Statement of the U.S. Chamber of Commerce

ON: HEARING ON “Cutting Through the Red Tape: Oversight of Federal Infrastructure Permitting and the Federal Permitting Improvement Steering Council”

TO: U.S. SENATE COMMITTEE ON HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS’ PERMANENT SUBCOMMITTEE ON INVESTIGATIONS

DATE: September 7, 2017

The Chamber’s mission is to advance human progress through an economic, political and social system based on individual freedom, incentive, initiative, opportunity and responsibility.
The U.S. Chamber of Commerce is the world’s largest business federation representing the interests of more than 3 million businesses of all sizes, sectors, and regions, as well as state and local chambers and industry associations. The Chamber is dedicated to promoting, protecting, and defending America’s free enterprise system.

More than 96% of Chamber member companies have fewer than 100 employees, and many of the nation’s largest companies are also active members. We are therefore cognizant not only of the challenges facing smaller businesses, but also those facing the business community at large.

Besides representing a cross-section of the American business community with respect to the number of employees, major classifications of American business—e.g., manufacturing, retailing, services, construction, wholesalers, and finance—are represented. The Chamber has membership in all 50 states.

The Chamber’s international reach is substantial as well. We believe that global interdependence provides opportunities, not threats. In addition to the American Chambers of Commerce abroad, an increasing number of our members engage in the export and import of both goods and services and have ongoing investment activities. The Chamber favors strengthened international competitiveness and opposes artificial U.S. and foreign barriers to international business.
BEFORE THE U.S. SENATE COMMITTEE ON HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS' PERMANENT SUBCOMMITTEE ON INVESTIGATIONS

Hearing on “Cutting Through the Red Tape: Oversight of Federal Infrastructure Permitting and the Federal Permitting Improvement Steering Council”

Testimony of William L. Kovacs
Senior Vice President, Environment, Technology & Regulatory Affairs

September 7, 2017

Good morning, Chairman Portman, Ranking Member Carper, and distinguished members of the Senate Permanent Subcommittee on Investigations. My name is William L. Kovacs and I am Senior Vice President for Environment, Technology and Regulatory Affairs at the U.S. Chamber of Commerce. The Chamber greatly appreciates the Committee’s interest in the vital issue of federal permit streamlining and for the work it did during the 114th Congress that lead to passage of very clear, well-structured legislation that was incorporated as Title 41 of the Fixing America’s Surface Transportation Act. It is now referred to as FAST-41.

My statement details the Chamber’s strong support for the federal permit streamlining provisions in FAST-41, which was signed into law in December 2015, and for the speedy and effective implementation of those provisions. FAST-41 had strong leadership from its original co-sponsors Senators Portman and McCaskill and Chairman Johnson, and bipartisan support demonstrated by the prior administration’s immediate implementation of the statute. FAST-41 is increasingly important as the new administration has committed to getting more infrastructure built. FAST-41 is a workable statutory design, it has a structure in place to review and streamline the approval of environmental reviews, and it has 35 projects listed on its Dashboard. If this nation truly wants to improve, in a timely manner, the nation’s infrastructure it needs to immediately utilize the FAST-41 process.¹

I. BACKGROUND

As you may know the U.S. Chamber’s strong interest in permit streamlining dates back to the 2009 debate over the American Recovery and Reinvestment Act ("The Recovery Act") when the Obama administration was proposing to fund all “shovel ready projects”. The Chamber called attention to the fact that there were few, if any, such projects due to the nation having a flawed permitting process that operated without time-constraints.

During the debate on the Recovery Act Senators Barrasso and Boxer recognized the flaws in the permitting process and worked together to secure an amendment to the Recovery Act requiring the National Environmental Policy Act (“NEPA”) process be implemented to require that environmental reviews be conducted “on an expeditious basis” (i.e. that the shortest existing applicable process be used). The Barrasso – Boxer amendment was enacted into law and according to Council on Environmental Quality (“CEQ”) data, out of the 192,707 NEPA environmental reviews conducted on Recovery Act projects, 184,733 were satisfied through the

¹ FAST-41 adopted most of the provisions of S. 280, the Federal Permitting Improvement Act of 2015.
use of categorical exclusions. Only 841 required an Environmental Impact Statement ("EIS"), the longest process under NEPA.

After passage of the Recovery Act the U.S. Chamber continued its interest in permit streamlining by undertaking an extensive study of the difficulties inherent in completing the environmental reviews needed to secure federal permits for constructing projects. In 2010 the Chamber published its “Project – No – Project” report which identified 351 energy projects across the nation that were stalled due to the many challenges made under the Federal government’s environmental review process. The stalled projects, if permitted, would have produced a direct investment totaling $577 billion at a time when the economy desperately needed investment. The report estimated that this $577 billion direct investment would have generated a $1.1 trillion short term boost to the economy and created 1.9 million jobs annually during the projected seven years of construction. The report became an important resource used by both houses of Congress to develop legislation to address the long permitting delays.

In 2012 the House introduced H.R. 4377, “Responsibly and Professionally Invigorating Development Act” (“RAPID Act”) to streamline the nation’s environmental review process. In 2013, the Senate introduced S. 1397, the “Federal Permitting Improvement Act”. While the House passed RAPID in both the 113th and 114th Congresses, the Senate did not address the issue until the 114th Congress when it was then able to incorporate its version of permit streamlining, the “Federal Permitting Improvement Act”, as Title 41 of the FAST Act which was signed into law on December 4, 2015 by President Obama.

The enactment of FAST-41 was the first time since the passage of a 1969 federal law requiring environmental reviews of major infrastructure projects having federal involvement, that a structure was established for the management, coordination, timing and transparency of the environmental review process for such projects.

FAST-41 establishes the multi-agency Federal Permitting Improvement Steering Council (“FPISC”), chaired by an Executive Director, and establishes a process which involves designation of a lead agency; schedules for projects; coordination between agencies and states when applicable; dispute resolution mechanisms; and judicial review. Project sponsors must seek authorization as a “covered project” to gain access to the process and the Executive Director makes the final determination that a project meets the criteria of a “covered project.”

A significant part of the text of FAST-41 originated in the Senate as S. 280; the 2015 version of the Federal Permitting Improvement Act which was developed by this Committee. The permit streamlining provisions of FAST-41 bring greater efficiency, transparency, and accountability to the federal permitting review process. Its coverage is very broad including renewable energy production, conventional energy production, electricity transmission, aviation, surface transportation, ports and waterways, water resource projects, broadband, pipelines, manufacturing, or any other sector as determined by a majority vote of the FPISC. Bringing better coordination and predictability to the permitting process should translate into job creation, economic growth, and new development. Some of the key provisions of FAST-41 include:

2 See 42 U.S.C. § 4370m. The definition of “covered project” permits FPISC by majority vote to expand the list of covered projects if it determines that other sectors meet the stated criteria.

3 Id. at § 4370m(6)(A).
• Establishing a permitting timetable, including intermediate and final completion dates for covered projects, i.e. those over $200 million or subject to multiple agency environmental review requirements so they will benefit from enhanced coordination;

• Designation of a Lead Agency to coordinate responsibilities among multiple agencies involved in project reviews to ensure that “the trains run on time;”

• Providing for concurrent reviews by agencies, rather than sequential reviews;

• Allowing state-level environmental reviews to be used where the state has done a competent job, thereby avoiding needless duplication of state work by federal reviewers;

• Requiring that agencies involve themselves in the process early and comment early, avoiding eleventh-hour objections that can restart the entire review timetable;

• Establishing a reasonable process for determining the scope of project alternatives, so that the environmental review does not devolve into an endless quest to evaluate infeasible alternatives;

• Creating a searchable, online “dashboard” to track the status of projects during the environmental review and permitting process;

• Reducing the statute of limitations to challenge a project review from six years to two years; and

• Requiring courts, when addressing requests for injunctions to stop covered projects, to consider the potential negative impacts on job creation if the injunction is granted.

While there have been permit streamlining provisions for specific activities, this is the first time there has been any type of comprehensive structure that coordinates the environmental review process for large infrastructure projects throughout the nation, both public and private.

II. PERMIT STREAMLINING UNDER FAST-41

Building upon the cornerstones of coordination, transparency, and accountability, FAST-41 provides a framework for a more streamlined and effective review and permitting process for major infrastructure projects. A “covered project” under FAST-41 is defined as “any activity in the United States that requires authorization or environmental review by a Federal agency involving construction of infrastructure.”4 In order to qualify for FAST-41, a project must be subject to the NEPA. A covered project must either be:

• likely to require a “total investment” of more than $200 million, and not qualify for any abbreviated authorization or environmental review under other laws; or

4 Id.
of a size or complexity in the view of the FPISC that makes the project likely to benefit from enhanced oversight and coordination, including an authorization for an environmental review likely to require multiple federal agencies or the preparation of an EIS under NEPA.

Certain highway and multimodal surface transportation projects are excluded under FAST-41, as well certain water resources projects under the Water Resources Development Act (“WRDA”).

A. Current Covered Projects

As of August 2017, thirty-five “covered projects” have undergone or are currently under FAST-41 review. This first tranche of projects was taken from existing pending projects, which had an environmental review or authorization pending before a Federal agency ninety days after the enactment of FAST-41. Unless those projects already had a draft environmental assessment (EA) or a draft EIS released, they must develop a “coordinated project plan”, including a permitting timetable. The current “covered projects” include among other things interstate natural gas pipelines (7), electricity transmission lines (7), solar energy projects (2), and liquefied natural gas terminals (3). They are located throughout the country, from New York to Florida to Oklahoma to Oregon.

Figure 1 shows the breakdown of FAST-41 projects by project type. Figure 2 shows the breakdown of FAST-41 projects by identifying the lead agency. Figure 3 shows the status of the 35 projects subject to FAST-41. Figure 4 is a map from the federal permitting dashboard showing where the projects are located:

5 See Pub. L. 112-141. These transportation projects have their own streamlined environmental review framework under the Moving Ahead for Progress in the 21st Century Act (“MAP-21”).
6 See 33 U.S.C. § 2348. These are water resource projects such as harbor, flood mitigation, and navigation development authorized by Congress under the jurisdiction of the U.S. Army Corps of Engineers. WRDA also has a project acceleration provision.
7 OFFICE OF MGMT. & BUDGET & COUNCIL ON ENVTL. QUALITY, OFFICE OF THE PRESIDENT, GUIDANCE TO FEDERAL AGENCIES REGARDING THE ENVIRONMENTAL REVIEW AND AUTHORIZATION PROCESS FOR INFRASTRUCTURE PROJECTS, § 3.7 (Jan. 13, 2017) (“Implementation Guidance”), available at https://www.permits.performance.gov/sites/permits.performance.gov/files/docs/Official%20Signed%20FAST-41%20Guidance%20M-17-14%202017-01-13.pdf. Other types of actions also may be excluded from FAST-41, including (1) programmatic plans or EISs that do not authorize individual project reviews; (2) any project that does not involve the construction of infrastructure, i.e. natural resource exploration activities, geological exploration, and offshore renewable site assessments; and (3) any Federally-sponsored project in which the Federal Government is the main beneficiary of the project.
Notes on some FAST-41 Project Categories:

1) **Electricity Transmission** – Electricity transmission projects are generally permitted by state agencies, as there is no general requirement for federal permitting. The seven projects covered by FAST-41 require transmission lines to cross federal lands, which require the agencies that manage those lands, such as BLM or the U.S. Forest Service, to issue permits.

2) **Nuclear Power Plants** – The four projects covered by FAST-41 are for expansion or replacement of reactors at existing nuclear power plants, which requires permits issued by the Nuclear Regulatory Commission.

3) **Other Water Resources** – This is a catch all category of water projects that are not separately classified in other categories, including storm water or wastewater management, flood risk management, reclamation activities, and others.

4) **Cancelled** – Two of the 35 FAST-41 projects on the dashboard have officially been cancelled. One is a solar project and one was an oil & gas extraction and pipeline project.
Figure 2:

Number of Projects by Lead Agency

- Federal Energy Regulatory Commission: 14
- [DOE] Office of Electricity Delivery and Energy Reliability: 1
- [DOE] Bureau of Ocean Energy Management: 1
- [DOA] U.S. Forest Service: 2
- [HUD] Community Planning and Development: 2
- [DOE] Bureau of Indian Affairs: 2
- [NRC] Office of New Reactors: 4
- [DOI] Bureau of Land Management: 8

Figure 3:

Number of Projects by Status

- Cancelled: 2
- Complete: 8
- In Progress: 25
Figure 4:

B. Executive Director and FPISC Council

The Executive Director is a Presidential-appointed (but not Senate confirmed) position and the chair of the FPISC. The Executive Director has numerous responsibilities and obligations. For example, he or she establishes an inventory of “covered projects” under FAST-41; maintains the permitting dashboard; makes determinations of what projects are “covered” under FAST-41; develops performance schedules for environmental reviews and authorizations; designates “facilitating agencies;” mediates any disputes over permitting timetables; grants extensions of project deadlines and tracks and accounts for those extensions; and submits an annual status report to Congress.

10 See Implementation Guidance, supra note 7, at Appendix A, Table 3.
In July 2016, President Obama appointed Richard Kidd as the Executive Director of the FPISC. Kidd previously served as a Deputy Assistant Secretary of the Army. With the change in the administration in January 2017, Janet Pfleeger, the Deputy Director of the FPISC, is serving as the Acting Executive Director.

The FPISC is composed of 13 Federal agencies: the Departments of Agriculture, Commerce, Interior, Energy, Transportation, Defense, Homeland Security, and Housing and Urban Development; the Army Corp of Engineers; the Administrator of the Environmental Protection Agency; the Chairman of the Federal Energy Regulatory Commission; the Nuclear Regulatory Commission, and the Advisory Council on Historic Preservation. The Director of OMB and the Chairman of CEQ are also members of the FPISC. The FPISC has several responsibilities, including consulting with the Executive Director on establishing an inventory of “covered projects,” developing and publishing recommendations on “best practices” for various permitting activities, and making recommendations to and consulting with the Executive Director on “facilitating agency” designations.11

C. Process

1. Initiation

Projects under FAST-41 are initiated by the project sponsors through the submission of an Initiation Notice to the Executive Director and the appropriate “facilitating agency.” The “facilitating agency” serves as the point of contact for the project sponsor until a “lead agency” is determined.12 OMB has designated “facilitating agencies” for several of the project types covered by FAST-41.13 For example, FERC is the “facilitating agency” for interstate natural gas pipelines, and USDA is the “facilitating agency” for rural broadband infrastructure.

An “Initiation Notice” must include the following:

- the purpose and objectives of the proposed project;
- the location of the proposed project, and the locations of any environmental, cultural, and historic resources within the project area;
- the technical and financial feasibility of the construction project;
- any Federal financing, environmental reviews and authorizations likely to be needed to complete the proposed project; and
- an assessment that the proposed project satisfies the “covered project” criteria under FAST-41.14

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11 See id. at Appendix A, Table 1.
12 Supra note 2, at § 4370m(13).
13 See Implementation Guidance, supra note 7, at § 3.3.
14 Supra note 2, at § 4370m-2(a)(1)(C).
After the facilitating agency determines that an Initiation Notice is complete, the Executive Director makes the final decision on whether the proposed project is covered under FAST-41. If it is a covered project, the Executive Director has 14 days to post it on the Permitting Dashboard. Once the project is posted, the following deadlines are triggered for the facilitating agency or the lead agency:

- **45 days** to:
  - “identify all Federal and government entities likely to have financing, environmental review, authorization, or other responsibilities with respect to the proposed project”; and
  - invite all appropriate agencies to become a “participating agency” or a “cooperating agency.”

- **60 days** to develop a “Coordinated Project Plan.”

Under FAST-41, a “cooperating agency” is any agency with jurisdiction under Federal law or special expertise for environmental reviews. For states to be cooperating agencies under FAST-41, they must choose to participate in the FAST-41 process. According to OMB’s Implementation Guidance, a FAST-41 “cooperating agency” has “a concurrence role for the permitting timetable, a heightened role for the modification of schedules and decisions to extend public comment periods, a specific role in alternative analyses and selection of methodologies for environmental review of the covered project, and a concurrence role in decisions to develop the preferred alternative to a higher level of detail.”

A “participating agency” participates in the environmental review or authorization for a covered project under FAST-41, but it has no authority or jurisdiction over the covered project. Participating agencies, which may include states, local or tribal governments who choose to be involved, may become cooperating agencies if there is a change in circumstances. Among their roles, FAST-41 participating agencies: (1) consult with the facilitating or lead agency on the establishment of the Coordinated Project Plan; (2) consult with the facilitating or lead agency on setting a permitting timetable for a covered project; (3) work cooperatively with the lead agency and cooperating agency to identify and resolve issues that could delay a covered project; and (4) identify any potential environmental impacts that could delay substantially or prevent an agency from completing an environmental review for a covered project.

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15 For a project sponsor interested in submitting an Initiation Notice for a proposed project, the form can be found at [https://www.permits.performance.gov/tools/interim-fast-41-initiation-notice-instructions](https://www.permits.performance.gov/tools/interim-fast-41-initiation-notice-instructions).
16 Supra note 2, at § 4370m-2(a)(2)(A).
17 Id. at § 4370m-2(c)(1)(A).
18 Id. at § 4370m(4).
19 Implementation Guidance, supra note 7, at § 2.13.
20 Supra note 2, at § 4370m(17).
21 Id. at § 4370m-2(a)(4)(A).
22 See Implementation Guidance, supra note 7, at Appendix A, Table 11.
2. Permitting Timetable

As part of the project coordination process, a permitting timetable includes intermediate and final completion dates for action by each participating agency on any Federal environmental review.

3. Permitting Dashboard

FAST-41 provides for the establishment of a Permitting Dashboard.23 Within a few months of the enactment of FAST-41, OMB had updated and enhanced an existing dashboard platform, thereby creating the FAST-41 Permitting Dashboard at www.permits.performance.gov. The statute requires the Executive Director maintain the Permitting Dashboard, which must include a “specific and searchable entry for each covered project.”24 The permitting dashboard is available online currently.25 Figure 5 and 6 are examples of the information that is on the dashboard:

Figure 5:

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23 Supra note 2, at § 4370m(7).
24 Id. at § 4370m-2(b).
25 See Permitting Dashboard, supra note 8.
Figure 6:

**PERMITTING DASHBOARD**

**FEDERAL INFRASTRUCTURE PROJECTS**

- **About**
- **Projects**
- **Resources & Tools**
- **Map**

**PLAINS AND EASTERN CLEAN LINE**

**Project Information**

- **Sector:** Electricity Transmission
- **Project Category:** FAST-41 Covered Projects
- **Project Status:** In Progress
- **Project Website:** [http://www.plainsandeasterns.com/index.php](http://www.plainsandeasterns.com/index.php)
- **Total Estimated Project Cost:** $2.500,000,000

**Description:**

Clean Line seeks the Department’s participation in the development, siting, construction, operation, maintenance, and ownership of high voltage direct current (HVDC) transmission facilities running approximately 785 miles from western Oklahoma to the Arkansas-Tennessee border (the Project). Clean Line, acting on its own and without the Department’s participation, would build additional facilities that would connect to the Project in Texas and Tennessee. The Project would deliver up to 4,000 megawatts (MW) of primarily wind generation from the Oklahoma and Texas Panhandle region to the mid-South and Southeastern United States, which could meet the annual energy needs of more than 1.5 million average American homes.

**PERMITTING TIMELINE**

<table>
<thead>
<tr>
<th>Action</th>
<th>Agency</th>
<th>Target Completion</th>
<th>Status</th>
</tr>
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<tbody>
<tr>
<td>Environmental Impact Statement (EIS)</td>
<td>Office of Electricity Delivery and Energy Reliability</td>
<td>Complete 02/25/2015</td>
<td></td>
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<tr>
<td>Section 106 Review</td>
<td>Office of Electricity Delivery and Energy Reliability</td>
<td>Complete 12/02/2015</td>
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<td>Clean Water Act Section 404 Permit</td>
<td>Department of Defense (Cooperating under FAST-41), (Cooperating under NEPA)</td>
<td>11/08/2018</td>
<td>In Progress</td>
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<td>Section 408 Permit</td>
<td>Department of Defense</td>
<td>11/08/2018</td>
<td>In Progress</td>
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Under FAST-41, the Executive Director is required to publish on the Permitting Dashboard for each covered project: (1) the permitting timetable; (2) the status of each agency’s compliance with the timetable; (3) any changes to the permitting timetable and explanations for those changes; and (4) any memorandum of understanding on coordination between the facilitating or lead agency, and any state, local or tribal government. Cooperating and participating agencies are also required to post various initiating and supporting documents throughout the review process. They must publish that information no later than 5 business days from when they receive it.

4. Other Important Provisions

FAST-41 contains several other significant streamlining provisions, including:

- **Incorporation of State Documents:** State documents prepared under state laws and requirements that are “substantially equivalent” to NEPA can be adopted for FAST-41 reviews.

- **Concurrent Reviews:** In order to achieve a “single, synchronized process,” FAST-41 requires agencies “to the maximum extent possible” to conduct environmental reviews and authorizations in a concurrent manner as opposed to sequentially.

- **Dispute Resolution:** Fast-41 and the subsequent OMB Implementation Guidance provide several mechanisms for resolving disputes that may arise between agencies involved in FAST-41 review. Based upon anecdotal information, agency disagreements have been known to hold up and significantly delay project reviews, from time to time, so focus on resolving those disputes quickly and early could be particularly impactful. Under FAST-41 the Chairman of CEQ shall resolve any dispute over designation of a facilitating or lead agency for a particular covered project.

D. Litigation Reforms

An aspect of FAST-41 that does not always receive as much attention is the significant legal reform to NEPA reviews subject to FAST-41. Specifically, FAST-41 imposes a 2 year statute of limitations to any claims “arising under Federal law seeking judicial review of any authorization issued by a Federal agency for a covered project” for which an agency has published notice “in the Federal Register of the final record of decision or approval or denial of a permit.” The 2 year statute of limitations begins to run when the notice of the authorization is published in the Federal Register. Previously, reviews done pursuant to NEPA – which is silent on the subject of a statute of limitations – were subject to a 6 year statute of limitations under the

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26 Supra note 2, at § 4370m-2(b)(4).
27 Id. at § 4370m-2(b)(3)(A).
28 Id. at § 4370m-2(b)(3)(B).
29 Id. at § 4370m-4(b).
30 Id. at § 4370m-4(a); Implementation Guidance, supra note 7, at § 4.39.
31 Id. at § 4370m-2(c)(2)(C); Implementation Guidance, supra note 7, at §§ 4.9 and 4.30.
32 Id. at § 4370m-6(a)(1) (emphasis added); Implementation Guidance, supra note 7, at § 6.
general statute of limitations for suits against the federal government. Reducing the statute of limitations for claims under FAST-41 will bring more certainty and finality to permitting decisions for major infrastructure projects.

The FAST-41 litigation section also mandates that only a party that submitted a comment during the environmental review may file a legal challenge to a NEPA review for a covered project. This will prevent third parties from weighing in for the first time on a FAST-41 covered project through a lawsuit. As FAST-41 demands, concerns underlying such a lawsuit must be raised earlier in the process.

While it is important that these review and permitting processes for major infrastructure projects focus on environmental impacts, there also must be opportunities to recognize the employment impacts realized from these projects. FAST-41 provides just such an opportunity on the litigation front. Specifically, in any legal action seeking a temporary restraining order (“TRO”) or a preliminary injunction against an agency or a project sponsor regarding the review of a covered project, the court must consider “the potential effects on public health, safety, and the environment, and the potential significant negative effects on jobs resulting from an order or injunction,” and it cannot presume that any of those harms are reparable. Consequently, courts will have to acknowledge and address jobs that could be lost if FAST-41 projects are blocked through TRO or preliminary injunction challenges. The business community has been advocating for many years for this type of balancing of environmental and economic impacts during the federal permitting process.

III. FUNDING THE FAST – 41 PROGRAM

The implementation of the FAST-41 program can be funded in several ways through fees, agency transfers, and direct appropriations.

FAST-41 provides for the establishment of a “fee structure for project proponents to reimburse the United States for reasonable costs incurred in conducting environmental reviews and authorizations for covered projects.” This Environmental Review Improvement Fund would be in a separate fund in the Treasury, and likely overseen by OMB. This fee structure would help facilitate timely and efficient environmental reviews for FAST-41 covered projects. Notably, the aggregate amount of fees that could be collected for a fiscal year under the FAST-41 fee structure would be limited to 20% of the “total estimated costs for the fiscal year for the resources allocated for the conduct of the environmental reviews and authorizations” covered by FAST-41.

Congress may also appropriate funds for the program. In the House, the Appropriations Subcommittee on Financial Services and General Government (the “Subcommittee”) has jurisdiction over those appropriations. Its FY18 appropriation marks the first time that the

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33 See 28 U.S.C. § 2401(a) (the general statute of limitations for Federal suits against the government).
34 Supra note 2, at § 4370m-6(a)(1).
35 Id. at § 4370m-6(b).
36 Id. at § 4370m-8(a).
37 Id. at § 4370m-8(c)(3).
Subcommittee will appropriate money into the fund, as the Subcommittee did not appropriate Funds for FY17.38

In his budget request for FY18, President Trump requested that $10,000,000 remain available in the Fund until used “for necessary expenses of the Environmental Review Improvement Fund.”39 Rather than meet this request, the Subcommittee has instead proposed to appropriate $1,000,000 towards the Fund.40 The Chamber supports the funding levels requested by the President.

IV. FPISC’S PROGRESS ON IMPLEMENTATION

With a relatively small staff, FPISC has made significant accomplishments in the short time since passage of FAST-41 on December 4, 2015. Below are some of the major achievements FPISC has made to implement FAST-41:

- On September 22, 2016, FPISC released the initial inventory of 34 existing infrastructure projects that would be considered “covered” under FAST-41.41

- On January 13, 2017, in coordination with FPISC, OMB and CEQ issued guidance to carry out their responsibilities under FAST-41. The guidance highlighted agency roles and responsibilities, covered projects, project-specific guidance, use of the Permitting Dashboard, statute of limitations provisions, and information collection among other things.42

- On January 18, 2017, FPISC released both its Recommended Performance Schedules43 and Recommended Best Practices under FAST-41.44

- In April 2017, FPISC released its FY16 Annual Report to Congress describing its progress accomplishments under FAST-41.45

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42 Implementation Guidance, supra note 7.


Presently, FPISC member agencies and the General Services Administration with OMB guidance, is developing a fee structure for infrastructure project proponents and sponsors to reimburse FPISC for reasonable costs incurred for implementing FAST-41.

V. CONGRESSIONAL AND ADMINISTRATION ACTIONS REALTING TO FAST-41 THE STATUTORY PERMIT STREAMLINING PROCESS

While the provisions of FAST-41 are both clear and structurally sound, it is not a law that is widely known either within or outside of government. As a result some in Congress are proposing new permit streamlining legislation for specific industries, and the President has issued two Executive Orders to establish an administrative process that streamlines project permitting.

A. Confusing Congressional Efforts that Duplicate FAST-41 Streamlining

The purpose of permit streamlining is to provide regulatory certainty. Passage of FAST-41 brought about this much needed certainty to a multitude of diverse industries and projects critical to our economy such as renewable and conventional energy, electricity transmission, aviation, certain water resources, broadband, pipelines, and manufacturing. FAST-41 was designed to eliminate the historical patchwork of permitting regimes that created regulatory uncertainty. Since FAST-41 is statutory, it establishes a statutory system of faster, more reliable environmental permitting for infrastructure projects. Without implementing FAST-41 we are locked in a historical system that does not have time limitations which can lead to almost limitless delay in project completion. Yet several congressional committees with substantive jurisdiction over specific laws are attempting to develop targeted permit streamlining legislation as if FAST-41 has never been enacted.

While many of these bills currently being considered by Congress draw upon the principles of FAST-41, they set up different processes and time-frames and sometimes different statutes of limitations, which is a source of confusion. Some permitting improvement bills also do not provide a mechanism for funding to ensure the agency can comply with streamlining requirements while others enable stakeholders to fund the permitting process. FAST-41, on the other hand, enables FPISC to charge a fee to fund the agencies’ streamlined review of a project. Similarly, a bill already passed by the House of Representatives this year, H.R. 1654, “the Water Supply Permitting Coordination Act” allows for non-governmental entities to pay for expedited review with the condition that the deciding agency must be impartial.

Transparency is another principle that has been incorporated into various permitting bills. Legislation like H.R. 2910, the “Promoting Interagency Coordination for Review of Natural Gas Pipelines Act” streamlines requirements for obtaining a natural gas certificate of public convenience and requires a publication of an online a tracker of actions required by federal agencies. FAST-41 similarly requires the Executive Director of FPISC to post an online dashboard of FAST-41 projects.
Some other bills seek to expand the scope of permit streamlining, either by strengthening requirements or enlarging the range of projects that can be included. For instance, S. 1363, the “Rural Broadband Deployment Streamlining Act”, creates a 270-day shot clock after which an application for siting of telecommunications equipment on federal land is deemed granted if the Department of the Interior does not act.

H.R. 540 and S. 145, known as the “National Strategic and Critical Minerals Production Act” cover an economic sector, mining, that is not specifically identified by FAST-41 but draws upon many of the principles of FAST-41 such as encouraging agencies to conduct concurrent reviews when possible. Like FAST-41, agencies would be required to follow a permitting schedule. Unlike FAST-41, the “National Strategic and Critical Minerals Production Act” imposes a 30-month deadline if the parties involved cannot agree upon a permitting schedule.

Given that Congress has already put in place FAST-41 to encourage regulatory certainty for a wide variety of industries, Congress should harmonize their legislative solutions with the provisions of FAST-41. If Congress finds the scope of FAST-41 too narrow, it should consider expanding it to other projects.

Permit streamlining requires a clear and defined process, timeline, and structure for the coordination and scheduling of environmental reviews. The Chamber supports the FAST-41 process because it establishes coordination among participating agencies, a method to set timetables based on data for real project reviews, and a dispute resolution process. The certainty and clarity of this process is necessary to encourage infrastructure development.

B. Recent Executive Actions

Within its first few days, the Trump administration made it clear through executive action that getting infrastructure projects reviewed, permitted, and built in a timely manner would be a high priority. On January 24, 2017, President Trump released four executive memoranda and one executive order relating to infrastructure and permitting. Most significantly, under Executive Order 13766, any Federal agency or governor may submit a project to CEQ that it thinks qualifies as “high priority.” After considering the “project’s importance to the general welfare, value to the Nation, environmental benefits, and other such factors as the [CEQ] Chairman deems relevant,” the CEQ Chairman within 30 days must determine whether the project qualifies as “high priority.” If it does, the CEQ Chairman coordinates with other relevant agencies to establish expedited procedures and deadlines for completing environmental reviews of the project. If an agency fails to meet a deadline, it must provide to the CEQ Chairman a written explanation for the delay.

Executive Order 13766 did not address how it would be coordinated with FAST – 41. Specifically under Executive Order 13766 high-priority projects would be initiated by Governors or the heads of federal agencies and the Chairman of CEQ would determine which projects were high-priority projects. Under FAST – 41 the project sponsor initiated the project and the Executive Director of FPISC would determine if it was a covered project.
On August 15, 2017, President Trump issued Executive Order 13807 detailing how the Executive Orders and FAST – 41 would work together to achieve an efficient environmental review for infrastructure projects. Essentially the FAST – 41 process remains in place for projects covered under its application procedure as well as for high-priority projects referred to the process by the chairman of CEQ. Executive Order 13807 also sets up a coordination process under which CEQ and the Executive Director of FPISC resolve disputes.

In addition, Executive Order 13807 requires:

1. The establishment of a Cross-Agency Priority (“CAP”) Goal to improve interagency performance with regard to infrastructure permitting. The Government Performance and Results Act of 2010 established CAP Goals as tools to accelerate the progress of federal priorities that require active collaboration between multiple agencies to eliminate organizational barriers.

2. The creation of a single Record of Decision by the lead agency.

3. A deadline for permitting decisions to be made 90 days after the release of the Record of Decision. While FAST – 41 does not have this specific requirement, its process will achieve a similar result by having the lead agency set a permitting timetable that is based on the average permitting completion time for a particular project type.

Any conflicts that arise from these minor inconsistencies should be easily resolved since Executive Order 13807 states that nothing in the order shall be construed to impair or affect the “authority granted by law to an executive department, agency or head…. The Order also states that expedited permitting is to be consistent with FAST-41 and the “best practices” annually identified by FPISC, where applicable. As to the parts of the Executive Order that impose additional requirements on agencies that are in addition to and not inconsistent with FAST – 41 requirements; e.g. CAP goals, those requirements would also apply to FPISC.

The key benefit to having both FAST – 41 and Executive Order 13807 for permit streamlining is that FAST – 41 is a statutory process for streamlining environmental reviews for facilities over $200 million and projects in need of multiple environmental reviews while Executive Order 13807 provides coordination and an expedited review similar to FAST – 41 for designated high-priority projects that may not be covered by the FAST – 41 program. Together both programs cover the vast majority of projects in need of an efficient, coordinated permit review process.

The FAST-41 program however, has statutory benefits that cannot be provided by Executive Order; i.e. the two year statute of limitation on lawsuits challenging final decisions.

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and a fee structure which funds the FAST - 41 process to ensure adequate staff is available to meet its objectives.47

C. Dashboard Consistency

It is important that the Permitting Dashboard contain the most accurate and up-to-date information on each covered project. To that end, there is a currently a clear disparity in the quality of information that each lead agency is providing to FPISC. For example, the information available for projects covered by FERC or the Bureau of Land Management includes all of the statutorily-required data, whereas the information available for projects covered by other agencies is minimal at best. To be useful the Dashboard must have information displayed in a consistent manner. The Chamber believes the appointment of an Executive Director would provide leadership to achieve this critical requirement in order to coordinate and standardize how agencies fulfill the Permitting Dashboard requirement. Figure 7 is a chart that categorizes the infrastructure presented on the Dashboard as either “Meets Statutory Obligations” or “Does Not Meet Statutory Obligations.”

47 Fee collections by federal government agencies are commonplace and well-established by precedent across a wide range of activities and agencies. A GAO study surveyed 23 federal agencies and reported that in fiscal year 2010, 21 of the agencies collected some kind of fees. See GAO, 2012 Annual Report: Opportunities to Reduce Duplication, Overlap and Fragmentation, Achieve Savings, and Enhance Revenue, GAO-12-342-SP, February 2012, Chapter 43, available here: https://www.gao.gov/modules/ereport/handler.php?1=1&path=/ereport/GAO-12-342SP/data_center_savings/General_government/43._Federal_User_Fees. In total, 3,600 different fees were collected, totaling nearly $64 billion in fiscal year 2010. Examples of fees related to permitting include:

- The Nuclear Regulatory Commission, which is required under law to recover approximately 90% of its annual budget through fees, charges licensing fees to all nuclear facility operators.
- The Federal Energy Regulatory Commission charges fees for a variety of licenses and applications, including pipeline certification, authorization, petitions for rate approvals, applications for qualifying stature as a small power production facility, etc. FERC is 100% funded by fees, collecting over $300 million per year and employing over 1,500 people. According to FERC’s 2017 fee review and update, the range of fees charged varies from as little as $100 to over $30,000. FERC charges fees for various steps along the way for a project’s completion. See 2017 Annual Update of Filing Fees available here: https://www.ferc.gov/docs-filing/fee-sched/annual.pdf.

The bulk of fee collections by agencies are for non-regulatory items, such as passport applications, patent applications, customs authorizations, national park entry fees, or fees for various government approval processes, such as FDA drug or medical device approvals.

Many of the 3,600 fees represented in GAO’s sample are authorized directly by Congress in agency authorizing statutes or appropriations language. If an agency lacks statutory authority to collect fees, it still may do so under the processes of the Independent Offices Appropriation Act of 1952. This requires that agencies develop fair fee collection processes and that fees are assessed only insofar as they are justified by the costs that the government incurs to provide services for which they are assessed.

GAO has developed further fee structure guidance for agencies at the behest of Congress. GAO’s 2008 report Federal User Fees: A Design Guide lays out the key principles behind the design and oversight of agency user fee programs. See GAO, Federal User Fees: A Design Guide, GAO-08-386SP, May 2008 available here: http://www.gao.gov/products/GAO-08-386sp. In the guidance, GAO also details requirements for continuous review of fee-based programs as required by the Chief Financial Officer Act of 1990 and OMB Circular A-25 guidance.
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VI. RECOMMENDATIONS

FPISC, OMB, CEQ and the other agencies involved have done good quality work in the past fifteen months to get FAST-41 up and running and to begin its implementation. There is still work to be done. Our specific recommendations are:

- Congress should encourage the President to appoint an Executive Director under FAST-41 as soon as possible so that additional projects can be submitted and, if covered, be included in the program.

- Congress should fund FAST-41 for FY18 at the amount of the President’s budget request of $10,000,000.

- When appointed, the Executive Director needs to undertake a significant amount of educational outreach to Congress, the Executive Branch, and the public on the benefits of the FPISC process, and to encourage more projects to apply for FAST-41 covered status.

- When appointed, the Executive Director should provide additional guidance to agencies on the type and quality of information needed to ensure the information on the Dashboard is consistent and contains high quality information.

- Congress should amend FAST-41 to eliminate the seven-year sunset provision that was attached by the House of Representatives as the final bill was being negotiated informally between members of the House and Senate.

- The Executive Director, OMB, FPISC, and the Chairman of CEQ should coordinate and encourage “high-priority” projects nominated under Executive Order 13766 to apply for FAST-41 consideration. If Congress believes the scope of FAST-41 is too narrow, it should encourage the steering council to accept projects likely to benefit from enhanced oversight and coordination as authorized under 42 USC § 4370m(6)(A).

VII. CONCLUSION

The Chamber appreciates the new administration highlighting this important issue – streamlining and building major infrastructure projects. The tools to implement these concepts exist – indeed a well-thought out, bipartisan approach to this issue has been developed, legislated, enacted into law, and is already being implemented. And that approach and law is FAST-41. The provisions of FAST-41 certainly can be coordinated with the newer streamlining initiatives introduced by the current administration. In that regard, we encourage Congress and the administration to promote and implement FAST-41 by providing the necessary resources to fully implement the statute.

Thank you for allowing me to testify before your committee today.