112TH CONGRESS
1ST SESSION

H. R. 402

To facilitate efficient investments and financing of infrastructure projects and new job creation through the establishment of a National Infrastructure Development Bank, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 24, 2011

Ms. DELAUNO (for herself, Mr. ELLISON, Mr. ISRAEL, Mr. WEINER, Mr. TIERNEY, Mr. VAN HOLLEN, Ms. HIRONO, Ms. BORDALLO, Ms. LEE of California, Mr. LARSON of Connecticut, Mr. COURTNEY, Ms. BURKLEY, Mr. HIMES, Mr. BOSWELL, Mr. CONYERS, Mr. MURPHY of Connecticut, Mr. YARMUTH, Mr. LUIJAN, Ms. SUTTON, Mr. BALEY of Iowa, Mr. LYNN, Ms. RICHARDSON, Mr. GONZALEZ, and Mr. BLUMENTALER) introduced the following bill; which was referred to the Committee on Energy and Commerce, and in addition to the Committees on Transportation and Infrastructure and Financial Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

A BILL

To facilitate efficient investments and financing of infrastructure projects and new job creation through the establishment of a National Infrastructure Development Bank, and for other purposes.

Be it enacted by the Senate and House of Representa-
atives of the United States of America in Congress assembled,
SECTION 1. SHORT TITLE.
This Act may be cited as the “National Infrastructure Development Bank Act of 2011”.

SEC. 2. FINDINGS.
Congress finds the following:

(1) According to the American Society of Civil Engineers, the current condition of the infrastructure in the United States earns a grade point average of D, and an estimated $2,200,000,000,000 investment is needed over the next 5 years to meet adequate conditions.

(2) According to the National Surface Transportation Policy and Revenue Study Commission, $225,000,000,000 is needed annually from all sources for the next 50 years to upgrade our surface transportation system to a state of good repair and create a more advanced system.

(3) The Environmental Protection Agency projects that—

(A) $334,000,000,000 is needed to invest in infrastructure improvements over 20 years to ensure the provision of safe water; and

(B) $202,500,000,000 is needed for publicly owned wastewater systems-related infrastructure needs over 20 years.
(4) According to the Edison Electric Institute, the electric power industry will need to invest $298,000,000,000 in the Nation’s transmission system by 2030 in order to maintain reliable service.

(5) According to the American Council on Renewable Energy, renewable energy could provide up to 635 gigawatts of new electricity generating capacity by 2025, a substantial contribution and potentially more than the Nation’s need for new capacity, according to the United States Energy Information Administration.

(6) According to the United States Green Building Council, United States buildings account for nearly 39 percent of primary energy use and 38 percent of carbon emissions.

(7) According to the Organization for Economic Cooperation and Development (OECD), the United States ranks 14th among OECD nations in broadband access per 100 inhabitants.

(8) Although grant programs of the Government must continue to play a central role in financing the transportation, environment, energy, and telecommunications infrastructure needs of the United States, current and foreseeable demands on existing Federal, State, and local funding for infra-
structure expansion exceed the resources to support these programs by margins wide enough to prompt serious concerns about the United States’ ability to sustain long-term economic development, productivity, and international competitiveness.

(9) The capital markets, including central banks, pension funds, financial institutions, sovereign wealth funds, and insurance companies, have a growing interest in infrastructure investment. The establishment of a United States Government-owned institution that would provide this investment opportunity through high quality bond issues that would be used to finance qualifying infrastructure projects would attract needed capital for United States infrastructure development.

SEC. 3. DEFINITIONS.

For purposes of this Act, the following definitions apply unless the context requires otherwise:

(1) BANK.—The term “Bank” means the National Infrastructure Development Bank established under section 4(a).

(2) BOARD.—The term “Board” means the National Infrastructure Development Bank Board.

(3) CHIEF ASSET AND LIABILITY MANAGEMENT OFFICER.—The term “chief asset and liability man-
agement officer” means the chief individual respon-

sible for coordinating the management of assets and

liabilities of the Bank.

(4) CHIEF COMPLIANCE OFFICER.—The term

“chief compliance officer or CCO” means the chief

individual responsible for overseeing and managing

the compliance and regulatory affairs issues of the

Bank.

(5) CHIEF FINANCIAL OFFICER.—The term

“chief financial officer or CFO” means the chief in-
dividual responsible for managing the financial risks,
planning, and reporting of the Bank.

(6) CHIEF LOAN ORIGINATION OFFICER.—The

term “chief loan origination officer” means the chief

individual responsible for the processing of new
loans provided by the Bank.

(7) CHIEF OPERATIONS OFFICER.—The term

“chief operations officer or COO” means the chief

individual responsible for information technology and
the day to day operations of the Bank.

(8) CHIEF RISK OFFICER.—The term “chief
risk officer or CRO” means the chief individual re-

sponsible for managing operational and compliance-
related risks of the Bank.
(9) **Chief Treasury Officer.**—The term "chief treasury officer" means the chief individual responsible for managing the Bank’s treasury operations.

(10) **Development.**—The terms “development” and “develop” mean, with respect to an infrastructure project, any—

(A) preconstruction planning, feasibility review, permitting, design work, and other preconstruction activities; and

(B) construction, reconstruction, rehabilitation, replacement, or expansion.

(11) **Disadvantaged Community.**—The term “disadvantaged community” means a community with a median household income of less than 80 percent of the statewide median household income for the State in which the community is located.

(12) **Energy Infrastructure Project.**—The term “energy infrastructure project” means any project for energy transmission, energy efficiency enhancement for buildings, public housing, and schools, renewable energy, and energy storage.

(13) **Entity.**—The term “entity” means an individual, corporation, partnership (including a public-private partnership), joint venture, trust, and a
State or other governmental entity, including a political subdivision or any other instrumentality of a State or a revolving fund.

(14) ENVIRONMENTAL INFRASTRUCTURE PROJECT.—The term “environmental infrastructure project” means any project for the establishment, maintenance, or enhancement of any drinking water and wastewater treatment facility, storm water management system, dam, levee, open space management system, solid waste disposal facility, hazardous waste facility, or industrial site cleanup.

(15) EXECUTIVE DIRECTOR.—The term “executive director” means the individual serving as the chief executive officer of the Bank.

(16) GENERAL COUNSEL.—The term “general counsel” means the individual who serves as the chief lawyer for the Bank.

(17) INFRASTRUCTURE PROJECT.—The term “infrastructure project” means any energy, environmental, telecommunications, or transportation infrastructure project.

(18) PUBLIC BENEFIT BOND.—The term “public benefit bond” means a bond issued with respect to an infrastructure project in accordance with this Act if—
(A) the net spendable proceeds from the sale of the issue may be used for expenditures incurred after the date of issuance with respect to the project, subject to the rules of the Bank;

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

(C) the payment of principal with respect to the bond is the obligation of the Bank.

(19) PUBLIC-PRIVATE PARTNERSHIP.—The term “public-private partnership” means any entity—

(A)(i) which is undertaking the development of all or part of an infrastructure project, which will have a public benefit, pursuant to requirements established in one or more contracts between the entity and a State or an instrumentality of a State; or

(ii) the activities of which, with respect to such an infrastructure project, are subject to regulation by a State or any instrumentality of a State; and

(B) which owns, leases, or operates, or will own, lease, or operate, the project in whole or
in part, and at least one of the participants in
the entity is a nongovernmental entity.

(20) REVOLVING FUND.—The term “revolving
fund” means a fund or program established by a
State or a political subdivision or other instrument-
tality of a State, the principal activity of which is to
make loans, commitments, or other financial accom-
modation available for the development of one or
more categories of infrastructure projects.

(21) SECRETARY.—The term “Secretary”
means the Secretary of the Treasury or the designee
of the Secretary.

(22) SMART GRID.—The term “smart grid”
means a system that provides for any of the smart
grid functions set forth in section 1306(d) of the
Energy Independence and Security Act of 2007 (42
U.S.C. 17386(d)).

(23) STATE.—The term “State” includes the
District of Columbia, Puerto Rico, Guam, American
Samoa, the Virgin Islands, the Commonwealth of
Northern Mariana Islands, and any other territory
of the United States.

(24) TELECOMMUNICATIONS INFRASTRUCTURE
PROJECT.—The term “telecommunications infra-
structure project” means any project involving infra-
structure required to provide communications by wire or radio.

(25) **Transportation Infrastructure Project.**—The term “transportation infrastructure project” means any project for the construction, maintenance, or enhancement of highways, roads, bridges, transit and intermodal systems, inland waterways, commercial ports, airports, high speed rail and freight rail systems.

**SEC. 4. ESTABLISHMENT OF NATIONAL INFRASTRUCTURE DEVELOPMENT BANK.**

(a) **Establishment of National Infrastructure Development Bank.**—The National Infrastructure Development Bank is established as a wholly owned Government corporation subject to chapter 91 of title 31, United States Code (commonly known as the “Government Corporation Control Act”), except as otherwise provided in this Act.

(b) **Responsibility of the Secretary.**—The Secretary shall take such action as may be necessary to assist in implementing the establishment of the bank in accordance with this Act.

(c) **Conforming Amendment.**—Section 9101(3) of title 31, United States Code, is amended by inserting after subparagraph (N) the following:
“(O) the National Infrastructure Development Bank.”.

SEC. 5. BOARD OF DIRECTORS.

(a) IN GENERAL.—The Bank shall have a Board of Directors consisting of 5 members appointed by the President by and with the advice and consent of the Senate.

(b) QUALIFICATIONS.—The directors of the Board shall include individuals representing different regions of the United States and—

(1) 2 of the directors shall have public sector experience; and

(2) 3 of the directors shall have private sector experience.

(c) CHAIRPERSON AND VICE CHAIRPERSON.—As designated at the time of appointment, one of the directors of the Board shall be designated chairperson of the Board by the President and one shall be designated as vice chairperson of the Board by the President.

(d) TERMS.—

(1) IN GENERAL.—Except as provided in paragraph (2) and subsection (f), each director shall be appointed for a term of 6 years.

(2) INITIAL STAGGERED TERMS.—Of the initial members of the Board—
(A) the chairperson and vice chairperson shall be appointed for terms of 6 years;

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

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

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

(e) Date of Initial Nominations.—The initial nominations by the President for appointment of directors to the Board shall be made not later than 60 days after the date of enactment of this Act.

(f) Vacancies.—

(1) In General.—A vacancy on the Board shall be filled in the manner in which the original appointment was made.

(2) Appointment to Replace During Term.—Any director appointed to fill a vacancy occurring before the expiration of the term for which the director’s predecessor was appointed shall be appointed only for the remainder of the term.

(3) Duration.—A director may serve after the expiration of that director’s term until a successor has taken office.
(g) **QUORUM.**—Three directors shall constitute a quorum.

(h) **REAPPOINTMENT.**—A director of the Board appointed by the President may be reappointed by the President in accordance with this section.

(i) **PER DIEM REIMBURSEMENT.**—Directors of the Board shall serve on a part-time basis and shall receive a per diem when engaged in the actual performance of Bank business, plus reasonable reimbursement for travel, subsistence, and other necessary expenses incurred in the performance of their duties.

(j) **LIMITATIONS.**—A director of the Board may not participate in any review or decision affecting a project under consideration for assistance under this Act if the director has or is affiliated with a person who has an interest in such project.

(k) **POWERS AND LIMITATIONS OF THE BOARD.**—

(1) **POWERS.**—In order to carry out the purposes of the Bank as set forth in this Act, the Board shall be responsible for monitoring and overseeing infrastructure projects and have the following powers:

   (A) To make senior and subordinated loans and purchase senior and subordinated debt securities and enter into a binding commit-
ment to make any such loan or purchase any
such security, on such terms as the Board may
determine, in the Board’s discretion, to be ap-
propriate, the proceeds of which are used to as-
sist in the financing or refinancing of the devel-
opment of one or more infrastructure projects.

(B) To issue and sell debt securities of the
Bank on such terms as the Board shall deter-
mine from time to time.

(C) To issue public benefit bonds and to
provide financing to infrastructure projects
from amounts made available from the issuance
of such bonds.

(D) To make loan guarantees.

(E) To make agreements and contracts
with any entity in furtherance of the business
of the Bank.

(F) To borrow on the global capital market
and lend to regional, State, and local entities,
and commercial banks for the purpose of fund-
ing infrastructure projects.

(G) To purchase in the open market any of
the Bank’s outstanding obligations at any time
and at any price.
(H) To monitor and oversee infrastructure projects financed, in whole or in part, by the Bank.

(I) To acquire, lease, pledge, exchange, and dispose of real and personal property and otherwise exercise all the usual incidents of ownership of property to the extent the exercise of such powers are appropriate to and consistent with the purposes of the Bank.

(J) To sue and be sued in the Bank’s corporate capacity in any court of competent jurisdiction, except that no attachment, injunction, or similar process, may be issued against the property of the Bank or against the Bank with respect to such property.

(K) To indemnify the directors and officers of the Bank for liabilities arising out of the actions of the directors and officers in such capacity, in accordance with, and subject to the limitations contained in, this Act.

(L) To serve as the primary liaison between the Bank, Congress, the executive branch, and State and local governments and to represent the Bank’s interests.
(M) To exercise all other lawful powers which are necessary or appropriate to carry out, and are consistent with, the purposes of the Bank.

(2) LIMITATIONS.—

(A) ISSUANCE OF DEBT SECURITY.—The Board may not issue any debt security without the prior consent of the Secretary.

(B) ISSUANCE OF VOTING SECURITY.—The Board may not issue any voting security in the Bank to any entity other than the Secretary.

(3) ACTIONS CONSISTENT WITH SELF-SUPPORTING ENTITY STATUS.—The Board shall conduct its business in a manner consistent with the requirements of this section.

(4) COORDINATION WITH STATE AND LOCAL REGULATORY AUTHORITY.—The provision of financial assistance by the Board pursuant to this Act shall not be construed as—

(A) limiting the right of any State or political subdivision or other instrumentality of a State to approve or regulate rates of return on private equity invested in a project; or

(B) otherwise superseding any State law or regulation applicable to a project.
(5) Federal Personnel Requests.—The Board shall have the power to request the detail, on a reimbursable basis, of personnel from other Federal agencies with specific expertise not available from within the Bank or elsewhere. The head of any Federal agency may detail, on a reimbursable basis, any personnel of such agency requested by the Board and shall not withhold unreasonably the detail of any personnel requested by the Board.

(l) Meetings.—

(1) Open to the Public; Notice.—All meetings of the Board held to conduct the business of the Bank shall be open to the public and shall be preceded by reasonable notice.

(2) Initial Meeting.—The Board shall meet not later than 90 days after the date on which all directors of the Board are first appointed and otherwise at the call of the Chairperson.

(3) Exception for Closed Meetings.—Pursuant to such rules as the Board may establish through their bylaws, the directors may close a meeting of the Board if, at the meeting, there is likely to be disclosed information which could adversely affect or lead to speculation relating to an infrastructure project under consideration for assist-
ance under this Act or in financial or securities or commodities markets or institutions, utilities, or real estate. The determination to close any meeting of the Board shall be made in a meeting of the Board, open to the public, and preceded by reasonable notice. The Board shall prepare minutes of any meeting which is closed to the public and make such minutes available as soon as the considerations necessitating closing such meeting no longer apply.

SEC. 6. EXECUTIVE COMMITTEE.

(a) IN GENERAL.—The Board shall have an executive committee consisting of 9 members, headed by the executive director of the Bank.

(b) EXECUTIVE DIRECTOR.—A majority of the Board shall have the authority to appoint and reappoint the executive director.

(c) CEO.—The executive director shall be the chief executive officer of the Bank, with such executive functions, powers, and duties as may be prescribed by this Act, the bylaws of the Bank, or the Board.

(d) OTHER EXECUTIVE OFFICERS.—The Board shall appoint, remove, fix the compensation, and define duties of 8 other executive officers to serve on the Executive Committee as the—

(1) chief compliance officer;
(2) chief financial officer;
(3) chief asset and liability management officer;
(4) chief loan origination officer;
(5) chief operations officer;
(6) chief risk officer;
(7) chief treasury officer; and
(8) general counsel.

(e) Qualifications.—The executive director and other executive officers shall have demonstrated experience and expertise in one or more of the following:

(1) Transportation infrastructure.
(2) Environmental infrastructure.
(3) Energy infrastructure.
(4) Telecommunications infrastructure.
(5) Economic development.
(6) Workforce development.
(7) Public health.
(8) Private or public finance.

(f) Duties.—In order to carry out the purposes of the Bank as set forth in this Act, the executive committee shall—

(1) establish disclosure and application procedures for entities nominating projects for assistance under this Act;
(2) accept, for consideration, project proposals relating to the development of infrastructure projects, which meet the basic criteria established by the Board, and which are submitted by an entity;

(3) provide recommendations to the Board and place project proposals accepted by the executive committee on a list for consideration for financial assistance from the Board; and

(4) provide technical assistance to entities receiving financing from the Bank and otherwise implement decisions of the Board.

(g) VACANCY.—A vacancy in the position of executive director shall be filled in the manner in which the original appointment was made.

(h) COMPENSATION.—The compensation of the executive director and other executive officers of the executive committee shall be determined by the Board.

(i) REMOVAL.—The executive director and other executive officers may be removed at the discretion of a majority of the Board.

(j) TERM.—The executive director and other executive officers shall serve a 6-year term and may be reappointed in accordance with this section.

(k) LIMITATIONS.—The executive director and other executive officers shall not—
(1) hold any other public office;

(2) have any interest in an infrastructure project considered by the Board;

(3) have any interest in an investment institution, commercial bank, or other entity seeking financial assistance for any infrastructure project from the Bank; and

(4) have any such interest during the 2-year period beginning on the date such officer ceases to serve in such capacity.

SEC. 7. RISK MANAGEMENT COMMITTEE.

(a) Establishment of Risk Management Committee.—The Bank shall establish a risk management committee consisting of 5 members, headed by the chief risk officer.

(b) Appointments.—A majority of the Board shall have the authority to appoint and reappoint the CRO of the Bank.

(c) Functions; Duties.—

(1) in general.—The CRO shall have such functions, powers, and duties as may be prescribed by one or more of the following: This Act, the by-laws of the Bank, and the Board. The CRO shall report directly to the Board.
(2) Risk Management Duties.—In order to carry out the purposes of this Act, the risk management committee shall—

(A) create financial, credit, and operational risk management guidelines and policies to be adhered to by the Bank;

(B) set guidelines to ensure diversification of lending activities by both region and infrastructure project type;

(C) create conforming standards for infrastructure finance securities;

(D) monitor financial, credit and operational exposure of the Bank; and

(E) provide financial recommendations to the Board.

(d) Other Risk Management Officers.—The Board shall appoint, remove, fix the compensation, and define the duties of 4 other risk management officers to serve on the risk management committee.

(e) Qualifications.—The CRO and other risk management officers shall have demonstrated experience and expertise in one or more of the following:

(1) Treasury and asset and liability management.

(2) Investment regulations.
(3) Insurance.

(4) Credit risk management and credit evaluations.

(5) Related disciplines.

(f) VACANCY.—A vacancy in the position of CRO or any other risk management officer shall be filled in the manner in which the original appointment was made.

(g) COMPENSATION.—The compensation of the CRO and other risk management officers shall be determined by the Board.

(h) REMOVAL.—The CRO and any other risk management officers may be removed at the discretion of a majority of the Board.

(i) TERM.—The CRO and other risk management officers shall serve a 6-year term and may be reappointed in accordance with this section.

(j) LIMITATIONS.—The CRO and other risk management officers shall not—

(1) hold any other public office;

(2) have any interest in an infrastructure project considered by the Board;

(3) have any interest in an investment institution, commercial bank, or other entity seeking financial assistance for any infrastructure project from the Bank; and
have any such interest during the 2-year period beginning on the date such officer ceases to serve in such capacity.

**SEC. 8. AUDIT COMMITTEE.**

(a) In General.—The Bank shall have an audit committee consisting of 5 members, headed by the chief compliance officer of the Bank.

(b) Appointments.—A majority of the Board shall have the authority to appoint and reappoint the CCO of the Bank.

(c) Functions; Duties.—The CCO shall have such functions, powers, and duties as may be prescribed by one or more of the following: This Act, the bylaws of the Bank, and the Board. The CCO shall report directly to the Board.

(d) Audit Duties.—In order to carry out the purposes of the Bank under this Act, the audit committee shall—

(1) provide internal controls and internal auditing activities for the Bank;

(2) maintain responsibility for the accounting activities of the Bank;

(3) issue financial reports of the Bank; and

(4) complete reports with outside auditors and public accountants appointed by the Board.
(e) Other Audit Officers.—The Board shall appoint, remove, fix the compensation, and define the duties of 4 other audit officers to serve on the audit committee.

(f) Qualifications.—The CCO and other audit officers shall have demonstrated experience and expertise in one or more of the following:

(1) Internal auditing.
(2) Internal investigations.
(3) Accounting practices.
(4) Financing practices.

(g) Vacancy.—A vacancy in the position of CCO or any other audit officer shall be filled in the manner in which the original appointment was made.

(h) Compensation.—The compensation of the CCO and other audit officers shall be determined by the Board.

(i) Removal.—The CCO and other audit officers may be removed at the discretion of a majority of the Board.

(j) Term.—The CCO and other audit officers shall serve a 6-year term and may be reappointed in accordance with this section.

(k) Limitations.—The CCO and other audit officers shall not—

(1) hold any other public office;
(2) have any interest in an infrastructure project considered by the Board;

(3) have any interest in an investment institution, commercial bank, or other entity seeking financial assistance for any infrastructure project from the Bank; and

(4) have any such interest during the 2-year period beginning on the date such officer ceases to serve in such capacity.

SEC. 9. PERSONNEL.

The chairperson of the Board, executive director, chief risk officer, and chief compliance officer shall appoint, remove, fix the compensation of, and define the duties of such qualified personnel to serve under the Board, executive committee, risk management committee, or audit committee, as the case may be, as necessary and prescribed by one or more of the following: This Act, the bylaws of the Bank, and the Board.

SEC. 10. ELIGIBILITY CRITERIA FOR ASSISTANCE FROM BANK.

(a) In General.—No financial assistance shall be available under this Act from the Bank unless the applicant for such assistance has demonstrated to the satisfaction of the Board that the project for which such assistance is being sought meets—
(1) the requirements of this Act; and

(2) any criteria established in accordance with this Act by the Board.

(b) Establishment of Project Criteria.—

(1) In General.—Consistent with the requirements of subsections (c) and (d), the Board shall establish—

(A) criteria for determining eligibility for financial assistance under this Act;

(B) disclosure and application procedures to be followed by entities to nominate projects for assistance under this Act; and

(C) such other criteria as the Board may consider to be appropriate for purposes of carrying out this Act.

(2) Factors to be Taken into Account.—

(A) In General.—The Bank shall conduct an analysis that takes into account the economic, environmental, social benefits, and costs of each project under consideration for financial assistance under this Act, prioritizing projects that contribute to economic growth, lead to job creation, and are of regional or national significance.
(B) CRITERIA.—The criteria established pursuant to paragraph (1)(A) shall provide for the consideration of the following factors in considering eligibility for financial assistance under this Act:

(i) The means by which development of the infrastructure project under consideration is being financed, including—

(I) the terms and conditions and financial structure of the proposed financing;

(II) the financial assumptions and projections on which the project is based; and

(III) the extent to which the infrastructure project maximizes investment from other sources.

(ii) The likelihood that the provision of assistance by the Bank will cause such development to proceed more promptly and with lower costs for financing than would be the case without such assistance.

(iii) The extent to which the provision of assistance by the Bank maximizes the level of private investment in the infra-
structure project while providing a public benefit.

(c) Factors for Specific Types of Projects.—

(1) Transportation Infrastructure Projects.—For any transportation infrastructure project, the Board shall consider the following:

(A) Job creation, including workforce development for women and minorities, responsible employment practices, and quality job training opportunities.

(B) Reduction in carbon emissions.

(C) Reduction in surface and air traffic congestion.

(D) Poverty and inequality reduction through targeted training and employment opportunities for low-income workers.

(E) Use of smart tolling, such as vehicle miles traveled and congestion pricing, for highway, road, and bridge projects.

(F) Public health benefits.

(2) Environmental Infrastructure Project.—For any environmental infrastructure project, the Board shall consider the following:

(A) Public health benefits.

(B) Pollution reductions.
(C) Job creation, including workforce development for women and minorities, responsible employment practices, and quality job training opportunities.

(D) Poverty and inequality reduction through targeted training and employment opportunities for low-income workers.

(3) ENERGY INFRASTRUCTURE PROJECT.—For any energy infrastructure project, the Board shall consider the following:

(A) Job creation, including workforce development for women and minorities, responsible employment practices, and quality job training opportunities.

(B) Poverty and inequality reduction through targeted training and employment opportunities for low-income workers.

(C) Reduction in carbon emissions.

(D) Expanded use of renewable energy.

(E) Development of a smart grid.

(F) Energy efficient building, housing, and school modernization.

(G) In any case in which the project is also a public housing project—
(i) improvement of the physical shape and layout;

(ii) environmental improvement; and

(iii) mobility improvements for residents.

(H) Public health benefits.

(4) TELECOMMUNICATIONS.—For any telecommunications project, the Board shall consider the following:

(A) The extent to which assistance expands or improves broadband and wireless services in rural and disadvantaged communities.

(B) Poverty and inequality reduction through targeted training and employment opportunities for low-income workers.

(C) Job creation, including work force development for women and minorities, responsible employment practices, and quality job training opportunities.

(d) CONSIDERATION OF PROJECT PROPOSALS.—

(1) PARTICIPATION BY OTHER AGENCY PERSONNEL.—Consideration of projects by the executive committee and the Board shall be conducted with personnel on detail to the Bank from relevant Federal agencies from among individuals who are famil-
iar with and experienced in the selection criteria for competitive projects.

(2) FEES.—A fee may be charged for the review of any project proposal in such amount as maybe considered appropriate by the executive committee to cover the cost of such review.

(e) DISCRETION OF BOARD.—Consistent with other provisions of this Act, any determination of the Board to provide assistance to any project, and the manner in which such assistance is provided, including the terms, conditions, fees, and charges shall be at the sole discretion of the Board.

(f) STATE AND LOCAL PERMITS REQUIRED.—The provision of assistance by the Board in accordance with this Act shall not be deemed to relieve any recipient of assistance or the related project of any obligation to obtain required State and local permits and approvals.

(g) ANNUAL REPORT.—An entity receiving assistance from the Board shall make annual reports to the Board on the use of any such assistance, compliance with the criteria set forth in this section, and a disclosure of all entities with a development, ownership, or operational interest in a project assisted or proposed to be assisted under this Act.
SEC. 11. EXEMPTION FROM LOCAL TAXATION.

All notes, debentures, bonds or other such obligations issued by the Bank, and the interest on or credits with respect to such bonds or other obligations, shall not be subject to taxation by any State, county, municipality, or local taxing authority.

SEC. 12. STATUS AND APPLICABILITY OF CERTAIN FEDERAL LAWS; NO FULL FAITH AND CREDIT.

(a) Budgeting and Auditors Practices.—The Bank shall comply with all Federal laws regulating the budgetary and auditing practices of a government corporation, except as otherwise provided in this Act.

(b) No Full Faith and Credit of the United States.—Obligations of the Bank shall not be obligations of, or guaranteed as to principal or interest by, the United States or any agency of the United States and the obligations shall so plainly state.

(c) Effect of and Exemptions From Other Laws.—

(1) Exempt Securities.—All debt securities and other obligations issued by the Bank pursuant to this Act shall be deemed to be exempt securities within the meaning of laws administered by the Securities and Exchange Commission to the same extent as securities which are direct obligations of, or
obligations fully guaranteed as to principal or inter-
est by, the United States.

(2) Open market operations and state
tax exempt status.—The obligations of the Bank
shall be deemed to be obligations of the United
States for the purposes of the provision designated
as (b)(2) of the 2nd undesignated paragraph of sec-
and section 3124 of title 31, United States Code.

(3) No priority as a federal claim.—The
priority established in favor of the United States by
section 3713 of title 31, United States Code, shall
not apply with respect to any indebtedness of the
Bank.

(d) Federal reserve banks as depositaries,
custodians, and fiscal agents.—The Federal reserve
banks may act as depositaries for, or custodians or fiscal
agents of, the Bank.

(e) Access to book-entry system.—The Sec-
retary may authorize the Bank to use the book-entry sys-
tem of the Federal reserve system.

SEC. 13. COMPLIANCE WITH DAVIS-BACON ACT.

All laborers and mechanics employed by contractors
and subcontractors on projects funded directly by or as-
sisted in whole or in part by and through the Bank pursu-
ant to this Act shall be paid wages at rates not less than those prevailing on projects of a character similar in the locality as determined by the Secretary of Labor in accordance with subchapter IV of chapter 31 of part A of title 40, United States Code. With respect to the labor standards specified in this section, the Secretary of Labor shall have the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (64 Stat. 1267; 5 U.S.C. App.) and section 3145 of title 40, United States Code.

SEC. 14. APPLICABILITY OF CERTAIN STATE LAWS.

The receipt by any entity of any assistance under this Act, directly or indirectly, and any financial assistance provided by any governmental entity in connection with such assistance under this Act shall be valid and lawful notwithstanding any State or local restrictions regarding extensions of credit or other benefits to private persons or entities, or other similar restrictions.

SEC. 15. AUDITS; REPORTS TO PRESIDENT AND CONGRESS.

(a) ACCOUNTING.—The books of account of the Bank shall be maintained in accordance with generally accepted accounting principles and shall be subject to an annual audit by independent public accountants appointed by the Board and of nationally recognized standing.

(b) REPORTS.—
(1) BOARD.—The Board shall submit to the
President and Congress, within 90 days after the
last day of each fiscal year, a complete and detailed
report with respect to the preceding fiscal year, set-
ting forth—

(A) a summary of the Bank’s operations,
for such preceding fiscal year;

(B) a schedule of the Bank’s obligations
and capital securities outstanding at the end of
such preceding fiscal year, with a statement of
the amounts issued and redeemed or paid dur-
ing such preceding fiscal year; and

(C) the status of projects receiving funding
or other assistance pursuant to this Act, includ-
ing disclosure of all entities with a development,
ownership, or operational interest in such
projects.

(2) GAO.—Not later than 5 years after the
date of enactment of this Act, the Comptroller Gen-
eral of the United States shall submit to Congress
a report evaluating activities of the Bank for the fis-
cal years covered by the report that includes an as-
seSSment of the impact and benefits of each funded
project, including a review of how effectively each
project accomplished the goals prioritized by the
Bank’s project criteria.

(c) Books and Records.—

(1) In general.—The Bank shall maintain
adequate books and records to support the financial
transactions of the Bank with a description of financial
transactions and infrastructure projects receiving funding, and the amount of funding for each
project maintained on a publically accessible database.

(2) Audits by the secretary and GAO.—
The books and records of the Bank shall be maintained in accordance with recommended accounting
practices and shall be open to inspection by the Secretary and the Comptroller General of the United States.

SEC. 16. CAPITALIZATION OF BANK.

(a) Authorization of Appropriation.—There is
authorized to be appropriated to the Secretary for purchase of the shares of the Bank $5,000,000,000 for each

(b) Callable Capital.—Of the total subscribed capital of the Bank, 90 percent shall be callable capital
subject to call from the Secretary only as and when re-
quired by the Bank to meet its obligations on borrowing
of funds for inclusion in its ordinary capital resources or
guarantees chargeable to such resources.

(c) OUTSTANDING LOANS.—At any time, the aggre-
gate amount outstanding of bonds issued by the Bank
shall not exceed 250 percent of its total subscribed capital.

SEC. 17. SUNSET.

The Bank shall cease to exist 15 years after the date
of enactment of this Act.