing for a Public-Utility Company Under Section 214 of the Water Resources Development Act of 2000, as Amended.

Corps District: New England

Funding entity: National Grid (Collectively, New England Power Company, Massachusetts Electric Company, Nantucket Electric Company, Narragansett Electric Company, Boston Gas Company, Colonial Gas Company, New England Electric Transmission Corporation, New England Hydro-Transmission Electric Company, Inc., and New England Hydro-Transmission Electric Corporation)

Purpose of agreement: A district official said that the funding entity's objectives are for the district to expedite the review of permits for maintaining existing power infrastructure and building new infrastructure. The agreement states that in the last couple of years, the number of its projects requiring permits has increased substantially, and the entity expects this trend to continue for the foreseeable future.

Time to develop the approved agreement and agreement duration: Development of the agreement took approximately 12 months, involving the collaborative drafting of the agreement, legal review of the draft, and the Corps asking for public comments on the agreement. The agreement was approved in March 2017 and expires in March 2020.

Implementation status: According to a Corps official, as of June 8, 2017, permit evaluation under the agreement had not begun because the Corps was in the process of hiring a dedicated employee as required by the agreement.

Funding, staffing, and progress reporting: The agreement authorized initial funding of \$219,524, the anticipated costs under the agreement for fiscal year 2017. Subsequent funding will be provided based on the district's estimate for each fiscal year. One dedicated full-time Corps staff person will be the lead reviewer. The district will provide the funding entity with monthly timesheets for work done under the agreement and hold meetings at least quarterly to establish priorities and evaluate activities. The agreement includes performance measures for monitoring the expedited process; for example, calendar day timeframes within which the Corps is to complete specific activities, such as permit processing, and percentage targets for completing the activities within the timeframes.

Potential advantages and challenges: One district official we interviewed said an advantage of the agreement is that it funds a dedicated reviewer for the entity's permit applications who may be more efficient and more responsive to priorities, leading to quicker decisions being made. The official did not identify any challenges under the agreement.

Potential for additional agreements: As of June 8, 2017, no additional public-utility company or natural gas company agreements are approved or pending with the district. A district official stated that it's possible that another company could seek a similar agreement with the district but did not know the likelihood of this occurring.

(101037)