



AMERICAN COUNCIL OF ENGINEERING COMPANIES

**ACEC  
International Committee  
Summer Committee Meeting Minutes  
July 21, 2011  
ACEC HQ – Washington, DC**

Those in attendance (signed in):

Maria Buscemi, ACEC

Eric Dean Cook, LBG

Susana Florian, Parsons

Manish Kothari, Sheladia Associates, Inc.

Ryan Linthicum, Langan

Bob Nothstein, Sheladia Associates, Inc.

Christine O'Connell, Black & Veatch

Christopher Oot, CDM

Raj Rangaswamy, Target Engineering

Ian Seed, Hazen and Sawyer

Mohan Singh, Michael Baker Corp.

Mark Steiner, ACEC

John Woods, Woods Peacock Engineering

The meeting began at 9:00 a.m. on Thursday, July 21. Introductions were made.

Mark Steiner introduced Maria Buscemi to the Committee who will work alongside Mark in an effort to deliver federal-program and international-related educational programs to the membership.

Mark called for the Committee's attention to the top five federal legislative initiatives important to the Committee including (1) raising physical infrastructure to a funded initiative – equal to social and diplomatic; (2) providing a preference for U.S. firms; (3) eliminating the reasons why member firms bypass foreign work; (4) involving ACEC in selection of funding agencies and multilateral banks leadership; and (5) stressing qualifications in selection process for infrastructure – limiting use of NGOs and GOEs.

Manish Kothari mentioned that firms' lobbyists and ACEC should work together to streamline their efforts and coordinate their messages to staffers/representatives.

The MILCON and VA Appropriations Bill (HR 2055) contains a section (112) that provides a 20% favoritism for U.S. firms bidding on construction work in U.S. territories in the Pacific and in countries bordering the Arabian Sea. This is a start. THE House Foreign Affairs Committee Chair is putting forward a 2012 authorization bill that reduces spending, prioritizes democratization efforts, blocks security assistance to countries weal on combating terrorism, prohibits aid to NGOs that promote abortions, and shores up Israel's security. The Bill was scheduled for mark-up in late July. The House

Appropriations Subcommittee on State, Foreign Operations, and Related Programs is working on their 2012 bill. Mark tried to get copies of the draft bills, but they were unavailable. Copies will be secured after the mark-ups takes place. The Senate committees were inactive due to other priorities.

Manish called for Committee members to share information regarding contacts, to increase the odds of reaching our policy goals. Outreach to members of Congress and the Administration, linking job creation and economic growth to foreign infrastructure programs can impact funding and policy decisions. Mark will schedule a follow-on meeting/conference call of the International Legislative Working Group in the near future.

Susanna Florian noted that the U.S. Departments of State and Commerce are increasingly supporting U.S. business overseas and are being measured on increasing exports of goods and services. Mark Steiner noted ACEC's involvement, including organizing an Infrastructure Executives Roundtable meeting with State and Commerce leadership (to identify policy needed policy changes) and efforts to enhance U.S. firm involvement with countries making significant investments in infrastructure (e.g. Brazil, Qatar, India, etc.) and those recovering from disasters (e.g. Australia, New Zealand, Japan, etc.). Susanna also mentioned the World Bank's changing to less procurement oversight of over the use of loaned funds. Mark noted ACEC's actives in ending the In-country Procurement Pilot Program and efforts to keep the Program for Results (P4R) from including infrastructure related activities, include a pilot program, and to adequate oversight of funds use.

Mohan Singh inquired as to whether ACEC explored QDDR. Mark Steiner mentioned ACEC provided comments.

Manish explained to the Committee its role in creating conditions for member firms to access international work. One of the single most important issues, Manish mentioned, for this committee is the fact that foreign aid funding is at risk. ACEC should work to shape public opinion about how it helps U.S. to have our member firms doing work in international areas. In addition, member firms should educate the State Department that once infrastructure in certain foreign countries is established, though U.S. aid and U.S. firms involvement, these countries will maintain positive relations with the U.S. and spend money in the U.S. by purchasing U.S. goods and services. This includes ACEC working closely with other trade organizations (e.g. AGC) on achieving this.

The Committee then heard from U.S. Army Corps of Engineers representatives L. Leonard ("Lindy") Wolner and Tim Hess, with Mohan Singh presenting and contributing to the discussions. Per USACE, in-house performance of work should not be a concern for ACEC, since, as Hess said, USACE does not have enough staff resources to carry out all the work available and funding to increase the USACE's workforce is unavailable. According the USACE's Wolner and Hess, any work will be a partnership with private A/E firms. It was cited that 90% of work is outsourced on the military side and 50% of work is outsourced on the civil works side. Though the U.S. Agency for International Development chooses to send work to the USACE, the Corps said they have to get help from the private sector to carry out the projects.

In 2010, \$2 Billion in international support work was carried out by the USACE. The Corps has a good relationship with the U.S. State Dept. and the U.S. Agency for International Development. The Corps is

also focusing on building relationships abroad, with other countries, such as Brazil. Lindy Wolner's office is responsible for creating such relationships and exposing other countries to the Corps' services. Again, it was stressed that the Corps cannot possibly carry out all these potential projects without the help of U.S. A/E firms.

The Millennium Challenge Corporation was then discussed. The Corps brings technical expertise to the MCC. Work in the Philippines is ongoing.

The USACE recently signed agreements to cooperate with the World Bank and U.S. State Dept. The World Bank and its 15 agencies need USACE's expertise in water resources development. USACE mentioned they also get a number of requests for help after natural disasters, like the tsunami in Japan. Specifically, the Japanese were interested in performing a similar study to the USACE's post-Katrina study on how they performed in terms of emergency management. Usually this support involves providing only a few experts. The Corps reminded the Committee that in everything they do, as efforts increase in size they must outsource much of the work to A/E firms.

Some Committee members told the USACE that it is a favorite client, since the Corps understands what firms are doing (the Corps has the technical expertise to effectively understand the work required).

When requests for help after disasters come from foreign countries, often the private sector and the Corps don't know what each other are doing to provide assistance. The Corps hopes to achieve better collaboration with the private sector on this. The Corps, for example, mentioned that it has a poor mechanism for managing volunteer organizations and is better at dealing in contracts. This is an area where private sector would be useful.

Tim Hess stressed that engineering firms need to build relationships with the USACE Districts. They execute the work and own the consulting contracts. He then outlined some areas with development ahead including: Korea (\$15 billion), New Zealand, United Arab Emirates, and Saudi Arabia and the rest of the Middle East (465 billion), in general. CENTCOM work is controlled out of Winchester, VA.

Tim Hess then brought up the World Water Council and the fact that USACE has a seat on its Board of Governors and this Board needs representation from U.S. businesses. In addition, firms need to get involved in the World Water Forum which is being hosted by ASCE again this year.

Turkey was offered as an example of the need for U.S. businesses to be involved with building relationships. There is a need for help in water resources development. Manish Kothari responded that there are policies under various different agencies that need to become more uniform.

Lindy Wolner mentioned that more opportunities in the water sector are significant abroad – such as in Yemen, Libya, and South Sudan.

The question was posed; "How can knowledge and opportunity sharing between USACE and ACEC improve?"

ACEC can lobby whereas the Corps cannot and the Corps Headquarters can facilitate relationships between A/E firms and District offices. It should be noted that USACE cannot accept direct funding from foreign countries and entities.

Contracting agencies include: USACE, AFCEE, NAVFAC, MCC, USAID/OFDA, OBO, Contracting Commands/DCMA, Army Component Commands and special entities like OPMSANG, USMTM, OSC(I), OPM(FSF), Intelligence agencies (NSA, NGA, DIA), multilateral development banks, UNDP. Mohan Singh suggested that the Committee should invite speakers from individual military commands and districts to speak with us. He offered to help.

After Corps representatives concluded their presentations, the Committee turned discussions to FIDIC and its sub-organizations. There is questionable interest in looking into reestablishing the connection to FEPAC (Consulting Engineering Associations of the Americas) on part of some of the Committee members. ACEC itself will not support such an initiative with funds; it would be up to the interested firms to do so. The advantage to reestablishing this connection is the ability to interface with regional firms that could serve as a starting point for getting projects in Central and South America (notably Brazil, Mexico, and Argentina). Total dues are estimated at about \$12,000 for ACEC to be a member association, but negotiations are possible. The cost would have to be paid by one or more of the interested firms.

**Action Item:** The Committee members need to make any desire to further explore FEPAC membership and sponsorship of dues known.

The discussion then turned to GAMA (African Consulting Engineering Associations), which is looking to share internships to create relationships between U.S. and African firms. There is a lot of infrastructure work coming up in Africa. This initiative could further teaming relationships when opportunities arise. The issues involved with such arrangements need to be identified and resolved.

**Action Item:** The Committee members need to make any desire to further explore GAMA relationships known.

The Committee then reviewed a proposed partnering agreement between ACEC and the Vietnam Engineering Consultant Association (VECAS). Vietnam claims to be the fastest growing nation in Southeast Asia.

**Action Item:** Mark Steiner will forward the committee an email asking for vote on whether or not ACEC should sign the MOU with VECAS.

The FIDIC discussion included mention of the need for ACEC member firms to get more involved with FIDIC activities and committees to assure U.S. positions are known. FIDIC is much more than as source of contract documents. Mark addressed joint ACEC and FIDIC efforts, including on integrity management, controlling the use of NGOs for infrastructure work, minimum standards and specifications, use of QBS, and climate change adaptation. With the World Bank (and other banks) we are working together on:

- Ensuring quality and harmonizing best practices
- Applying the FIDIC Integrity Management System as a buffer to debarment. Firms that truly implement the System would be held harmless if unknowable fraud and corruption arises within their firm or team during execution of a project.

FIDIC does not offer procurement certifications. FIDIC cannot do so since each country's laws are different and variable. The liability risks are too high. The FIDIC yearly Conference is coming up at the beginning of October in Davos, Switzerland and ACEC leadership will attend.

The Committee then discussed its goals and was asked to provide any feedback regarding additions or revisions.

**Action Item:** Committee members are asked to input suggested additions, deletions, and changes to Mark, with rationale.

Committee members mentioned that ACEC used to offer education with the Foreign Services Association through the Foreign Services Institute regarding A/E opportunities identification and what they can do to assist them and that we should try to get involved in that practice again.

The Committee then mentioned more education programs are needed for the general ACEC membership, with respect to international issues. Some ideas were presented including one by Eric Cook and Susanna Florian to expand interest in international work and the Committee, including producing a webinar or series of webinars on International Markets 101 and why all firms should consider international work.

**Action Item:** Eric and Susanna will form the start of a working group that will work with members of the Committee and Maria and Mark to develop education programs relevant to international committee's goals, including pursuing the International Markets 101 potential webinar(s).

The Committee then reviewed the table of volunteers that registered for the various International Committee subcommittees, broken down by contracting body or group including: FIDIC, IFIs (including World Bank's QBS/QCBS issue), USAID, MCC, DoD Agencies, and State Dept./OBO. Mohan Singh volunteered to be the DoD Agencies subcommittee Chair and Manish Kothari concurred. MCC needs a Chair. Susana Florian mentioned she was unable to serve as Chair of the IFIs subcommittee.

Mohan Singh mentioned that, as Chair of the DoD Agencies subcommittee, he needs to understand his responsibilities and goals.

**Action Item:** The general responsibilities for all subcommittee chairs and the goals for each subcommittee need to be established.

The next scheduled meeting of the full International Committee will be during the ACEC Fall Conference in Las Vegas (Thursday, October 20<sup>th</sup> at 2-3:30 p.m.).