

113TH CONGRESS  
1ST SESSION

# S. 1716

To facilitate efficient investments and financing of infrastructure projects and new long-term job creation through the establishment of an Infrastructure Financing Authority, and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

NOVEMBER 14, 2013

Mr. WARNER (for himself, Mr. BLUNT, Mr. GRAHAM, Mrs. GILLIBRAND, Mr. HELLER, Mr. COONS, Ms. KLOBUCHAR, Mr. WICKER, Mrs. McCASKILL, and Mr. KIRK) introduced the following bill; which was read twice and referred to the Committee on Commerce, Science, and Transportation

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## A BILL

To facilitate efficient investments and financing of infrastructure projects and new long-term job creation through the establishment of an Infrastructure Financing Authority, 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 “Building and Renewing Infrastructure for Development  
6 and Growth in Employment Act” or the “BRIDGE Act”.

1 (b) TABLE OF CONTENTS.—The table of contents for  
 2 this Act is as follows:

Sec. 1. Short title; table of contents.  
 Sec. 2. Findings and purpose.  
 Sec. 3. Definitions.

#### TITLE I—INFRASTRUCTURE FINANCING AUTHORITY

Sec. 101. Establishment and general authority of IFA.  
 Sec. 102. Voting members of the Board of Directors.  
 Sec. 103. Chief executive officer of IFA.  
 Sec. 104. Powers and duties of the Board of Directors.  
 Sec. 105. Senior management.  
 Sec. 106. Office of Technical and Rural Assistance.  
 Sec. 107. Special Inspector General for IFA.  
 Sec. 108. Other personnel.  
 Sec. 109. Compliance.

#### TITLE II—TERMS AND LIMITATIONS ON DIRECT LOANS AND LOAN GUARANTEES

Sec. 201. Eligibility criteria for assistance from IFA and terms and limitations  
of loans.  
 Sec. 202. Loan terms and repayment.  
 Sec. 203. Compliance and enforcement.  
 Sec. 204. Audits; reports to the President and Congress.  
 Sec. 205. Effect on other laws.

#### TITLE III—FUNDING OF IFA

Sec. 301. Fees.  
 Sec. 302. Self-sufficiency of IFA.  
 Sec. 303. Funding.  
 Sec. 304. Contract authority.  
 Sec. 305. Limitation on authority.

#### TITLE IV—BUDGETARY EFFECTS

Sec. 401. Budgetary effects.

### 3 **SEC. 2. FINDINGS AND PURPOSE.**

4 (a) FINDINGS.—Congress finds that—

5 (1) infrastructure has always been a vital ele-  
 6 ment of the economic strength of the United States  
 7 and a key indicator of the international leadership of  
 8 the United States;

1           (2) the Erie Canal, the Hoover Dam, the rail-  
2           roads, and the interstate highway system are all tes-  
3           taments to the ingenuity of the United States and  
4           have helped propel and maintain the United States  
5           as the largest economy in the world;

6           (3) according to the World Economic Forum’s  
7           Global Competitiveness Report, the United States  
8           fell to fifth place in 2011, and dropped to seventh  
9           place overall in 2012, however, in the “Quality of  
10          overall infrastructure” category of the same report,  
11          the United States ranked 25th in the world;

12          (4) according to the World Bank’s 2012 Logis-  
13          tic Performance Index, the capacity of countries to  
14          efficiently move goods and connect manufacturers  
15          and consumers with international markets is improv-  
16          ing around the world, and the United States now  
17          ranks ninth in the world in logistics-related infra-  
18          structure behind countries from both Europe and  
19          Asia;

20          (5) according to a January 2009 report from  
21          the University of Massachusetts/Alliance for Amer-  
22          ican Manufacturing entitled “Employment, Produc-  
23          tivity and Growth”, infrastructure investment is a  
24          “highly effective engine of job creation” such that

1       \$1,000,000,000 in new investment in infrastructure  
2       results in 18,000 total long-term jobs;

3           (6) according to the American Society of Civil  
4       Engineers, the current condition of the infrastruc-  
5       ture in the United States earns a grade point aver-  
6       age of D+, and an estimated \$1,600,000,000,000 of  
7       additional investment is needed over the next 7  
8       years to bring the infrastructure of the United  
9       States up to adequate condition;

10          (7) according to the National Surface Trans-  
11       portation Policy and Revenue Study Commission,  
12       \$225,000,000,000 is needed annually from all  
13       sources for the next 50 years to upgrade the United  
14       States surface transportation system to a state of  
15       good repair and create a more advanced system;

16          (8) the current infrastructure financing mecha-  
17       nisms of the United States, both on the Federal and  
18       State level, will fail to meet current and foreseeable  
19       demands and will create large funding gaps;

20          (9) published reports state that there may not  
21       be enough demand for municipal bonds to maintain  
22       the same level of borrowing at the same rates, re-  
23       sulting in significantly decreased infrastructure in-  
24       vestment at the State and local level;

1           (10) current funding mechanisms are not read-  
2           ily scalable and do not—

3                   (A) serve large in-State or cross-jurisdic-  
4                   tional infrastructure projects, projects of re-  
5                   gional or national significance, or projects that  
6                   cross sector silos;

7                   (B) sufficiently catalyze private sector in-  
8                   vestment; or

9                   (C) ensure the optimal return on public re-  
10                  sources;

11           (11) although grant programs of the Federal  
12           Government must continue to play a central role in  
13           financing the infrastructure needs of the United  
14           States, current and foreseeable demands on existing  
15           Federal, State, and local funding for infrastructure  
16           expansion clearly exceed the resources to support  
17           those programs by margins wide enough to prompt  
18           serious concerns about the ability of the United  
19           States to sustain long-term economic development,  
20           productivity, and international competitiveness;

21           (12) the capital markets, including pension  
22           funds, private equity funds, mutual funds, sovereign  
23           wealth funds, and other investors, have a growing  
24           interest in infrastructure investment and represent

1       hundreds of billions of dollars of potential invest-  
2       ment; and

3           (13) the establishment of a federally owned,  
4       independent, professionally managed institution that  
5       could provide credit support to qualified infrastruc-  
6       ture projects of regional and national significance,  
7       making transparent merit-based investment deci-  
8       sions based on the commercial viability of infrastruc-  
9       ture projects, would catalyze the participation of sig-  
10      nificant private investment capital.

11      (b) PURPOSE.—The purpose of this Act is to facili-  
12     tate investment in, and the long-term financing of, eco-  
13     nomically viable eligible infrastructure projects of regional  
14     or national significance that are in the public interest in  
15     a manner that complements existing Federal, State, local,  
16     and private funding sources for these projects and intro-  
17     duces a merit-based system for financing those projects,  
18     in order to mobilize significant private sector investment,  
19     create long-term jobs, and ensure United States competi-  
20     tiveness through a self-sustaining institution that limits  
21     the need for ongoing Federal funding.

22     **SEC. 3. DEFINITIONS.**

23       In this Act:

24           (1) BLIND TRUST.—The term “blind trust”  
25       means a trust in which the beneficiary has no knowl-

1 edge of the specific holdings and no rights over how  
 2 those holdings are managed by the fiduciary of the  
 3 trust prior to the dissolution of the trust.

4 (2) BOARD OF DIRECTORS.—The term “Board  
 5 of Directors” means the Board of Directors of IFA.

6 (3) CHAIRPERSON.—The term “Chairperson”  
 7 means the Chairperson of the Board of Directors of  
 8 IFA.

9 (4) CHIEF EXECUTIVE OFFICER.—The term  
 10 “chief executive officer” means the chief executive  
 11 officer of IFA, appointed under section 103.

12 (5) COST.—The term “cost” has the meaning  
 13 given the term in section 502 of the Federal Credit  
 14 Reform Act of 1990 (2 U.S.C. 661a).

15 (6) DIRECT LOAN.—The term “direct loan” has  
 16 the meaning given the term in section 502 of the  
 17 Federal Credit Reform Act of 1990 (2 U.S.C. 661a).

18 (7) ELIGIBLE ENTITY.—The term “eligible enti-  
 19 ty” means—

20 (A) an individual;

21 (B) a corporation;

22 (C) a partnership, including a public-pri-  
 23 vate partnership;

24 (D) a joint venture;

25 (E) a trust;

(F) a State or any other governmental entity, including a political subdivision or any other instrumentality of a State; or

(G) a revolving fund.

(8) ELIGIBLE INFRASTRUCTURE PROJECT.—

(A) IN GENERAL.—The term “eligible infrastructure project” means the construction, consolidation, alteration, or repair of the following sectors:

(i) Intercity passenger or freight rail lines.

(ii) Intercity passenger rail facilities or equipment.

(iii) Intercity freight rail facilities or equipment.

(iv) Intercity passenger bus facilities or equipment.

(v) Public transportation facilities or equipment.

(vi) Highway facilities, including bridges and tunnels.

(vii) Airports.

(viii) Air traffic control systems.



1 (ix) Port or marine terminal facilities,  
2 including approaches to marine terminal  
3 facilities or inland port facilities.

4 (x) Port or marine equipment, includ-  
5 ing fixed equipment to serve approaches to  
6 marine terminals or inland ports.

7 (xi) Transmission or distribution pipe-  
8 lines.

9 (xii) Inland waterways.

10 (xiii) Intermodal facilities or equip-  
11 ment related to 2 or more of the sectors  
12 described in clauses (i) through (xii).

13 (xiv) Water treatment and solid waste  
14 disposal facilities, including drinking water  
15 facilities.

16 (xv) Storm water management sys-  
17 tems.

18 (xvi) Dams and levees.

19 (xvii) Facilities or equipment for en-  
20 ergy transmission, distribution or storage.

21 (B) AUTHORITY OF THE BOARD OF DIREC-  
22 TORS TO MODIFY SECTORS.—The Board of Di-  
23 rectors may make modifications, at the discre-  
24 tion of the Board, to any of the sectors de-  
25 scribed in subparagraph (A) by a vote of not

1 fewer than 5 of the voting members of the  
2 Board of Directors.

3 (9) IFA.—The term “IFA” means the Infra-  
4 structure Financing Authority established by this  
5 Act.

6 (10) INVESTMENT-GRADE RATING.—The term  
7 “investment-grade rating” means a rating of BBB  
8 minus, Baa3, or higher assigned to an eligible infra-  
9 structure project by a ratings agency.

10 (11) LOAN GUARANTEE.—The term “loan guar-  
11 antee” has the meaning given the term in section  
12 502 of the Federal Credit Reform Act of 1990 (2  
13 U.S.C. 661a).

14 (12) PUBLIC-PRIVATE PARTNERSHIP.—The  
15 term “public-private partnership” means any eligible  
16 entity—

17 (A)(i) that is undertaking the development  
18 of all or part of an eligible infrastructure  
19 project that will have a measurable public ben-  
20 efit, pursuant to requirements established in 1  
21 or more contracts between the entity and a  
22 State or an instrumentality of a State; or

23 (ii) the activities of which, with respect to  
24 such an eligible infrastructure project, are sub-

1           ject to regulation by a State or any instrumen-  
2           tality of a State;

3           (B) that owns, leases, or operates or will  
4           own, lease, or operate, the project in whole or  
5           in part; and

6           (C) the participants in which include not  
7           fewer than 1 nongovernmental entity with sig-  
8           nificant investment and some control over the  
9           project or entity sponsoring the project vehicle.

10          (13) RATING AGENCY.—The term “rating agen-  
11          cy” means a credit rating agency registered with the  
12          Securities and Exchange Commission as a nationally  
13          recognized statistical rating organization (as defined  
14          in section 3(a) of the Securities Exchange Act of  
15          1934 (15 U.S.C. 78c(a))).

16          (14) RURAL INFRASTRUCTURE PROJECT.—The  
17          term “rural infrastructure project”—

18               (A) has the same meaning given the term  
19               in section 601(15) of title 23, United States  
20               Code; and

21               (B) includes any eligible infrastructure  
22               project located in an area described in such sec-  
23               tion 601(15).

1           (15) SECRETARY.—The term “Secretary”  
 2 means the Secretary of the Treasury or the designee  
 3 of the Secretary of the Treasury.

4           (16) SENIOR MANAGEMENT.—The term “senior  
 5 management” means the chief financial officer, chief  
 6 risk officer, chief compliance officer, general counsel,  
 7 chief lending officer, and chief operations officer of  
 8 IFA, and such other officers as the Board of Direc-  
 9 tors may, by majority vote, add to senior manage-  
 10 ment.

11           (17) STATE.—The term “State” means—

12                   (A) each of the several States of the  
 13 United States; and

14                   (B) the District of Columbia.

## 15           **TITLE I—INFRASTRUCTURE** 16           **FINANCING AUTHORITY**

### 17   **SEC. 101. ESTABLISHMENT AND GENERAL AUTHORITY OF** 18           **IFA.**

19           (a) ESTABLISHMENT OF IFA.—The Infrastructure  
 20 Financing Authority is established as a wholly owned Gov-  
 21 ernment corporation.

22           (b) GENERAL AUTHORITY OF IFA.—IFA shall—

23                   (1) provide direct loans and loan guarantees to  
 24 facilitate eligible infrastructure projects that are eco-

1       nominically viable, in the public interest, and of re-  
2       gional or national significance; and

3               (2) carry out any other activities and duties au-  
4       thorized under this Act.

5       (c) INCORPORATION.—

6               (1) IN GENERAL.—The Board of Directors first  
7       appointed shall be deemed the incorporator of IFA,  
8       and the incorporation shall be held to have been ef-  
9       fected from the date of the first meeting of the  
10      Board of Directors.

11              (2) CORPORATE OFFICE.—IFA shall—

12                      (A) maintain an office in Washington, DC;  
13              and

14                      (B) for purposes of venue in civil actions,  
15              be considered to be a resident of Washington,  
16              DC.

17       (d) RESPONSIBILITY OF THE SECRETARY.—The Sec-  
18      retary shall take such action as may be necessary to assist  
19      in implementing IFA and in carrying out the purpose of  
20      this Act.

21       (e) RULE OF CONSTRUCTION.—Chapter 91 of title  
22      31, United States Code, does not apply to IFA, unless oth-  
23      erwise specifically provided in this Act.

1 **SEC. 102. VOTING MEMBERS OF THE BOARD OF DIREC-**  
2 **TORS.**

3 (a) VOTING MEMBERSHIP OF THE BOARD OF DIREC-  
4 TORS.—

5 (1) IN GENERAL.—IFA shall have a Board of  
6 Directors consisting of 7 voting members appointed  
7 by the President, by and with the advice and consent  
8 of the Senate, not more than 4 of whom shall be  
9 from the same political party.

10 (2) CHAIRPERSON.—One of the voting members  
11 of the Board of Directors shall be designated by the  
12 President, by and with the advice and consent of the  
13 Senate, to serve as Chairperson of the Board of Di-  
14 rectors.

15 (3) CONGRESSIONAL RECOMMENDATIONS.—Not  
16 later than 30 days after the date of enactment of  
17 this Act, the majority leader of the Senate, the mi-  
18 nority leader of the Senate, the Speaker of the  
19 House of Representatives, and the minority leader of  
20 the House of Representatives shall each submit a  
21 recommendation to the President for appointment of  
22 a member of the Board of Directors, after consulta-  
23 tion with the appropriate committees of Congress.

24 (4) SPECIAL CONSIDERATION OF RURAL INTER-  
25 ESTS AND GEOGRAPHIC DIVERSITY.—In making an  
26 appointment under this subsection, the President

1       shall give consideration to the geographic areas of  
2       the United States in which the members of the  
3       Board of Directors live and work, particularly to en-  
4       sure that the infrastructure priorities and concerns  
5       of each region of the country, including rural areas  
6       and small communities, are represented on the  
7       Board of Directors.

8       (b) VOTING RIGHTS.—Each voting member of the  
9       Board of Directors shall have an equal vote in all decisions  
10      of the Board of Directors.

11      (c) QUALIFICATIONS OF VOTING MEMBERS.—Each  
12      voting member of the Board of Directors shall—

13               (1) be a citizen of the United States; and

14               (2) have significant demonstrated expertise in—

15                       (A) the management and administration of  
16                       a financial institution relevant to the operation  
17                       of IFA; or

18                       (B) the financing, development, or oper-  
19                       ation of infrastructure projects, including in the  
20                       evaluation and selection of eligible infrastruc-  
21                       ture projects based on the purposes, goals, and  
22                       objectives of this Act.

23      (d) TERMS.—

1           (1) IN GENERAL.—Except as otherwise pro-  
2       vided in this Act, each voting member of the Board  
3       of Directors shall be appointed for a term of 5 years.

4           (2) INITIAL STAGGERED TERMS.—Of the voting  
5       members first appointed to the Board of Directors—

6                 (A) the initial Chairperson and 3 of the  
7       other voting member shall each be appointed  
8       for a term of 5 years; and

9                 (B) the remaining 3 voting members shall  
10      each be appointed for a term of 2 years.

11          (3) DATE OF INITIAL NOMINATIONS.—The ini-  
12      tial nominations for the appointment of all voting  
13      members of the Board of Directors shall be made  
14      not later than 60 days after the date of enactment  
15      of this Act.

16          (4) BEGINNING OF TERM.—The term of each of  
17      the initial voting members appointed under this sec-  
18      tion shall commence immediately upon the date of  
19      appointment, except that, for purposes of calculating  
20      the term limits specified in this subsection, the ini-  
21      tial terms shall each be construed as beginning on  
22      January 22 of the year following the date of the ini-  
23      tial appointment.

24          (5) VACANCIES.—



1 (A) IN GENERAL.—A vacancy in the posi-  
 2 tion of a voting member of the Board of Direc-  
 3 tors shall be filled by the President, by and  
 4 with the advice and consent of the Senate.

5 (B) TERM.—A member appointed to fill a  
 6 vacancy on the Board of Directors occurring be-  
 7 fore the expiration of the term for which the  
 8 predecessor was appointed shall be appointed  
 9 only for the remainder of that term.

10 (e) MEETINGS.—

11 (1) OPEN TO THE PUBLIC; NOTICE.—Except as  
 12 provided in paragraph (3), all meetings of the Board  
 13 of Directors shall be—

14 (A) open to the public; and

15 (B) preceded by reasonable public notice.

16 (2) FREQUENCY.—The Board of Directors shall  
 17 meet—

18 (A) not later than 60 days after the date  
 19 on which all members of the Board of Directors  
 20 are first appointed;

21 (B) at least quarterly after the date de-  
 22 scribed in subparagraph (A); and

23 (C) at the call of the Chairperson or 3 vot-  
 24 ing members of the Board of Directors.

25 (3) EXCEPTION FOR CLOSED MEETINGS.—

1 (A) IN GENERAL.—The voting members of  
2 the Board of Directors may, by majority vote,  
3 close a meeting to the public if, during the  
4 meeting to be closed, there is likely to be dis-  
5 closed proprietary or sensitive information re-  
6 garding an eligible infrastructure project under  
7 consideration for assistance under this Act.

8 (B) AVAILABILITY OF MINUTES.—The  
9 Board of Directors shall prepare minutes of any  
10 meeting that is closed to the public, which min-  
11 utes shall be made available as soon as prac-  
12 ticable, but not later than 1 year after the date  
13 of the closed meeting, with any necessary  
14 redactions to protect any proprietary or sen-  
15 sitive information.

16 (4) QUORUM.—For purposes of meetings of the  
17 Board of Directors, 5 voting members of the Board  
18 of Directors shall constitute a quorum.

19 (f) COMPENSATION OF MEMBERS.—Each voting  
20 member of the Board of Directors shall be compensated  
21 at a rate equal to the daily equivalent of the annual rate  
22 of basic pay prescribed for level III of the Executive  
23 Schedule under section 5314 of title 5, United States  
24 Code, for each day (including travel time) during which

1 the member is engaged in the performance of the duties  
2 of the Board of Directors.

3 (g) CONFLICTS OF INTEREST.—A voting member of  
4 the Board of Directors may not participate in any review  
5 or decision affecting an eligible infrastructure project  
6 under consideration for assistance under this Act, if the  
7 member has or is affiliated with an entity who has a finan-  
8 cial interest in that project.

9 **SEC. 103. CHIEF EXECUTIVE OFFICER OF IFA.**

10 (a) IN GENERAL.—The chief executive officer of IFA  
11 shall—

12 (1) be a nonvoting member of the Board of Di-  
13 rectors;

14 (2) be responsible for all activities of IFA; and

15 (3) support the Board of Directors in accord-  
16 ance with this Act and as the Board of Directors de-  
17 termines to be necessary.

18 (b) APPOINTMENT AND TENURE OF THE CHIEF EX-  
19 ECUTIVE OFFICER.—

20 (1) IN GENERAL.—The President shall appoint  
21 the chief executive officer, by and with the advice  
22 and consent of the Senate.

23 (2) TERM.—The chief executive officer shall be  
24 appointed for a term of 6 years.

25 (3) VACANCIES.—

1 (A) IN GENERAL.—Any vacancy in the of-  
 2 fice of the chief executive officer shall be filled  
 3 by the President, by and with the advice and  
 4 consent of the Senate.

5 (B) TERM.—The person appointed to fill a  
 6 vacancy in the chief executive officer position  
 7 that occurs before the expiration of the term for  
 8 which the predecessor was appointed shall be  
 9 appointed only for the remainder of that term.

10 (c) QUALIFICATIONS.—The chief executive officer—

11 (1) shall have significant expertise in manage-  
 12 ment and administration of a financial institution,  
 13 or significant expertise in the financing and develop-  
 14 ment of infrastructure projects; and

15 (2) may not—

16 (A) hold any other public office;

17 (B) have any financial interest in an eligi-  
 18 ble infrastructure project then being considered  
 19 by the Board of Directors, unless that interest  
 20 is placed in a blind trust; or

21 (C) have any financial interest in an in-  
 22 vestment institution or its affiliates or any  
 23 other entity seeking or likely to seek financial  
 24 assistance for any eligible infrastructure project  
 25 from IFA, unless any such interest is placed in

1           a blind trust for the tenure of the service of the  
2           chief executive officer plus 2 additional years.

3       (d) RESPONSIBILITIES.—The chief executive officer  
4 shall have such executive functions, powers, and duties as  
5 may be prescribed by this Act, the bylaws of IFA, or the  
6 Board of Directors, including—

7           (1) responsibility for the development and im-  
8       plementation of the strategy of IFA, including—

9           (A) the development and submission to the  
10       Board of Directors of the annual business plans  
11       and budget;

12          (B) the development and submission to the  
13       Board of Directors of a long-term strategic  
14       plan; and

15          (C) the development, revision, and submis-  
16       sion to the Board of Directors of internal poli-  
17       cies; and

18       (2) responsibility for the management and over-  
19       sight of the daily activities, decisions, operations,  
20       and personnel of IFA.

21       (e) COMPENSATION.—

22           (1) IN GENERAL.—Any compensation assess-  
23       ment or recommendation by the chief executive offi-  
24       cer under this section shall be without regard to the

1 provisions of chapter 51 or subchapter III of chapter  
2 53 of title 5, United States Code.

3 (2) CONSIDERATIONS.—The compensation as-  
4 sessment or recommendation required under this  
5 subsection shall take into account merit principles,  
6 where applicable, as well as the education, experi-  
7 ence, level of responsibility, geographic differences,  
8 and retention and recruitment needs in determining  
9 compensation of personnel.

10 **SEC. 104. POWERS AND DUTIES OF THE BOARD OF DIREC-**  
11 **TORS.**

12 The Board of Directors shall—

13 (1) as soon as practicable after the date on  
14 which all members are appointed, approve or dis-  
15 approve senior management appointed by the chief  
16 executive officer;

17 (2) not later than 180 days after the date on  
18 which all members are appointed—

19 (A) develop and approve the bylaws of  
20 IFA, including bylaws for the regulation of the  
21 affairs and conduct of the business of IFA, con-  
22 sistent with the purpose, goals, objectives, and  
23 policies set forth in this Act;

24 (B) establish subcommittees, including an  
25 audit committee that is composed solely of

1 members of the Board of Directors, other than  
2 the chief executive officer;

3 (C) develop and approve, in consultation  
4 with senior management, a conflict-of-interest  
5 policy for the Board of Directors and for senior  
6 management;

7 (D) approve or disapprove internal policies  
8 that the chief executive officer shall submit to  
9 the Board of Directors, including—

10 (i) policies regarding the loan applica-  
11 tion and approval process, including appli-  
12 cation procedures and project approval  
13 processes;

14 (ii) operational guidelines; and

15 (E) approve or disapprove a 1-year busi-  
16 ness plan and budget for IFA;

17 (3) ensure that IFA is at all times operated in  
18 a manner that is consistent with this Act, by—

19 (A) monitoring and assessing the effective-  
20 ness of IFA in achieving its strategic goals;

21 (B) reviewing and approving internal poli-  
22 cies, annual business plans, annual budgets,  
23 and long-term strategies submitted by the chief  
24 executive officer;

1 (C) reviewing and approving annual re-  
2 ports submitted by the chief executive officer;

3 (D) engaging 1 or more external auditors,  
4 as set forth in this Act; and

5 (E) reviewing and approving all changes to  
6 the organization of senior management;

7 (4) appoint and fix, by a vote of not less than  
8 5 of the 7 voting members of the Board of Direc-  
9 tors, and without regard to the provisions of chapter  
10 51 or subchapter III of chapter 53 of title 5, United  
11 States Code, the compensation and adjustments to  
12 compensation of all IFA personnel, provided that in  
13 appointing and fixing any compensation or adjust-  
14 ments to compensation under this paragraph, the  
15 Board shall—

16 (A) consult with, and seek to maintain  
17 comparability with, other comparable Federal  
18 personnel, as the Board of Directors may deter-  
19 mine to be appropriate;

20 (B) consult with the Office of Personnel  
21 Management; and

22 (C) carry out those duties consistent with  
23 merit principles, where applicable, as well as the  
24 education, experience, level of responsibility, ge-  
25 ographic differences, comparability to private



1 sector positions, and retention and recruitment  
2 needs in determining compensation of per-  
3 sonnel;

4 (5) serve as the primary liaison for IFA in  
5 interactions with Congress, the Secretary of Trans-  
6 portation and other Executive Branch officials, and  
7 State and local governments, and to represent the  
8 interests of IFA in those interactions and others;

9 (6) approve by a vote of not less than 5 of the  
10 7 voting members of the Board of Directors any  
11 changes to the bylaws or internal policies of IFA;

12 (7) have the authority and responsibility—

13 (A) to oversee entering into and carrying  
14 out such contracts, leases, cooperative agree-  
15 ments, or other transactions as are necessary to  
16 carry out this Act;

17 (B) to approve of the acquisition, lease,  
18 pledge, exchange, and disposal of real and per-  
19 sonal property by IFA and otherwise approve  
20 the exercise by IFA of all of the usual incidents  
21 of ownership of property, to the extent that the  
22 exercise of those powers is appropriate to and  
23 consistent with the purposes of IFA;

24 (C) to determine the character of, and the  
25 necessity for, the obligations and expenditures

1 of IFA, and the manner in which the obliga-  
2 tions and expenditures will be incurred, allowed,  
3 and paid, subject to this Act and other Federal  
4 law specifically applicable to wholly owned Fed-  
5 eral corporations;

6 (D) to execute, in accordance with applica-  
7 ble bylaws and regulations, appropriate instru-  
8 ments;

9 (E) to approve other forms of credit en-  
10 hancement that IFA may provide to eligible  
11 projects, as long as the forms of credit enhance-  
12 ments are consistent with the purposes of this  
13 Act and terms set forth in title II;

14 (F) to exercise all other lawful powers  
15 which are necessary or appropriate to carry out,  
16 and are consistent with, the purposes of IFA;

17 (G) to sue or be sued in the corporate ca-  
18 pacity of IFA in any court of competent juris-  
19 diction;

20 (H) to indemnify the members of the  
21 Board of Directors and officers of IFA for any  
22 liabilities arising out of the actions of the mem-  
23 bers and officers in that capacity, in accordance  
24 with, and subject to the limitations contained in  
25 this Act;

1 (I) to review all financial assistance pack-  
2 ages to all eligible infrastructure projects, as  
3 submitted by the chief executive officer and to  
4 approve, postpone, or deny the same by major-  
5 ity vote;

6 (J) to review all restructuring proposals  
7 submitted by the chief executive officer, includ-  
8 ing assignation, pledging, or disposal of the in-  
9 terest of IFA in a project, including payment or  
10 income from any interest owned or held by  
11 IFA, and to approve, postpone, or deny the  
12 same by majority vote;

13 (K) to enter into binding commitments, as  
14 specified in approved financial assistance pack-  
15 ages;

16 (L) to determine whether—

17 (i) to obtain a lien on the assets of an  
18 eligible entity that receives assistance  
19 under this Act; and

20 (ii) to subordinate a lien under clause

21 (i) to any other lien securing project obli-  
22 gations; and

23 (M) to ensure a measurable public benefit  
24 in the selection of eligible infrastructure

1 projects and to provide for reasonable public  
 2 input in the selection of such projects;

3 (8) delegate to the chief executive officer those  
 4 duties that the Board of Directors determines to be  
 5 appropriate, to better carry out the powers and pur-  
 6 poses of the Board of Directors under this section;  
 7 and

8 (9) to approve a maximum aggregate amount of  
 9 principal exposure of IFA at any given time.

10 **SEC. 105. SENIOR MANAGEMENT.**

11 (a) IN GENERAL.—Senior management shall support  
 12 the chief executive officer in the discharge of the respon-  
 13 sibilities of the chief executive officer.

14 (b) APPOINTMENT OF SENIOR MANAGEMENT.—The  
 15 chief executive officer shall appoint such senior managers  
 16 as are necessary to carry out the purposes of IFA, as ap-  
 17 proved by a majority vote of the voting members of the  
 18 Board of Directors, including a chief compliance officer,  
 19 general counsel, chief operating officer, chief lending offi-  
 20 cer, and other positions as determined to be appropriate  
 21 by the chief executive officer and Board of Directors.

22 (c) TERM.—Each member of senior management  
 23 shall serve at the pleasure of the chief executive officer  
 24 and the Board of Directors.

1 (d) REMOVAL OF SENIOR MANAGEMENT.—Any mem-  
 2 ber of senior management may be removed—

3 (1) by a majority of the voting members of the  
 4 Board of Directors at the request of the chief execu-  
 5 tive officer; or

6 (2) by a vote of not fewer than 5 voting mem-  
 7 bers of the Board of Directors.

8 (e) SENIOR MANAGEMENT.—

9 (1) IN GENERAL.—Each member of senior  
 10 management shall report directly to the chief execu-  
 11 tive officer, other than the chief risk officer, who  
 12 shall report directly to the Board of Directors.

13 (2) CHIEF RISK OFFICER.—The chief risk offi-  
 14 cer shall be responsible for all functions of IFA re-  
 15 lating to—

16 (A) the creation of financial, credit, and  
 17 operational risk management guidelines and  
 18 policies;

19 (B) the establishment of guidelines to en-  
 20 sure diversification of lending activities by re-  
 21 gion, infrastructure project type, and project  
 22 size;

23 (C) the creation of conforming standards  
 24 for infrastructure finance agreements;

1 (D) the monitoring of the financial, credit,  
2 and operational exposure of IFA; and

3 (E) risk management and mitigation ac-  
4 tions, including by reporting those actions, or  
5 recommendations of actions to be taken, di-  
6 rectly to the Board of Directors.

7 (f) CONFLICTS OF INTEREST.—No individual ap-  
8 pointed to senior management may—

9 (1) hold any other public office;

10 (2) have any financial interest in an eligible in-  
11 frastructure project then being considered by the  
12 Board of Directors, unless that interest is placed in  
13 a blind trust; or

14 (3) have any financial interest in an investment  
15 institution or its affiliates, IFA or its affiliates, or  
16 other entity then seeking or likely to seek financial  
17 assistance for any eligible infrastructure project  
18 from IFA, unless any such interest is placed in a  
19 blind trust during the term of service of that indi-  
20 vidual in a senior management position, and for a  
21 period of 2 years thereafter.

22 **SEC. 106. OFFICE OF TECHNICAL AND RURAL ASSISTANCE.**

23 (a) IN GENERAL.—The chief executive officer shall  
24 create and manage within IFA an office, to be known as  
25 the “Office of Technical and Rural Assistance”.

1 (b) DUTIES.—The Office of Technical and Rural As-  
2 sistance shall—

3 (1) in consultation with the Secretary, the Sec-  
4 retary of Transportation, and the heads of other rel-  
5 evant Federal agencies, as determined by the chief  
6 executive officer, provide technical assistance to  
7 State and local governments and parties in public-  
8 private partnerships in the development and financ-  
9 ing of eligible infrastructure projects, including rural  
10 infrastructure projects;

11 (2) assist the entities described in paragraph  
12 (1) with coordinating loan and loan guarantee pro-  
13 grams available through Federal agencies, including  
14 the Department of Transportation and other Federal  
15 agencies as appropriate; and

16 (3) work with the entities described in para-  
17 graph (1) to identify and develop a pipeline of  
18 projects suitable for financing through innovative  
19 project financing and performance based project de-  
20 livery, including those projects with the potential for  
21 financing through IFA.

22 **SEC. 107. SPECIAL INSPECTOR GENERAL FOR IFA.**

23 (a) IN GENERAL.—

24 (1) INITIAL PERIOD.—For the 5-year period be-  
25 ginning on the date of enactment of this Act, the In-

1       spector General of the Department of Treasury shall  
2       serve as the Special Inspector General for IFA in  
3       addition to the existing duties of the Inspector Gen-  
4       eral of the Department of Treasury.

5           (2) OFFICE OF THE SPECIAL INSPECTOR GEN-  
6       ERAL.—Effective beginning on the day that is 5  
7       years after the date of enactment of this Act, there  
8       is established the Office of the Special Inspector  
9       General for IFA.

10       (b) APPOINTMENT OF INSPECTOR GENERAL; RE-  
11   MOVAL.—

12           (1) HEAD OF OFFICE.—The head of the Office  
13       of the Special Inspector General for IFA shall be the  
14       Special Inspector General for IFA (referred to in  
15       this Act as the “Special Inspector General”), who  
16       shall be appointed by the President, by and with the  
17       advice and consent of the Senate.

18           (2) BASIS OF APPOINTMENT.—The appoint-  
19       ment of the Special Inspector General shall be made  
20       on the basis of integrity and demonstrated ability in  
21       accounting, auditing, financial analysis, law, man-  
22       agement analysis, public administration, or inves-  
23       tigations.

24           (3) TIMING OF NOMINATION.—The nomination  
25       of an individual as Special Inspector General shall



1 be made as soon as practicable after the date of en-  
2 actment of this Act.

3 (4) REMOVAL.—The Special Inspector General  
4 shall be removable from office in accordance with  
5 the provisions of section 3(b) of the Inspector Gen-  
6 eral Act of 1978 (5 U.S.C. App.).

7 (5) RULE OF CONSTRUCTION.—For purposes of  
8 section 7324 of title 5, United States Code, the Spe-  
9 cial Inspector General shall not be considered an em-  
10 ployee who determines policies to be pursued by the  
11 United States in the nationwide administration of  
12 Federal law.

13 (6) RATE OF PAY.—The annual rate of basic  
14 pay of the Special Inspector General shall be the an-  
15 nual rate of basic pay for an Inspector General  
16 under section 3(e) of the Inspector General Act of  
17 1978 (5 U.S.C. App.).

18 (c) DUTIES.—The Special Inspector General shall—

19 (1) conduct, supervise, and coordinate audits  
20 and investigations of the business activities of IFA;

21 (2) establish, maintain, and oversee such sys-  
22 tems, procedures, and controls as the Special Inspec-  
23 tor General considers appropriate to discharge the  
24 duty under paragraph (1); and

1           (3) carry out any other duties and responsibil-  
2           ities of inspectors general under the Inspector Gen-  
3           eral Act of 1978 (5 U.S.C. App.).

4           (d) POWERS AND AUTHORITIES.—

5           (1) IN GENERAL.—In carrying out the duties  
6           specified in subsection (c), the Special Inspector  
7           General shall have the authorities provided in section  
8           6 of the Inspector General Act of 1978 (5 U.S.C.  
9           App.).

10          (2) ADDITIONAL AUTHORITY.—The Special In-  
11          specter General shall carry out the duties specified  
12          in subsection (c)(1) in accordance with section  
13          4(b)(1) of the Inspector General Act of 1978 (5  
14          U.S.C. App.).

15          (e) PERSONNEL, FACILITIES, AND OTHER RE-  
16          SOURCES.—

17          (1) ADDITIONAL OFFICERS.—

18                (A) IN GENERAL.—The Special Inspector  
19                General may select, appoint, and employ such  
20                officers and employees as may be necessary for  
21                carrying out the duties of the Special Inspector  
22                General, subject to the provisions of title 5,  
23                United States Code, governing appointments in  
24                the competitive service, and the provisions of  
25                chapter 51 and subchapter III of chapter 53 of

1           such title, relating to classification and General  
2           Schedule pay rates.

3                   (B) EMPLOYMENT AND COMPENSATION.—

4           The Special Inspector General may exercise the  
5           authorities of subsections (b) through (i) of sec-  
6           tion 3161 of title 5, United States Code (with-  
7           out regard to subsection (a) of that section).

8                   (2) RETENTION OF SERVICES.—The Special In-  
9           specter General may obtain services as authorized by  
10          section 3109 of title 5, United States Code, at daily  
11          rates not to exceed the equivalent rate prescribed for  
12          grade GS–15 of the General Schedule by section  
13          5332 of such title.

14                   (3) ABILITY TO CONTRACT FOR AUDITS, STUD-  
15          IES, AND OTHER SERVICES.—The Special Inspector  
16          General may enter into contracts and other arrange-  
17          ments for audits, studies, analyses, and other serv-  
18          ices with public agencies and with private persons,  
19          and make such payments as may be necessary to  
20          carry out the duties of the Special Inspector Gen-  
21          eral.

22                   (4) REQUEST FOR INFORMATION.—

23                   (A) IN GENERAL.—Upon request of the  
24          Special Inspector General for information or as-  
25          sistance from any department, agency, or other

1           entity of the Federal Government, the head of  
2           that entity shall, insofar as is practicable and  
3           not in contravention of any existing law, furnish  
4           the information or assistance to the Special In-  
5           specter General or an authorized designee.

6                   (B) REFUSAL TO COMPLY.—If information  
7           or assistance requested by the Special Inspector  
8           General is, in the judgment of the Special In-  
9           specter General, unreasonably refused or not  
10          provided, the Special Inspector General shall re-  
11          port the circumstances to the Secretary, with-  
12          out delay.

13       (f) REPORTS.—

14                   (1) ANNUAL REPORT.—Not later than 1 year  
15          after the date on which the Special Inspector Gen-  
16          eral is confirmed, and every calendar year thereafter,  
17          the Special Inspector General shall submit to the  
18          President and appropriate committees of Congress a  
19          report summarizing the activities of the Special In-  
20          specter General during the previous 1-year period  
21          ending on the date of that report.

22                   (2) PUBLIC DISCLOSURES.—Nothing in this  
23          subsection authorizes the public disclosure of infor-  
24          mation that is—

1 (A) specifically prohibited from disclosure  
2 by any other provision of law;

3 (B) specifically required by Executive order  
4 to be protected from disclosure in the interest  
5 of national defense or national security or in  
6 the conduct of foreign affairs; or

7 (C) a part of an ongoing criminal inves-  
8 tigation.

9 **SEC. 108. OTHER PERSONNEL.**

10 (a) APPOINTMENT, REMOVAL, AND DEFINITION OF  
11 DUTIES.—Except as otherwise provided in the bylaws of  
12 IFA, the chief executive officer, in consultation with the  
13 Board of Directors, shall appoint, remove, and define the  
14 duties of such qualified personnel as are necessary to carry  
15 out the powers, duties, and purpose of IFA, other than  
16 senior management, who shall be appointed in accordance  
17 with section 105.

18 (b) COORDINATION IN IDENTIFYING QUALIFICA-  
19 TIONS AND EXPERTISE.—In appointing qualified per-  
20 sonnel pursuant to subsection (a), the chief executive offi-  
21 cer shall coordinate with, and seek assistance from, the  
22 Secretary of Transportation in identifying the appropriate  
23 qualifications and expertise in infrastructure project fi-  
24 nance.

1 **SEC. 109. COMPLIANCE.**

2       The provision of assistance by IFA pursuant to this  
3 Act does not supersede any provision of State law or regu-  
4 lation otherwise applicable to an eligible infrastructure  
5 project.

6 **TITLE II—TERMS AND LIMITA-**  
7 **TIONS ON DIRECT LOANS AND**  
8 **LOAN GUARANTEES**

9 **SEC. 201. ELIGIBILITY CRITERIA FOR ASSISTANCE FROM**  
10 **IFA AND TERMS AND LIMITATIONS OF LOANS.**

11 (a) PUBLIC BENEFIT REQUIRED.—

12       (1) IN GENERAL.—Any project the use or pur-  
13 pose of which is private and for which no public ben-  
14 efit is created, as determined by the Board of Direc-  
15 tors, shall not be eligible for financial assistance  
16 from IFA under this Act.

17       (2) CRITERIA.—Financial assistance under this  
18 Act shall only be made available if the applicant for  
19 assistance has demonstrated to the satisfaction of  
20 the Board of Directors that—

21               (A) the eligible infrastructure project for  
22 which assistance is being sought—

23                       (i) is not for the refinancing of an ex-  
24 isting infrastructure project; and

25                       (ii) meets—

1 (I) any pertinent requirements  
2 set forth in this Act;

3 (II) any criteria established by  
4 the Board of Directors or chief execu-  
5 tive officer in accordance with this  
6 Act; and

7 (III) the definition of an eligible  
8 infrastructure project; and

9 (B) for projects involving public-private  
10 partnerships, the project has received contrib-  
11 uted capital or commitments for contributed  
12 capital equal to not less than 10 percent of the  
13 total cost of the eligible infrastructure project  
14 for which assistance is being sought, where  
15 such contributed capital includes 1 or more of  
16 the following—

17 (i) equity;

18 (ii) deeply subordinate loans or other  
19 credit and debt instruments, which shall be  
20 junior to any IFA assistance provided for  
21 the project;

22 (iii) appropriated funds or grants  
23 from governmental sources other than the  
24 Federal Government; or

1 (iv) irrevocable private contributions  
2 of funds, grants, property (including  
3 rights-of way), and other assets that di-  
4 rectly reduce or offset project costs.

5 (b) CONSIDERATIONS.—The criteria established by  
6 the Board of Directors pursuant to this Act shall provide  
7 adequate consideration of—

8 (1) the economic, financial, technical, environ-  
9 mental, and public benefits and costs of each eligible  
10 infrastructure project under consideration for finan-  
11 cial assistance under this Act, prioritizing eligible in-  
12 frastructure projects that—

13 (A) demonstrate a clear and measurable  
14 public benefit;

15 (B) offer value for money to taxpayers;

16 (C) contribute to regional or national eco-  
17 nomic growth;

18 (D) lead to long-term job creation; and

19 (E) mitigate environmental concerns;

20 (2) the means by which development of the eli-  
21 gible infrastructure project under consideration is  
22 being financed, including—

23 (A) the terms, conditions, and structure of  
24 the proposed financing;



1 (B) the creditworthiness and standing of  
2 the project sponsors, providers of equity, and  
3 cofinanciers;

4 (C) the financial assumptions and projec-  
5 tions on which the eligible infrastructure project  
6 is based; and

7 (D) whether there is sufficient State or  
8 municipal political support for the successful  
9 completion of the eligible infrastructure project;

10 (3) the likelihood that the provision of assist-  
11 ance by IFA will cause the development to proceed  
12 more promptly and with lower costs for financing  
13 than would be the case without IFA assistance;

14 (4) the extent to which the provision of assist-  
15 ance by IFA maximizes the level of private invest-  
16 ment in the eligible infrastructure project or sup-  
17 ports a public-private partnership, while providing a  
18 significant public benefit;

19 (5) the extent to which the provision of assist-  
20 ance by IFA can mobilize the participation of other  
21 financing partners in the eligible infrastructure  
22 project;

23 (6) the technical and operational viability of the  
24 eligible infrastructure project;

1           (7) the proportion of financial assistance from  
2    IFA;

3           (8) the geographical location of the project,  
4    prioritizing geographical diversity of projects funded  
5    by IFA;

6           (9) the size of the project and the impact of the  
7    project on the resources of IFA; and

8           (10) the infrastructure sector of the project,  
9    prioritizing projects from more than 1 sector funded  
10   by IFA.

11   (c) APPLICATION.—

12           (1) IN GENERAL.—Any eligible entity seeking  
13   assistance from IFA under this Act for an eligible  
14   infrastructure project shall submit an application to  
15   IFA at such time, in such manner, and containing  
16   such information as the Board of Directors or the  
17   chief executive officer may require.

18           (2) REVIEW OF APPLICATIONS.—

19           (A) IN GENERAL.—IFA shall review appli-  
20   cations for assistance under this Act on an on-  
21   going basis.

22           (B) PREPARATION.—The chief executive  
23   officer, in cooperation with the senior manage-  
24   ment, shall prepare eligible infrastructure

1 projects for review and approval by the Board  
2 of Directors.

3 (3) DEDICATED REVENUE SOURCES.—The Fed-  
4 eral credit instrument shall be repayable, in whole or  
5 in part, from tolls, user fees, or other dedicated rev-  
6 enue sources derived from users or beneficiaries that  
7 also secure the eligible infrastructure project obliga-  
8 tions.

9 (d) ELIGIBLE INFRASTRUCTURE PROJECT COSTS.—  
10 (1) IN GENERAL.—Except as provided in para-  
11 graph (2), to be eligible for assistance under this  
12 Act, an eligible infrastructure project shall have  
13 project costs that are reasonably anticipated to equal  
14 or exceed \$50,000,000.

15 (2) RURAL INFRASTRUCTURE PROJECTS.—To  
16 be eligible for assistance under this Act a rural in-  
17 frastructure project shall have project costs that are  
18 reasonably anticipated to equal or exceed  
19 \$10,000,000.

20 (e) LOAN ELIGIBILITY AND MAXIMUM AMOUNTS.—  
21 (1) IN GENERAL.—The amount of a direct loan  
22 or loan guarantee under this Act shall not exceed  
23 the lesser of—

24 (A) 49 percent of the reasonably antici-  
25 pated eligible infrastructure project costs; and

1 (B) the amount of the senior project obli-  
 2 gations, if the direct loan or loan guarantee  
 3 does not receive an investment grade rating.

4 (2) MAXIMUM ANNUAL LOAN AND LOAN GUAR-  
 5 ANTEE VOLUME.—The aggregate amount of direct  
 6 loans and loan guarantees made by IFA shall not  
 7 exceed—

8 (A) during the first 2 fiscal years of the  
 9 operations of IFA, \$10,000,000,000 per year;

10 (B) during fiscal years 3 through 9 of the  
 11 operations of IFA, \$20,000,000,000 per year;  
 12 and

13 (C) during any fiscal year thereafter,  
 14 \$50,000,000,000.

15 **SEC. 202. LOAN TERMS AND REPAYMENT.**

16 (a) IN GENERAL.—A direct loan or loan guarantee  
 17 under this Act with respect to an eligible infrastructure  
 18 project shall be on such terms, subject to such conditions,  
 19 and contain such covenants, representations, warranties,  
 20 and requirements (including requirements for audits) as  
 21 the chief executive officer determines appropriate.

22 (b) TERMS.—A direct loan or loan guarantee under  
 23 this Act—

24 (1) shall—

1 (A) be payable, in whole or in part, from  
 2 tolls, user fees, or other dedicated revenue  
 3 sources derived from users or beneficiaries; and

4 (B) include a rate covenant, coverage re-  
 5 quirement, or similar security feature sup-  
 6 porting the project obligations; and

7 (2) may be secured by a lien—

8 (A) on the assets of the obligor, including  
 9 revenues described in paragraph (1); and

10 (B) which may be subordinated to any  
 11 other lien securing project obligations.

12 (c) BASE INTEREST RATE.—The base interest rate  
 13 on a direct loan under this Act shall be not less than the  
 14 yield on Treasury obligations of a similar maturity to the  
 15 maturity of the direct loan on the date of execution of  
 16 the loan agreement.

17 (d) RISK ASSESSMENT.—Before entering into an  
 18 agreement for assistance under this Act, the chief execu-  
 19 tive officer, in consultation with the Director of the Office  
 20 of Management and Budget and each rating agency pro-  
 21 viding a preliminary rating opinion letter under this sec-  
 22 tion, shall determine an appropriate Federal credit subsidy  
 23 amount for each direct loan and loan guarantee, taking  
 24 into account that preliminary rating opinion letter, as well

1 as any comparable market rates available for such a loan  
2 or loan guarantee, should any exist.

3 (e) CREDIT FEE.—

4 (1) IN GENERAL.—With respect to each agree-  
5 ment for assistance under this Act, the chief execu-  
6 tive officer shall charge a credit fee to the recipient  
7 of that assistance to pay for, over time, all or a por-  
8 tion of the Federal credit subsidy determined under  
9 subsection (d), with the remainder paid by the ac-  
10 count established for IFA.

11 (2) DIRECT LOANS.—In the case of a direct  
12 loan, the credit fee described in paragraph (1) shall  
13 be in addition to the base interest rate established  
14 under subsection (c).

15 (f) MATURITY DATE.—The final maturity date of a  
16 direct loan or loan guaranteed by IFA under this Act shall  
17 be not later than 35 years after the date of substantial  
18 completion of the eligible infrastructure project, as deter-  
19 mined by the chief executive officer.

20 (g) PRELIMINARY RATING OPINION LETTER.—

21 (1) IN GENERAL.—The chief executive officer  
22 shall require each applicant for assistance under this  
23 Act to provide a preliminary rating opinion letter  
24 from at least 1 rating agency, indicating that the  
25 senior obligations of the eligible infrastructure

1 project, which may be the Federal credit instrument,  
 2 have the potential to achieve an investment-grade  
 3 rating.

4 (2) RURAL INFRASTRUCTURE PROJECTS.—With  
 5 respect to a rural infrastructure project, a rating  
 6 agency opinion letter described in paragraph (1)  
 7 shall not be required, except that the loan or loan  
 8 guarantee shall receive an internal rating score,  
 9 using methods similar to the rating agencies gen-  
 10 erated by IFA, measuring the proposed direct loan  
 11 or loan guarantee against comparable direct loans or  
 12 loan guarantees of similar credit quality in a similar  
 13 sector.

14 (h) INVESTMENT-GRADE RATING REQUIREMENT.—

15 (1) LOANS AND LOAN GUARANTEES.—The exe-  
 16 cution of a direct loan or loan guarantee under this  
 17 Act shall be contingent on the senior obligations of  
 18 the eligible infrastructure project receiving an invest-  
 19 ment-grade rating.

20 (2) RATING OF IFA OVERALL PORTFOLIO.—The  
 21 average rating of the overall portfolio of IFA shall  
 22 be not less than investment grade after 5 years of  
 23 operation.

24 (i) TERMS AND REPAYMENT OF DIRECT LOANS.—

1           (1) SCHEDULE.—The chief executive officer  
2           shall establish a repayment schedule for each direct  
3           loan under this Act, based on the projected cash  
4           flow from eligible infrastructure project revenues  
5           and other repayment sources.

6           (2) COMMENCEMENT.—Scheduled loan repay-  
7           ments of principal or interest on a direct loan under  
8           this Act shall commence not later than 5 years after  
9           the date of substantial completion of the eligible in-  
10          frastructure project, as determined by the chief exec-  
11          utive officer of IFA.

12          (3) DEFERRED PAYMENTS OF DIRECT  
13          LOANS.—

14                (A) AUTHORIZATION.—If, at any time  
15                after the date of substantial completion of an  
16                eligible infrastructure project assisted under  
17                this Act, the eligible infrastructure project is  
18                unable to generate sufficient revenues to pay  
19                the scheduled loan repayments of principal and  
20                interest on the direct loan under this Act, the  
21                chief executive officer may allow the obligor to  
22                add unpaid principal and interest to the out-  
23                standing balance of the direct loan, if the result  
24                would benefit the taxpayer.



1 (B) INTEREST.—Any payment deferred  
2 under subparagraph (A) shall—

3 (i) continue to accrue interest, in ac-  
4 cordance with the terms of the obligation,  
5 until fully repaid; and

6 (ii) be scheduled to be amortized over  
7 the remaining term of the loan.

8 (C) CRITERIA.—

9 (i) IN GENERAL.—Any payment defer-  
10 ral under subparagraph (A) shall be con-  
11 tingent on the eligible infrastructure  
12 project meeting criteria established by the  
13 Board of Directors.

14 (ii) REPAYMENT STANDARDS.—The  
15 criteria established under clause (i) shall  
16 include standards for reasonable assurance  
17 of repayment.

18 (4) PREPAYMENT OF DIRECT LOANS.—

19 (A) USE OF EXCESS REVENUES.—Any ex-  
20 cess revenues that remain after satisfying  
21 scheduled debt service requirements on the eli-  
22 gible infrastructure project obligations and di-  
23 rect loan and all deposit requirements under the  
24 terms of any trust agreement, bond resolution,  
25 or similar agreement securing project obliga-

1           tions under this Act may be applied annually to  
2           prepay the direct loan, without penalty.

3                   (B) USE OF PROCEEDS OF REFI-  
4           NANCING.—A direct loan under this Act may be  
5           prepaid at any time, without penalty, from the  
6           proceeds of refinancing from non-Federal fund-  
7           ing sources.

8           (j) LOAN GUARANTEES.—The terms of a loan guar-  
9           anteed by IFA under this Act shall be consistent with the  
10          terms set forth in this section for a direct loan, except  
11          that the rate on the guaranteed loan and any payment,  
12          prepayment, or refinancing features shall be negotiated  
13          between the obligor and the lender (as defined in section  
14          601(a) of title 23, United States Code) with the consent  
15          of the chief executive officer.

16          (k) COMPLIANCE WITH FCRA.—

17                  (1) IN GENERAL.—Except as provided in para-  
18          graph (2), direct loans and loan guarantees author-  
19          ized by this Act shall be subject to the provisions of  
20          the Federal Credit Reform Act of 1990 (2 U.S.C.  
21          661 et seq.).

22                  (2) EXCEPTION.—Section 504(b) of the Federal  
23          Credit Reform Act of 1990 (2 U.S.C. 661c(b)) shall  
24          not apply to a loan or loan guarantee under this  
25          Act.

1       (l) **POLICY OF CONGRESS.**—It is the policy of Con-  
2 gress that IFA shall only make a direct loan or loan guar-  
3 antee under this Act if IFA determines that IFA is rea-  
4 sonably expected to recover the full amount of the direct  
5 loan or loan guarantee.

6 **SEC. 203. COMPLIANCE AND ENFORCEMENT.**

7       (a) **CREDIT AGREEMENT.**—Notwithstanding any  
8 other provision of law, each eligible entity that receives  
9 assistance under this Act shall enter into a credit agree-  
10 ment that requires such entity to comply with all applica-  
11 ble policies and procedures of IFA, in addition to all other  
12 provisions of the loan agreement.

13       (b) **APPLICABILITY OF FEDERAL LAWS.**—Each eligi-  
14 ble entity that receives assistance under this Act shall pro-  
15 vide written assurance, in such form and manner and con-  
16 taining such terms as are to be prescribed by IFA, that  
17 the eligible infrastructure project will be performed in  
18 compliance with the requirements of all Federal laws that  
19 would otherwise apply to similar projects to which the  
20 United States is a party, or financed in whole or in part  
21 from Federal funds or in accordance with guarantees of  
22 a Federal agency or financed from funds obtained by  
23 pledge of any contract of a Federal agency to make a loan,  
24 grant, or annual contribution.

1 (c) IFA AUTHORITY ON NONCOMPLIANCE.—In any  
 2 case in which an eligible entity that receives assistance  
 3 under this Act is materially out of compliance with the  
 4 loan agreement, or any applicable policy or procedure of  
 5 IFA, the Board of Directors may take action—

6 (1) to cancel unused loan amounts; or

7 (2) to accelerate the repayment terms of any  
 8 outstanding obligation.

9 **SEC. 204. AUDITS; REPORTS TO THE PRESIDENT AND CON-**  
 10 **GRESS.**

11 (a) ACCOUNTING.—The books of account of IFA  
 12 shall be—

13 (1) maintained in accordance with generally ac-  
 14 cepted accounting principles; and

15 (2) subject to an annual audit by independent  
 16 public accountants of nationally recognized standing  
 17 appointed by the Board of Directors.

18 (b) REPORTS.—

19 (1) BOARD OF DIRECTORS.—Not later than 90  
 20 days after the last day of each fiscal year, the Board  
 21 of Directors shall submit to the President and Con-  
 22 gress a complete and detailed report with respect to  
 23 the preceding fiscal year, setting forth—

24 (A) a summary of the operations of IFA  
 25 for that fiscal year;

1 (B) a schedule of the obligations of IFA  
2 and capital securities outstanding at the end of  
3 that fiscal year, with a statement of the  
4 amounts issued and redeemed or paid during  
5 that fiscal year;

6 (C) the status of eligible infrastructure  
7 projects receiving funding or other assistance  
8 pursuant to this Act during that fiscal year, in-  
9 cluding—

10 (i) all nonperforming loans; and

11 (ii) disclosure of all entities with a de-  
12 velopment, ownership, or operational inter-  
13 est in those eligible infrastructure projects;

14 (D) a description of the successes and  
15 challenges encountered in lending to rural com-  
16 munities, including the role of the Office of  
17 Technical and Rural Assistance established  
18 under this Act; and

19 (E) an assessment of the risks of the port-  
20 folio of IFA, which shall be prepared by an  
21 independent source.

22 (2) GAO EVALUATION.—Not later than 5 years  
23 after the date of enactment of this Act, the Comp-  
24 troller General of the United States shall conduct an  
25 evaluation of, and submit to the Committee on Com-

1 merce, Science, and Transportation of the Senate  
2 and to the Committees on Transportation and Infra-  
3 structure and Energy and Commerce of the House  
4 of Representatives a report on the activities of IFA  
5 for the fiscal years covered by the report that in-  
6 cludes—

7 (A) an assessment of the impact and bene-  
8 fits of each funded eligible infrastructure  
9 project, including a review of how effectively  
10 each eligible infrastructure project accomplished  
11 the goals prioritized by the eligible infrastruc-  
12 ture project criteria of IFA; and

13 (B) an evaluation of the effectiveness of,  
14 and challenges facing, loan programs at the De-  
15 partment of Transportation and Department of  
16 Energy, and an analysis of the advisability of  
17 consolidating those programs within IFA.

18 (3) GAO STUDY AND REPORT.—Not later than  
19 10 years after the date of enactment of this Act, the  
20 Comptroller General of the United States shall con-  
21 duct a study and submit to the Committee on Com-  
22 merce, Science, and Transportation of the Senate  
23 and to the Committees on Transportation and Infra-  
24 structure and Energy and Commerce of the House  
25 of Representatives a report on the status of actions

1 taken to make IFA a self-sustaining entity, includ-  
2 ing providing recommendations for such legislative  
3 or administrative actions as the Comptroller General  
4 considers necessary for IFA to achieve self-sus-  
5 taining status or to promote a greater likelihood of  
6 achieving such status.

7 (c) BOOKS AND RECORDS.—

8 (1) IN GENERAL.—IFA shall maintain adequate  
9 books and records to support the financial trans-  
10 actions of IFA, with a description of financial trans-  
11 actions and eligible infrastructure projects receiving  
12 funding, and the amount of funding for each project  
13 maintained on a publically accessible database.

14 (2) AUDITS BY THE SECRETARY AND GAO.—  
15 The books and records of IFA shall at all times be  
16 open to inspection by the Secretary, the Special In-  
17 spector General, and the Comptroller General of the  
18 United States.

19 **SEC. 205. EFFECT ON OTHER LAWS.**

20 Nothing in this Act affects or alters the responsibility  
21 of an eligible entity that receives assistance under this Act  
22 to comply with applicable Federal and State laws (includ-  
23 ing regulations) relating to an eligible infrastructure  
24 project.

1       **TITLE III—FUNDING OF IFA**

2       **SEC. 301. FEES.**

3       The chief executive officer shall establish fees with  
4       respect to loans and loan guarantees under this Act that—

5               (1) are sufficient to cover all the administrative  
6       costs to the Federal Government for the operations  
7       of IFA;

8               (2) may be in the form of an application or  
9       transaction fee, or interest rate adjustment; and

10              (3) may be based on the risk premium associ-  
11       ated with the loan or loan guarantee, taking into  
12       consideration—

13                      (A) the price of Treasury obligations of a  
14       similar maturity;

15                      (B) prevailing market conditions;

16                      (C) the ability of the eligible infrastructure  
17       project to support the loan or loan guarantee;  
18       and

19                      (D) the total amount of the loan or loan  
20       guarantee.

21       **SEC. 302. SELF-SUFFICIENCY OF IFA.**

22       The chief executive officer shall, to the extent prac-  
23       ticable, take actions consistent with this Act to make IFA  
24       a self-sustaining entity, with administrative costs and Fed-



1 eral credit subsidy costs fully funded by fees and risk pre-  
 2 miums on loans and loan guarantees.

3 **SEC. 303. FUNDING.**

4 (a) IN GENERAL.—There is authorized to be appro-  
 5 priated to IFA to make direct loans and loan guarantees  
 6 under this Act \$10,000,000,000, to remain available until  
 7 expended, of which not more than \$25,000,000 for each  
 8 of fiscal years 2014 through 2015, and not more than  
 9 \$50,000,000 for fiscal year 2016 may be used for adminis-  
 10 trative costs of IFA.

11 (b) INTEREST.—The amounts made available to IFA  
 12 under this Act shall be placed in interest-bearing accounts.

13 (c) RURAL INFRASTRUCTURE PROJECTS.—Of the  
 14 amounts made available to IFA under this Act, not less  
 15 than 5 percent shall be used to offset subsidy costs associ-  
 16 ated with rural infrastructure projects.

17 **SEC. 304. CONTRACT AUTHORITY.**

18 Notwithstanding any other provision of law, approval  
 19 by the Board of Directors of a Federal credit instrument  
 20 that uses funds made available under this Act shall impose  
 21 upon the United States a contractual obligation to fund  
 22 the Federal credit investment.

23 **SEC. 305. LIMITATION ON AUTHORITY.**

24 IFA shall not have the authority to issue debt in its  
 25 own name.

**1 TITLE IV—BUDGETARY EFFECTS****2 SEC. 401. BUDGETARY EFFECTS.**

3       The budgetary effects of this Act, for the purpose of  
4 complying with the Statutory Pay-As-You-Go Act of 2010,  
5 shall be determined by reference to the latest statement  
6 titled “Budgetary Effects of PAYGO Legislation” for this  
7 Act, submitted for printing in the Congressional Record  
8 by the Chairman of the Senate Budget Committee, pro-  
9 vided that such statement has been submitted prior to the  
10 vote on passage.

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