



H.R. 2521: National Infrastructure Development Bank Act of 2009

Introduced 5/20/2009

Sponsor: Rep. Rosa DeLauro (D-CT3)

Watch the 90 Second Summary video at: <http://bit.ly/91CW6i>

Cosponsors: 59 (59 Democrats, 0 Republicans). Full list at <http://thomas.loc.gov/cgi-bin/bdquery/z?d111:HR02521:@@@P>

Status: In Energy & Commerce and Transportation & Infrastructure Committees. Financial Services has partial jurisdiction. Not scheduled for action.

Senate Companion: None in the 111th Congress. A similar but not identical bill was introduced by Sens. Dodd and Hagel in the 110th Congress (S. 1926).

Purpose: In 2009, the American Society of Civil Engineers gave America's infrastructure a grade of D, and estimated the 5-year need for investment at some \$2.2 trillion. The Infrastructure Bank provides a funding mechanism for a variety of projects through public-private partnerships that will help close the "infrastructure gap".

Summary: H.R. 2521 would establish an independent, wholly-owned government corporation called the National Infrastructure Development Bank. Following a \$25 billion initial capitalization, it would be a self-sustaining entity capable of leveraging as much as \$625 billion in private investment by issuing direct loans and subsidies, loan guarantees, bonds and debt securities, borrowing on the global capital market at low interest rates and pooling infrastructure-related loans and securities on the market to spread risk. The Bank would help capitalize the following:

- 1) **Transportation** Infrastructure Projects (e.g. public transit, highway and bridge repairs, port development)
- 2) **Environmental** Infrastructure Projects (e.g. drinking water treatment, waste disposal facilities, dams and levees)
- 3) **Energy** Infrastructure Projects (e.g. retrofitting buildings, smart grid, development of renewable capacity)
- 4) **Telecommunications** Infrastructure Projects (e.g. broadband expansion)

The legislation lays out a set of criteria for each project type by which each applicant must be evaluated to determine potential impact and eligibility. These generally involve environmental, health and income distribution considerations as well as more traditional cost-effectiveness criteria and other sector-specific factors.

The Bank will be governed by a five-member Board of Directors, all appointed by the President and confirmed by the Senate. The Directors will represent different regions of the country and be split between the private and public sectors in their backgrounds. The Bank's charter is scheduled to sunset after 15 years.

CBO Score: None provided.

Supporters: President Obama, Building America's Future (state & local electeds), Chamber of Commerce, SEIU, etc.

- Supporters believe this measure will substantially boost crucial infrastructure spending and create jobs. It will also allow for a more efficient allocation of infrastructure resources by removing political considerations.

Opposition: No public opposition, but expected to draw fire from a variety of fronts, each for a different reason.

- Opposition will likely be opposed to a large new government program, especially a government-owned bank similar to Fannie Mae and Freddie Mac. There is also some concern over transferring infrastructure financing authority from Congress to an unelected board appointed by the President.

Further links

Full bill text: <http://www.govtrack.us/congress/billtext.xpd?bill=h111-2521>

Official CRS summary: <http://www.govtrack.us/congress/bill.xpd?bill=h111-2521&tab=summary>

American Society of Civil Engineers Report Card for America's Infrastructure: <http://www.infrastructurereportcard.org/>

Rep. DeLauro press release touting support for the bill: <http://delauro.house.gov/release.cfm?id=2553>

Obama Labor Day speech announcing Infrastructure Bank plan: http://www.huffingtonpost.com/2010/09/06/obama-promotes-job-creati_n_706652.html (see ~5:00 mark of video)

CNN article on the Bank's political considerations: http://money.cnn.com/2010/09/08/news/economy/infrastructure_bank/index.htm

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