

What is a PPA and does it need to be reformed?

or

How to make a great sub sandwich

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#13 Original Italian on Rosemary Parmesan

- Ham
- Provolone
- prosciuttini
- cappacuolo
- salami
- Pepperoni
- Shredded lettuce
- Onion
- Tomato (Maybe Not)
- Olive Oil & Red Wine Vinegar
- Italian Spices, Salt and Pepper



It started back in 1956 before “Fast Food”

Point Pleasant, New Jersey on the legendary Jersey Shore.

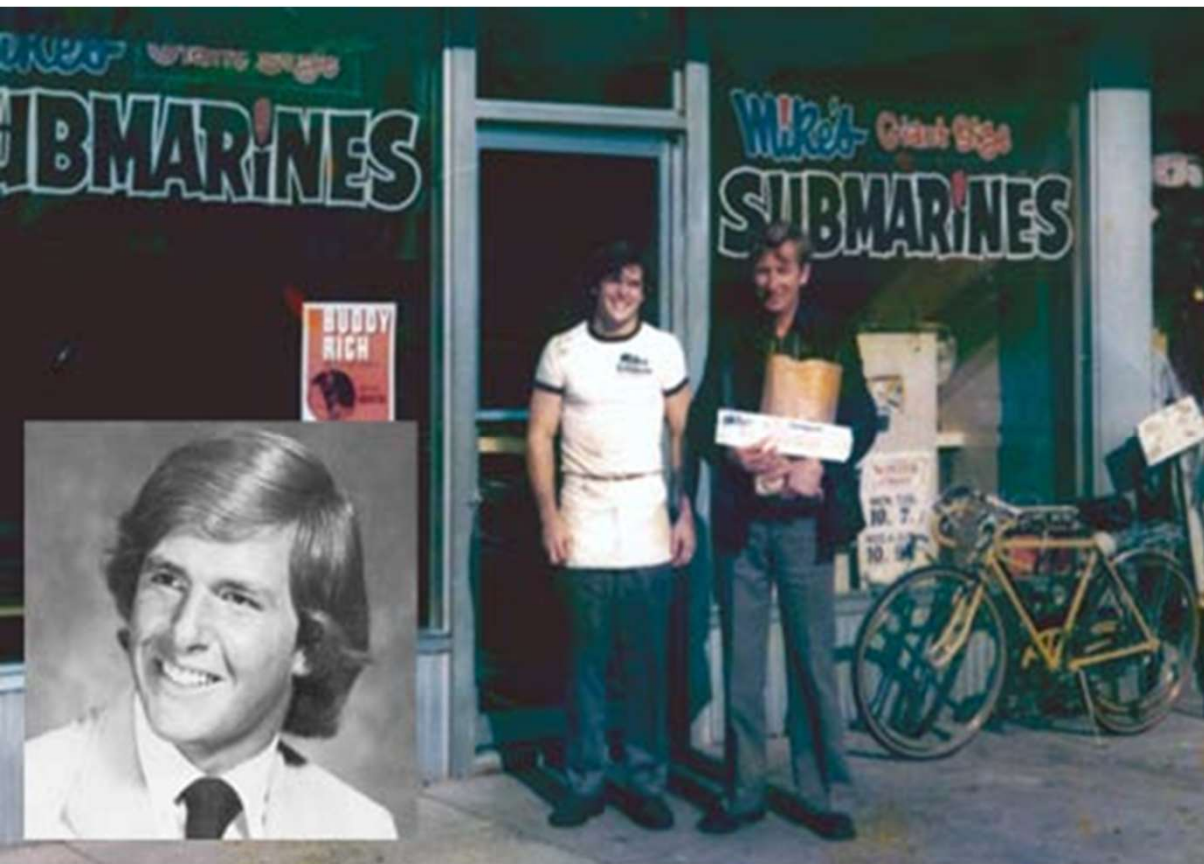
Long sandwiches called “Submarines”

Made “Mike’s way” with red wine vinegar, oil, and spices

YUMM!



1971 - high school student Peter Cancro, age 17



- Worked at Mike's part time since he was 14
- Played H.S. Football
- Mike decided to sell Mike's Subs and retire
- Peter decided to buy Mike's Subs and asked his football coach/banker for help to get a loan.
- Demand for Mike's subs grew and visitors to Jersey Shore asked Peter to open in their towns and in 1987 franchises began across the county.

Many ingredients necessary to make a great sub sandwich

Many “ingredients” necessary to make a great project and the partnership agreement it takes to build it



Sandwich Ingredient

- Bread
- Cheese
- Meats
- Lettuce (lots of lettuce)
- Onion (too much is dangerous)
- Tomato
- Oil, Vinegar, spice
- Napkins



Project Agreement

- Land Rights
- Design Plans & Specs
- Costs
- Permits and permit conditions
- Risk and Indemnification
- Change Orders
- Enhancements and Donations
- OMRR&R

Bread / Land Rights

- Foundational to sandwich and Project
- Corps requires it clean land rights
- No Contaminates like mustard or mayo, or worse Pickles
- Challenging and expensive to make tainted bread fresh again at non-federal sponsor partner costs and efforts



Reform: allow any required clean up to be part of cost shared project construction

Cheese / Design Plans & Specs



- Primarily completed by the Corps at Corps discretion, schedule and expense.
- Could be influenced by state permits and/or state labor laws
- Corps governed means and methods

Reform: unfettered opportunity for non-federal work-in-kind

Meats / Costs

- Key focus of the project
- Controls what gets built and how it functions
- Non-federal sponsor either needs a say in any project costs increases or needs to be able to implement a non-federal share maximum level of funding

Reform: Maximum cost for non-federal sponsor



Tomato / Change Orders

- All changes at Corps discretion
- Do we want tomatoes???
- Do we want additional costs?

Reform: equal non-federal sponsor say in change orders



Onions / Indemnification

- Onions are risky – be careful
- Full indemnification of the Corps is risky
- Indemnification of Corps goes against many state constitutions
- Nonfederal sponsors should not bear liability on project components for which they are not responsible.



Uphold WRDA 22 text plus request Congress amend PPA requirements to require that the nonfederal sponsor only indemnify, save, and hold the federal government harmless at the same percentage as the nonfederal sponsor's share of construction costs.



Lettuce/State permits and conditions

- Lots of lettuce, lots of permits
- States want the Corps partnered projects in their states to abide by state laws
- Many state partners cannot legally spend state funds on project that do not have a state permit issued for the work.
- Current USACE policy is to implement “permissible” projects based on the USACE being singularly responsible for determining whether a project would indeed meet the conditions of applicable state permits based on its own interpretation.

Reform: request Congress amend PPA requirements to require USACE to secure all applicable permits for projects.

Oil, Vinegar & Spices / Project Donations

- Third parties and Philanthropic organizations have in the past wanted to contribute or donate materials to meaningful projects that align with their missions thereby reducing project costs.
- The Corps alone currently claims all benefits of all donations to the project.

Reform: request Congress amend PPA requirements to allow such generous project contributions to be credited more equitably between the federal and nonfederal sponsors, which could incentivize identification and implementation of additional third-party contributions that could reduce overall project costs.



Napkins / OMRR&R

- Jersey Mike's subs can be messy to eat and don't last long
- Nonfederal sponsors should not be perpetually liable for OMRR&R on projects with a limited design life (as determined by USACE), particularly in dynamic ecosystems settings.
- Project rehab and full replacement at non-federal cost is expensive and Messy
- All projects have a project life and need to be reassessed at the end of that useful project life.

Insert photo of Jersey Mikes napkin holder

Reform: Illinois requests Congress to amend PPA requirements to require that the nonfederal sponsor's OMRR&R obligation be limited to coincide with the set life expectancy of a project as determined by USACE, or 50 years after the date on which the project is completed, whichever is longer.

WRDA 2024

Water Resources Development Act



Full Federal Funding Ask by Great Lakes Governors

Changes to PPA terms for State Liabilities and Project Life defined

Today, Jersey Mikes has over 2000 stores



That's a wrap – Questions?

