

110TH CONGRESS  
1ST SESSION

# S. 1926

To establish the National Infrastructure Bank to provide funding for qualified infrastructure projects, and for other purposes.

---

## IN THE SENATE OF THE UNITED STATES

AUGUST 1, 2007

Mr. DODD (for himself and Mr. HAGEL) introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

---

## A BILL

To establish the National Infrastructure Bank to provide funding for qualified infrastructure projects, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the  
5 “National Infrastructure Bank Act of 2007”.

6 (b) TABLE OF CONTENTS.—The table of contents of  
7 this Act is as follows:

- Sec. 1. Short title; table of contents.
- Sec. 2. Findings.
- Sec. 3. Definitions.
- Sec. 4. Authorization of appropriations.

## TITLE I—NATIONAL INFRASTRUCTURE BANK

- Sec. 101. Establishment of Bank.  
 Sec. 102. Management of Bank.  
 Sec. 103. Staff and personnel matters.

## TITLE II—POWERS AND DUTIES OF THE BANK

- Sec. 201. Powers of the Bank Board.  
 Sec. 202. Qualified infrastructure project ratings.  
 Sec. 203. Development of financing package.  
 Sec. 204. Coupon notes for holders of infrastructure bonds.  
 Sec. 205. Exemption from local taxation.

## TITLE III—STUDIES AND REPORTS

- Sec. 301. Report; database.  
 Sec. 302. Study and report on infrastructure financing mechanisms.  
 Sec. 303. GAO report.

**1 SEC. 2. FINDINGS.**

2 Congress finds that—

3 (1) according to the American Society of Civil  
 4 Engineers, the current condition of the infrastruc-  
 5 ture of the United States earns a grade point aver-  
 6 age of D and jeopardizes the prosperity and quality  
 7 of life of the citizens of the United States;

8 (2) according to the Federal Transit Adminis-  
 9 tration—

10 (A) approximately \$15,800,000,000 must  
 11 be expended each year for a period of not less  
 12 than 20 years to maintain the operational ca-  
 13 pacity of the transit systems of the United  
 14 States; and

15 (B) approximately \$21,800,000,000 must  
 16 be expended each year for a period of not less  
 17 than 20 years to improve the operational capac-

1           ity of the transit systems of the United States  
2           to meet the growing demands of passengers in  
3           a safe and adequate manner;

4           (3) according to the Millennial Housing Com-  
5           mission, there remains a critical shortage of afford-  
6           able public housing for extreme low-income individ-  
7           uals;

8           (4) there are over 1,200,000 units of public  
9           housing nationwide, with an accumulated capital  
10          needs backlog of approximately \$18,000,000,000,  
11          with an additional \$2,000,000,000 accruing each  
12          year;

13          (5) according to the Federal Highway Adminis-  
14          tration—

15                (A) 33 percent of all urban and rural  
16                roads in the United States are in poor, medi-  
17                ocre, or fair condition;

18                (B) approximately \$131,700,000,000 must  
19                be expended each year for a period of not less  
20                than 20 years to improve the conditions of  
21                those urban and rural roads;

22                (C) 27.1 percent of all bridges in the  
23                United States are—

24                    (i) structurally deficient; or

25                    (ii) functionally obsolete; and

1 (D) approximately \$9,400,000,000 must  
2 be expended each year for a period of not less  
3 than 20 years to eliminate the deficiencies of  
4 those bridges;

5 (6) according to the Environmental Protection  
6 Agency—

7 (A) \$151,000,000,000 must be expended  
8 during the next 20 years to make necessary re-  
9 pairs, replacements, and upgrades to the ap-  
10 proximately 55,000 community drinking water  
11 systems of the United States; and

12 (B) approximately \$390,000,000,000 must  
13 be expended during the next 20 years to elimi-  
14 nate the deficiencies of the wastewater systems  
15 of the United States;

16 (7) the infrastructure financing mechanisms of  
17 the United States do not adequately—

18 (A) address infrastructure projects of re-  
19 gional or national significance;

20 (B) encourage an appropriate pooling of  
21 Federal, State, local, and private resources; or

22 (C) provide transparency to ensure the op-  
23 timal return on public resources;

1           (8) there are no Federal financing notes, cred-  
2           its, or bonds which allow investors to fund only in-  
3           frastructure projects;

4           (9) there is a need to involve pension funds and  
5           other private investors who want to invest in infra-  
6           structure, but to whom tax credits have no value;  
7           and

8           (10) there are no federally guaranteed invest-  
9           ment notes of greater than 30 years in duration,  
10          whereas many federally funded assets are of dura-  
11          tions much longer than 30 years.

12 **SEC. 3. DEFINITIONS.**

13          In this Act, the following definitions shall apply:

14           (1) **BANK.**—The term “Bank” means the “Na-  
15          tional Infrastructure Bank” established under sec-  
16          tion 101.

17           (2) **BOARD.**—The term “Board” means the  
18          board of directors of the Bank, established under  
19          section 102.

20           (3) **CHAIRPERSON; VICE CHAIRPERSON.**—The  
21          terms “Chairperson” and “Vice Chairperson” mean  
22          the Chairperson and Vice Chairperson of the Board,  
23          respectively.

24           (4) **FINANCING MECHANISM.**—

1 (A) IN GENERAL.—The term “financing  
2 mechanism” means a method used by the Bank  
3 to pledge the full faith and credit of the United  
4 States to provide money, credit, or other capital  
5 to a qualified infrastructure project.

6 (B) INCLUSIONS.—The term “financing  
7 mechanism” includes—

8 (i) a direct subsidy;

9 (ii) a general purpose infrastructure  
10 bond; and

11 (iii) a project-based infrastructure  
12 bond.

13 (5) FINANCING PACKAGE.—The term “financ-  
14 ing package” means 1 or more financing mecha-  
15 nisms used by the Bank to meet the Federal com-  
16 mitment for a qualified infrastructure project.

17 (6) GENERAL PURPOSE INFRASTRUCTURE  
18 BOND.—The term “general purpose infrastructure  
19 bond” means a bond issued as part of an issue in  
20 accordance with this Act, if—

21 (A) the net spendable proceeds from the  
22 sale of the issue may be used for expenditures  
23 incurred after the date of issuance with respect  
24 to any qualified infrastructure project or pur-  
25 pose, subject to the rules of the Bank;

1 (B) the bond is issued by the Bank, is in  
2 registered form, and meets the requirements of  
3 this Act and otherwise applicable law;

4 (C) the term of each bond which is part of  
5 the issue is greater than 30 years; and

6 (D) the payment of principal with respect  
7 to the bond is the obligation of the Bank.

8 (7) INFRASTRUCTURE PROJECT.—

9 (A) IN GENERAL.—The term “infrastruc-  
10 ture project” means the building, improvement,  
11 or increase in capacity of a basic installation,  
12 facility, asset, or stock that is associated with—

13 (i) a mass transit system that meets  
14 the criteria in subparagraph (B);

15 (ii) a public housing property that is  
16 eligible to receive funding under section 24  
17 of the United States Housing Act of 1937  
18 (42 U.S.C. 1437v) and that meets the cri-  
19 teria in subparagraph (B);

20 (iii) a road or bridge that meets the  
21 criteria in subparagraph (B); or

22 (iv) a drinking water system or a  
23 wastewater system that meets the criteria  
24 in subparagraph (B).

1 (B) CRITERIA.—A project described in any  
2 of clauses (i) through (iv) of subparagraph (A)  
3 meets the criteria of this subparagraph if it  
4 serves any one or more of the objectives identi-  
5 fied in paragraphs (1) through (9) of section  
6 101(c) of the Housing and Community Develop-  
7 ment Act of 1974 (42 U.S.C. 5301(c)).

8 (8) PROJECT-BASED INFRASTRUCTURE  
9 BOND.—The term “project-based infrastructure  
10 bond” means any bond issued as part of an issue,  
11 if—

12 (A) the net spendable proceeds from the  
13 sale of the issue are to be used for expenditures  
14 incurred after the date of issuance only with re-  
15 spect to the qualified infrastructure project for  
16 which the bond is issued;

17 (B) the bond is issued by the Bank, meets  
18 the requirements of section 149(a) of title 26,  
19 United States Code, for registration, and other-  
20 wise meets the requirements of this Act and  
21 other applicable law;

22 (C) the term of each bond which is part of  
23 the issue is equal to the useful life of the quali-  
24 fied infrastructure project funded through use  
25 of the bond; and



1 (D) the payment of principal with respect  
2 to the bond is the obligation of the Bank.

3 (9) PUBLIC HOUSING AGENCY.—The term  
4 “public housing agency” means an agency described  
5 in section 3(b)(6) of the United States Housing Act  
6 of 1937 (42 U.S.C. 1437a(b)(6)).

7 (10) PUBLIC SPONSOR.—The term “public  
8 sponsor” includes a State or local government, an  
9 Indian tribe (as defined in section 4 of the Indian  
10 Self-Determination and Education Assistance Act  
11 (25 U.S.C. 450b), a public transit agency, public  
12 housing agency, a public infrastructure agency, or a  
13 consortium of those entities, including a public enti-  
14 ty that has partnered with a private nonprofit or  
15 for-profit entity.

16 (11) QUALIFIED INFRASTRUCTURE PROJECT.—  
17 The term “qualified infrastructure project” means  
18 an infrastructure project designated by the Board as  
19 a qualified infrastructure project in accordance with  
20 section 202.

21 **SEC. 4. AUTHORIZATION OF APPROPRIATIONS.**

22 Until such time as the Bank has received funds from  
23 the issuance of bonds sufficient to carry out this Act and  
24 the administration of the Bank, there are authorized to  
25 be appropriated to the Bank, such sums as may be nec-

1 essary for such purposes, to remain available until ex-  
2 pended.

## 3 **TITLE I—NATIONAL** 4 **INFRASTRUCTURE BANK**

### 5 **SEC. 101. ESTABLISHMENT OF BANK.**

6 There is established the “National Infrastructure  
7 Bank”, which shall be an independent establishment of the  
8 Federal Government, as defined in section 104 of title 5,  
9 United States Code.

### 10 **SEC. 102. MANAGEMENT OF BANK.**

#### 11 (a) BOARD OF DIRECTORS.—

12 (1) IN GENERAL.—The management of the  
13 Bank shall be vested in a Board of Directors con-  
14 sisting of 5 members, appointed by the President, by  
15 and with the advice and consent of the Senate, from  
16 among individuals who are citizens of the United  
17 States.

18 (2) MEMBER EXPERTISE.—Not fewer than 1  
19 member of the Board shall have demonstrated exper-  
20 tise in—

- 21 (A) transit infrastructure;
- 22 (B) public housing infrastructure;
- 23 (C) road and bridge infrastructure;
- 24 (D) water infrastructure; or
- 25 (E) public finance.

1           (3) POLITICAL AFFILIATION.—Section 2(a)(2)  
2 of the Federal Deposit Insurance Act (12 U.S.C.  
3 1812(a)(2) shall apply to members of the Board of  
4 Directors of the Bank in the same manner as it ap-  
5 plies to the Board of Directors of the Federal De-  
6 posit Insurance Corporation.

7           (4) MEETINGS.—The Board shall meet not  
8 later than 90 days after the date on which all direc-  
9 tors of the Board are first appointed, and otherwise  
10 at the call of the Chairperson.

11           (5) DATE OF APPOINTMENTS.—The initial  
12 nominations to the Board shall be made not later  
13 than 60 days after the date of enactment of this  
14 Act.

15           (b) CHAIRPERSON AND VICE CHAIRPERSON.—The  
16 Chairperson and Vice Chairperson of the Board shall be  
17 appointed and shall serve in the same manner as is pro-  
18 vided for members of the Federal Deposit Insurance Cor-  
19 poration under section 2(b) of the Federal Deposit Insur-  
20 ance Act (12 U.S.C. 1812(b)).

21           (c) TERMS.—

22           (1) APPOINTED MEMBERS.—Except as provided  
23 in paragraph (2), each member of the Board shall  
24 be appointed for a term of 6 years.

1           (2) INITIAL STAGGERED TERMS.—Of the initial  
2 members of the Board—

3           (A) the Chairperson and Vice Chairperson  
4 shall be appointed for a term of 6 years;

5           (B) 1 member shall be appointed for a  
6 term of 5 years;

7           (C) 1 member shall be appointed for a  
8 term of 4 years; and

9           (D) 1 member shall be appointed for a  
10 term of 3 years.

11          (3) INTERIM APPOINTMENTS.—Any member of  
12 the Board appointed to fill a vacancy occurring be-  
13 fore the expiration of the term for which the prede-  
14 cessor of such member was appointed shall be ap-  
15 pointed only for the remainder of such term.

16          (4) CONTINUATION OF SERVICE.—The Chair-  
17 person, Vice Chairperson, and each other member of  
18 the Board may continue to serve after the expiration  
19 of the term of office to which such member was ap-  
20 pointed, until a successor has been appointed.

21          (d) VACANCY.—Any vacancy on the Board shall be  
22 filled in the manner in which the original appointment was  
23 made.

24          (e) INELIGIBILITY FOR OTHER OFFICES.—

1           (1) RESTRICTION DURING SERVICE.—No mem-  
2 ber of the Board may, during service on the  
3 Board—

4           (A) be an officer or director of, or other-  
5 wise be employed by, any entity engaged in or  
6 otherwise associated with an infrastructure  
7 project assisted or considered under this Act;

8           (B) hold stock in any such entity; or

9           (C) hold any other elected or appointed  
10 public office.

11           (2) POST SERVICE RESTRICTION.—

12           (A) IN GENERAL.—No member of the  
13 Board may hold any office, position, or employ-  
14 ment in any entity engaged in or otherwise as-  
15 sociated with an infrastructure project assisted  
16 under this Act during the 2-year period begin-  
17 ning on the date on which such member ceases  
18 to serve on the Board.

19           (B) EXCEPTION FOR MEMBERS WHO  
20 SERVE FULL TERM.—The limitation contained  
21 in subparagraph (A) does not apply to any  
22 member who has ceased to serve on the Board  
23 after serving the full term for which such mem-  
24 ber was appointed.

1           (3) CERTIFICATION.—Upon taking office, each  
2 member of the Board shall certify under oath that  
3 such member has complied with this subsection, and  
4 such certification shall be filed with the secretary of  
5 the Board.

6 **SEC. 103. STAFF AND PERSONNEL MATTERS.**

7           (a) EXECUTIVE DIRECTOR.—

8           (1) IN GENERAL.—The Chairperson may ap-  
9 point and terminate, and fix the compensation of, an  
10 executive director of the Bank, in accordance with  
11 title 5, United States Code.

12           (2) CONFIRMATION OF EXECUTIVE DIREC-  
13 TOR.—The employment of an executive director shall  
14 be subject to confirmation by the Board.

15           (3) QUALIFICATIONS OF EXECUTIVE DIREC-  
16 TOR.—An individual appointed as the executive di-  
17 rector under paragraph (1) shall have demonstrated  
18 expertise in—

- 19                   (A) transit infrastructure;
- 20                   (B) public housing infrastructure;
- 21                   (C) road and bridge infrastructure;
- 22                   (D) water infrastructure; or
- 23                   (E) public finance.

24           (b) OTHER PERSONNEL.—The Board may appoint  
25 and terminate, and fix the compensation of, in accordance

1 with title 5, United States Code, such personnel as are  
2 necessary to enable the Bank to perform the duties of the  
3 Bank.

4 (c) INSPECTOR GENERAL.—

5 (1) IN GENERAL.—Section 11 of the Inspector  
6 General Act of 1978 (5 U.S.C. App.) is amended—

7 (A) in paragraph (1), by inserting “the  
8 Chairperson of the National Infrastructure  
9 Bank;” after “the Chairperson of the Federal  
10 Deposit Insurance Corporation;”; and

11 (B) in paragraph (2), by inserting “the  
12 National Infrastructure Bank;” after “the Fed-  
13 eral Deposit Insurance Corporation;”.

14 (2) EXECUTIVE SCHEDULE LEVEL IV.—Section  
15 5315 of title 5, United States Code, is amended by  
16 inserting after the item relating to the Inspector  
17 General of the Federal Deposit Insurance Corpora-  
18 tion, the following:

19 “Inspector General, National Infrastructure  
20 Bank.”.

21 (d) SUPPORT FROM OTHER AGENCIES.—The head of  
22 any other Federal agency may detail employees to the  
23 Bank for purposes of carrying out the duties of the Bank.

24 (e) COMPENSATION OF BOARD MEMBERS.—

1           (1) CHAIRPERSON.—Section 5314 of title 5,  
 2           United States Code, is amended by inserting after  
 3           the item relating to the Chairman of the Board of  
 4           Directors of the Federal Deposit Insurance Corpora-  
 5           tion, the following:

6           “Chairperson, Board of Directors, National In-  
 7           frastructure Bank.”.

8           (2) OTHER MEMBERS.—Section 5315 of title 5,  
 9           United States Code, is amended by inserting after  
 10          the item relating to the Inspector General of the  
 11          Federal Deposit Insurance Corporation, the fol-  
 12          lowing:

13          “Member, Board of Directors of the National  
 14          Infrastructure Bank.”.

## 15       **TITLE II—POWERS AND DUTIES** 16       **OF THE BANK**

### 17       **SEC. 201. POWERS OF THE BANK BOARD.**

18          (a) HEARINGS.—The Board may, in carrying out this  
 19          Act—

20               (1) hold such hearings, meet and act at such  
 21               times and places, take such testimony, receive such  
 22               evidence, and administer such oaths, as the Board  
 23               considers advisable; and

24               (2) require, by subpoena or otherwise, the at-  
 25               tendance and testimony of such witnesses and the



1 production of such books, records, correspondence,  
2 memoranda, papers, documents, tapes, and mate-  
3 rials, as the Board considers advisable.

4 (b) ISSUANCE AND ENFORCEMENT OF SUB-  
5 POENAS.—

6 (1) ISSUANCE.—A subpoena issued under sub-  
7 section (a) shall—

8 (A) bear the signature of the Chairperson  
9 and a majority of the members of the Board;  
10 and

11 (B) be served by any person or class of  
12 persons designated by the Chairperson for that  
13 purpose.

14 (2) ENFORCEMENT.—In the case of contumacy  
15 or failure to obey a subpoena issued under sub-  
16 section (a)(2), the United States district court for  
17 the district in which the subpoenaed person resides,  
18 is served, or may be found may issue an order re-  
19 quiring the person to appear at any designated place  
20 to testify or to produce documentary or other evi-  
21 dence.

22 (3) NONCOMPLIANCE.—Any failure to obey the  
23 order of the court may be punished by the court as  
24 a contempt of court.

25 (c) WITNESS ALLOWANCES AND FEES.—

1 (1) IN GENERAL.—Section 1821 of title 28,  
 2 United States Code, shall apply to a witness re-  
 3 quired or subpoenaed to appear at a hearing of the  
 4 Board.

5 (2) EXPENSES.—The per diem and mileage al-  
 6 lowances for a witness shall be paid from funds  
 7 available to pay the expenses of the Board.

8 (d) INFORMATION FROM FEDERAL AGENCIES.—The  
 9 Board may, upon request, secure directly from a Federal  
 10 agency, such information as the Board considers necessary  
 11 to carry out this Act, and the head of such agency shall  
 12 promptly respond to any such request for the provision  
 13 of information.

14 (e) INCORPORATION OF FEDERAL TRANSIT PROC-  
 15 ESSES FOR BOARD STATEMENTS.—Section 5334(l) of title  
 16 49, United States Code, as added by section 3032 of the  
 17 Federal Public Transportation Act of 2005 (Public Law  
 18 109–59, 119 Stat. 1627), shall apply to statements of the  
 19 Board in the same manner and to the same extent as that  
 20 section applies to statements of the Administrator of the  
 21 Federal Transit Administration.

22 **SEC. 202. QUALIFIED INFRASTRUCTURE PROJECT RAT-**  
 23 **INGS.**

24 (a) IN GENERAL.—The Bank shall, upon application  
 25 and otherwise in accordance with this section, designate

1 infrastructure projects as qualified projects for purposes  
2 of assistance under this Act.

3 (b) APPLICANTS.—The Bank shall accept applica-  
4 tions for the designation of qualified infrastructure  
5 projects under this section from among public sponsors,  
6 for any infrastructure project having—

7 (1) a potential Federal commitment of an  
8 amount that is not less than \$75,000,000;

9 (2) a public sponsor; and

10 (3) regional or national significance.

11 (c) GUIDELINES FOR DEVELOPING PROJECTS.—The  
12 Secretary shall establish guidelines to assist grant recipi-  
13 ents under this title to develop applications for funding  
14 under this section. The guidelines shall include the objec-  
15 tives listed in paragraphs (2) and (3) of section 105(e)  
16 of the Housing and Community Development Act of 1974  
17 (42 U.S.C. 5305(e)).

18 (d) RATINGS.—In making a determination as to a  
19 designation of a qualified infrastructure project, the Board  
20 shall evaluate and rate each applicant based on the factors  
21 appropriate for that type of infrastructure project, which  
22 shall include—

23 (1) for any transit project—

24 (A) regional or national significance;

25 (B) promotion of economic growth;

1 (C) reduction in traffic congestion;

2 (D) environmental benefits, including re-  
3 duction in pollution from reduced use of auto-  
4 mobiles from direct trip reduction and indirect  
5 trip reduction through land use and density  
6 changes;

7 (E) urban land use policies, including  
8 those that promote smart growth; and

9 (F) mobility improvements;

10 (2) for any public housing project—

11 (A) regional or national significance;

12 (B) promotion of economic growth;

13 (C) improvement of the physical shape and  
14 layout of public housing;

15 (D) environmental improvement;

16 (E) urban land use policies, including  
17 those that promote smart growth;

18 (F) reduction of poverty concentration;

19 (G) mobility improvements for residents;

20 and

21 (H) establishment of positive incentives for  
22 resident self-sufficiency and comprehensive  
23 services that empower residents;

24 (3) for any highway, bridge, or road project—

25 (A) regional or national significance;

- 1 (B) promotion of economic growth;
- 2 (C) reduction in traffic congestion;
- 3 (D) environmental improvement;
- 4 (E) urban land use policies, including
- 5 those that promote smart growth; and
- 6 (F) mobility improvements; and

7 (4) for any water project—

- 8 (A) regional or national significance;
- 9 (B) promotion of economic growth;
- 10 (C) health benefits from the associated
- 11 projects, including health care cost reduction
- 12 due to removal of pollutants; and
- 13 (D) environmental benefits.

14 (e) DETERMINATION AMONG PROJECTS OF DIF-  
15 FERENT INFRASTRUCTURE TYPES.—The Bank shall es-  
16 tablish, by rule, comprehensive criteria for allocating  
17 qualified status among different types of infrastructure  
18 projects for purposes of this Act—

19 (1) including—

20 (A) a full view of the project benefits, as  
21 compared to project costs;

22 (B) a preference for projects that have na-  
23 tional or substantial regional impact;

24 (C) a preference for projects which lever-  
25 age private financing, including public-private

1 partnerships, for either the explicit cost of the  
2 project or for enhancements which increase the  
3 benefits of the project;

4 (D) an understanding of the importance of  
5 balanced investment in various types of infra-  
6 structure, as emphasized in the current alloca-  
7 tion of Federal resources between modes; and

8 (E) an understanding of the importance of  
9 diverse investment in infrastructure in all re-  
10 gions of the country; and

11 (2) that do not eliminate any project based on  
12 size, but rather allow for selection of the projects  
13 that are most meritorious.

14 (f) PROCESS AND PERSONNEL FOR CREATING RAT-  
15 INGS PROCESS.—

16 (1) IN GENERAL.—The ratings processes de-  
17 scribed in this section shall be subject to Federal no-  
18 tice and rulemaking procedures.

19 (2) PARTICIPATION BY OTHER AGENCY PER-  
20 SONNEL.—The ratings, and development of the rat-  
21 ings process, shall be conducted by personnel on de-  
22 tail to the Bank from the Department of Transpor-  
23 tation, the Department of Housing and Urban De-  
24 velopment, the United States Army Corps of Engi-  
25 neers, and other relevant departments and agencies

1 from among individuals who are familiar with and  
2 experienced in the selection criteria for competitive  
3 projects. The Bank shall reimburse those depart-  
4 ments and agencies for the staff which are on detail  
5 to the Bank.

6 (g) COMPLIANCE WITH OTHER APPLICABLE LAW.—  
7 Projects receiving financial assistance from the Bank  
8 under this section shall comply with applicable provisions  
9 of Federal law and regulations, including—

10 (1) for transit, requirements that would apply  
11 to a project receiving funding under section 5307 of  
12 title 49, United States Code;

13 (2) for public housing, requirements that would  
14 apply to a project receiving funding from a grant  
15 under section 24 of the United States Housing Act  
16 of 1937 (42 U.S.C. 1437v);

17 (3) for roads and bridges, requirements that  
18 would apply to a project that receives funds appor-  
19 tioned under section 104(b)(3) of title 23, United  
20 States Code; and

21 (4) for water, requirements that would apply to  
22 a project that receives funds through a grant or loan  
23 under—

1 (A) section 103 of the Housing and Com-  
2 munity Development Act of 1974 (42 U.S.C.  
3 5303);

4 (B) section 1452 of the Public Health  
5 Service Act (42 U.S.C. 300j-12); or

6 (C) section 601 of the Federal Water Pol-  
7 lution Control Act (33 U.S.C. 1381), as that  
8 section applied before the beginning of fiscal  
9 year 1995.

10 (h) **AUTHORITY TO DETERMINE FUNDING.**—Not-  
11 withstanding any other provision of law, the Bank shall  
12 determine the appropriate Federal share of funds for each  
13 project described in subsection (g) for purposes of this  
14 Act.

15 **SEC. 203. DEVELOPMENT OF FINANCING PACKAGE.**

16 (a) **IN GENERAL.**—Not later than 60 days after the  
17 date on which the Board determines appropriate financing  
18 packages for qualified infrastructure projects under sec-  
19 tion 202, the Board shall notify the Committee on Bank-  
20 ing, Housing, and Urban Affairs of the Senate.

21 (b) **FINANCING PACKAGES.**—The Board is author-  
22 ized—

23 (1) to act as a centralized entity to provide fi-  
24 nancing for qualified infrastructure projects;



1           (2) to issue general purpose infrastructure  
2           bonds, and to provide direct subsidies to qualified in-  
3           frastructure projects from amounts made available  
4           from the issuance of such bonds;

5           (3) to issue project-based infrastructure bonds  
6           for the financing of specific qualified infrastructure  
7           projects;

8           (4) to provide loan guarantees to State or local  
9           governments issuing debt to finance qualified infra-  
10          structure projects, under rules prescribed by the  
11          Board, in a manner similar to that described in  
12          chapter 6 of title 23, United States Code;

13          (5) to issue loans, at varying interest rates, in-  
14          cluding very low interest rates, to qualified project  
15          sponsors for qualified projects;

16          (6) to leverage resources and stimulate public  
17          and private investment in infrastructure; and

18          (7) to encourage States to create additional op-  
19          portunities for the financing of infrastructure  
20          projects.

21          (c) GENERAL PURPOSE AND INFRASTRUCTURE  
22          BONDS.—General purpose and project-based infrastruc-  
23          ture bonds issued by the Bank under this Act shall be  
24          subject to such terms and limitations as may be estab-

1 lished by rules of the Bank, in consultation with the Sec-  
2 retary of the Treasury.

3 (d) BOND OBLIGATION LIMIT.—The aggregate out-  
4 standing amount of all bonds authorized to be issued  
5 under this Act may not exceed \$60,000,000,000.

6 (e) FULL FAITH AND CREDIT.—Any obligation  
7 issued by the Bank under this Act shall be an obligation  
8 supported by the full faith and credit of the United States.

9 (f) LIMITATION ON FUNDS FROM BOND  
10 ISSUANCE.—Not more than 1 percent of funds resulting  
11 from the issuance of bonds under this Act may be used  
12 to fund the operations of the Bank.

13 **SEC. 204. COUPON NOTES FOR HOLDERS OF INFRASTRUC-**  
14 **TURE BONDS.**

15 (a) ISSUANCE OF COUPON NOTES.—Under regula-  
16 tions prescribed by the Bank, in consultation with the Sec-  
17 retary of the Treasury, there may be a separation (includ-  
18 ing at issuance) of the ownership of an infrastructure  
19 bond and the entitlement to the interest with respect to  
20 such bond (in this section referred to as a “coupon note”).  
21 In case of any such separation, such interest shall be al-  
22 lowed to the person who on the payment date holds the  
23 instrument evidencing the entitlement to the interest, and  
24 not to the holder of the bond.

1 (b) REDEMPTION OF COUPON NOTES.—A coupon  
 2 note may be used by the owner thereof for the purpose  
 3 of making any payment to the Federal Government, and  
 4 shall be accepted for such purpose by the Secretary of the  
 5 Treasury, subject to rules issued by the Bank, in consulta-  
 6 tion with the Secretary of the Treasury.

7 **SEC. 205. EXEMPTION FROM LOCAL TAXATION.**

8 Bonds and other obligations issued by the Bank, and  
 9 the interest on or credits with respect to its bonds or other  
 10 obligations, shall not be subject to taxation by any State,  
 11 county, municipality, or local taxing authority.

12 **TITLE III—STUDIES AND**  
 13 **REPORTS**

14 **SEC. 301. REPORT; DATABASE.**

15 (a) REPORT.—Not later than 1 year after the date  
 16 of enactment of this Act, and annually thereafter, the  
 17 Board shall submit to the Committee on Banking, Hous-  
 18 ing, and Urban Affairs of the Senate a report describing  
 19 the activities of the Board, for the fiscal year covered by  
 20 the report, relating to—

21 (1) the evaluations of qualified infrastructure  
 22 projects under section 202; and

23 (2) the financing packages of qualified infra-  
 24 structure projects under section 203.

1 (b) DATABASE.—The Bank shall develop, maintain,  
2 and update a publicly-accessible database that contains—

3 (1) a description of each qualified infrastruc-  
4 ture project that receives funding from the Bank  
5 under this Act—

6 (A) by project mode or modes;

7 (B) by project location;

8 (C) by project sponsor or sponsors; and

9 (D) by project total cost;

10 (2) the amount of funding that each qualified  
11 infrastructure project receives from the Bank under  
12 this Act; and

13 (3) the form of financing that each qualified in-  
14 frastructure project receives from the Bank under  
15 section 203.

16 **SEC. 302. STUDY AND REPORT ON INFRASTRUCTURE FI-**  
17 **NANCING MECHANISMS.**

18 (a) IN GENERAL.—Not later than 2 years after the  
19 date of enactment of this Act, and every 3 years there-  
20 after, the Board shall conduct a study evaluating the effec-  
21 tiveness of each Federal financing mechanism that is used  
22 to support an infrastructure system of the United States.

23 (b) REQUIREMENTS.—A study conducted under sub-  
24 section (a) shall—

1           (1) evaluate the economic efficacy and trans-  
2           parency of each financing mechanism used by—

3                   (A) the Bank to fund qualified infrastruc-  
4                   ture projects; and

5                   (B) each agency and department of the  
6                   Federal Government to support infrastructure  
7                   systems, including—

8                           (i) infrastructure formula funding;

9                           (ii) user fees; and

10                           (iii) modal taxes; and

11           (2) contain recommendations for improving  
12           each funding mechanism evaluated under subpara-  
13           graphs (A) and (B) of paragraph (1) to increase the  
14           economic efficacy and transparency of the Bank, and  
15           each agency and department of the Federal Govern-  
16           ment, to finance infrastructure projects in the  
17           United States.

18           (c) REPORT.—Not later than 30 days after the date  
19           on which the Board completes the study conducted under  
20           subsection (a), the Board shall submit to the Committee  
21           on Banking, Housing, and Urban Affairs of the Senate,  
22           a report containing each evaluation and recommendation  
23           contained in the study.

1 **SEC. 303. GAO REPORT.**

2 Not later than 5 years after the date of enactment  
3 of this Act, the Comptroller General of the United States  
4 shall submit to the Committee on Banking, Housing, and  
5 Urban Affairs of the Senate, a report evaluating the ac-  
6 tivities of the Bank for the fiscal years covered by the re-  
7 port, including—

8 (1) the evaluations of qualified infrastructure  
9 projects under section 202; and

10 (2) the financing packages of qualified infra-  
11 structure projects under section 203.

○