

112TH CONGRESS
1ST SESSION

S. _____

To put workers back on the job while rebuilding and modernizing America.

IN THE SENATE OF THE UNITED STATES

Ms. KLOBUCHAR (for herself, Mr. MANCHIN, Mr. WHITEHOUSE, Mr. REID, Mr. KERRY, Mrs. BOXER, Mr. COONS, Mr. BEGICH, Mr. LAUTENBERG, Mr. FRANKEN, Mr. SCHUMER, Mr. NELSON of Florida, Mr. BLUMENTHAL, Mrs. FEINSTEIN, Mr. LEVIN, Mr. MENENDEZ, and Mr. BROWN of Ohio) introduced the following bill; which was read twice and referred to the Committee on _____

A BILL

To put workers back on the job while rebuilding and modernizing America.

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 “Rebuild America Jobs Act”.

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

- Sec. 1. Short title; table of contents.
- Sec. 2. Buy American—Use of American iron, steel, and manufactured goods.
- Sec. 3. Wage rate and employment protection requirements.

2

TITLE I—CREATING JOBS THROUGH INFRASTRUCTURE
MODERNIZATION

Subtitle A—Immediate Transportation Infrastructure Investments

Sec. 101. Immediate transportation infrastructure investments.

Subtitle B—Building and Upgrading Infrastructure for Long-term
Development

- Sec. 121. Short title.
 Sec. 122. Findings and purpose.
 Sec. 123. Definitions.
 Sec. 124. Establishment and general authority of American Infrastructure Financing Authority.
 Sec. 125. Voting members of the board of directors.
 Sec. 126. Chief executive officer of AIFA.
 Sec. 127. Powers and duties of the board of directors.
 Sec. 128. Senior management.
 Sec. 129. Special Inspector General for AIFA.
 Sec. 130. Other personnel.
 Sec. 131. Compliance.
 Sec. 132. Terms and limitations on direct loans and loan guarantees.
 Sec. 133. Loan terms and repayment.
 Sec. 134. Compliance and enforcement.
 Sec. 135. Audits; reports to the President and Congress.
 Sec. 136. Administrative fees.
 Sec. 137. Efficiency of AIFA.
 Sec. 138. Funding.

Subtitle C—Extension of Exemption From Alternative Minimum Tax
Treatment for Certain Tax-exempt Bonds

Sec. 141. Extension of exemption from alternative minimum tax treatment for certain tax-exempt bonds.

TITLE II—SURTAX ON MILLIONAIRES

Sec. 201. Surtax on millionaires.

1 **SEC. 2. BUY AMERICAN—USE OF AMERICAN IRON, STEEL,**
 2 **AND MANUFACTURED GOODS.**

3 (a) IN GENERAL.—None of the funds appropriated
 4 or otherwise made available by this Act may be used for
 5 a project for the construction, alteration, maintenance, or
 6 repair of a public building or public work unless all of the
 7 iron, steel, and manufactured goods used in the project
 8 are produced in the United States.

1 (b) EXCEPTION.—Subsection (a) shall not apply in
2 any case or category of cases in which the head of the
3 Federal department or agency involved determines that—

4 (1) applying subsection (a) would be incon-
5 sistent with the public interest;

6 (2) iron, steel, and the relevant manufactured
7 goods are not produced in the United States in suffi-
8 cient and reasonably available quantities and of a
9 satisfactory quality; or

10 (3) inclusion of iron, steel, and manufactured
11 goods produced in the United States will increase
12 the cost of the overall project by more than 25 per-
13 cent.

14 (c) WAIVER.—If the head of a Federal department
15 or agency determines that it is necessary to waive the ap-
16 plication of subsection (a) based on a finding under sub-
17 section (b), the head of the department or agency shall
18 publish in the Federal Register a detailed written justifica-
19 tion as to why the provision is being waived.

20 (d) APPLICATION.—This section shall be applied in
21 a manner consistent with United States obligations under
22 international agreements.

1 **SEC. 3. WAGE RATE AND EMPLOYMENT PROTECTION RE-**
2 **QUIREMENTS.**

3 (a) IN GENERAL.—All laborers and mechanics em-
4 ployed on projects funded directly by, or assisted in whole
5 or in part by and through, the Federal Government or
6 any other entity established pursuant to this Act shall be
7 paid wages at rates not less than those prevailing on
8 projects of a character similar in the locality as deter-
9 mined by the Secretary of Labor in accordance with sub-
10 chapter IV of chapter 31 of title 40, United States Code.

11 (b) AUTHORITY OF SECRETARY OF LABOR.—With
12 respect to the labor standards specified in this section, the
13 Secretary of Labor shall have the authority and functions
14 set forth in Reorganization Plan Numbered 14 of 1950
15 (64 Stat. 1267; 5 U.S.C. App.) and section 3145 of title
16 40, United States Code.

17 (c) EMPLOYEE PROTECTIVE ARRANGEMENTS.—
18 Projects (as defined in section 47102 of title 49, United
19 States Code) that are funded directly by, or assisted in
20 whole or in part by and through, the Federal Government
21 or any other entity established pursuant to this Act shall
22 be subject to the requirements under section 5333(b) of
23 title 49, United States Code.

1 **TITLE I—CREATING JOBS**
2 **THROUGH INFRASTRUCTURE**
3 **MODERNIZATION**

4 **Subtitle A—Immediate Transpor-**
5 **tation Infrastructure Invest-**
6 **ments**

7 **SEC. 101. IMMEDIATE TRANSPORTATION INFRASTRUCTURE**
8 **INVESTMENTS.**

9 (a) GRANTS-IN-AID FOR AIRPORTS.—

10 (1) IN GENERAL.—There is made available to
11 the Secretary of Transportation \$2,000,000,000 to
12 carry out airport improvement under subchapter I of
13 chapter 471 and subchapter I of chapter 475 of title
14 49, United States Code.

15 (2) FEDERAL SHARE; LIMITATION ON OBLIGA-
16 TIONS.—The Federal share payable of the costs for
17 which a grant is made under this subsection, shall
18 be 100 percent. The amount made available under
19 this subsection shall not be subject to any limitation
20 on obligations for the Grants-In-Aid for Airports
21 program set forth in any Act or in title 49, United
22 States Code.

23 (3) DISTRIBUTION OF FUNDS.—Amounts pro-
24 vided to the Secretary under this subsection shall
25 not be subject to apportionment formulas, special

1 apportionment categories, or minimum percentages
2 under chapter 471 of title 49, United States Code.

3 (4) AVAILABILITY.—Amounts made available
4 under this subsection shall be available for obligation
5 during the 2-year period beginning on the date of
6 the enactment of this Act. The Secretary shall obli-
7 gate not less than 50 percent of the such amounts
8 not later than 1 year after the date of the enactment
9 of this Act and obligate the remaining amounts not
10 later than 2 years after such date of enactment.

11 (5) ADMINISTRATIVE EXPENSES.—Of the
12 amounts made available under this subsection, 0.3
13 percent—

14 (A) shall be available to the Secretary for
15 administrative expenses;

16 (B) shall remain available for obligation
17 until September 30, 2015; and

18 (C) may be used in conjunction with
19 amounts otherwise provided for the administra-
20 tion of the Grants-In-Aid for Airports program.

21 (b) NEXT GENERATION AIR TRAFFIC CONTROL AD-
22 VANCEMENTS.—

23 (1) IN GENERAL.—There is made available to
24 the Secretary of Transportation \$1,000,000,000 for
25 necessary Federal Aviation Administration capital,

1 research and operating costs to carry out Next Gen-
2 eration air traffic control system advancements.

3 (2) AVAILABILITY.—The amounts made avail-
4 able under this subsection shall be available for obli-
5 gation during the 2-year period beginning on the
6 date of the enactment of this Act.

7 (c) HIGHWAY INFRASTRUCTURE INVESTMENT.—

8 (1) IN GENERAL.—There is made available to
9 the Secretary of Transportation \$27,000,000,000
10 for—

11 (A) restoration, repair, construction and
12 other activities eligible under section 133(b) of
13 title 23, United States Code; and

14 (B) passenger and freight rail transpor-
15 tation and port infrastructure projects eligible
16 for assistance under section 601(a)(8) of title
17 23, United States Code.

18 (2) FEDERAL SHARE; LIMITATION ON OBLIGA-
19 TIONS.—The Federal share payable on account of
20 any project or activity carried out with funds made
21 available under this subsection shall be, at the op-
22 tion of the recipient, up to 100 percent of the total
23 cost of such project or activity. The amount made
24 available under this subsection shall not be subject
25 to any limitation on obligations for Federal-aid high-

1 ways and highway safety construction programs set
2 forth in any Act or in title 23, United States Code.

3 (3) AVAILABILITY.—The amounts made avail-
4 able under this subsection shall be available for obli-
5 gation during the 2-year period beginning on the
6 date of the enactment of this Act. The Secretary
7 shall obligate not less than 50 percent of the such
8 amounts not later than 1 year after the date of the
9 enactment of this Act and obligate the remaining
10 amounts not later than 2 years after such date of
11 enactment.

12 (4) DISTRIBUTION OF FUNDS.—

13 (A) APPORTIONMENT.—After making the
14 set-asides required under paragraphs (8), (9),
15 (10), (11), and (13), and not later than 30 days
16 after the date of the enactment of this Act—

17 (i) 50 percent of the remaining
18 amounts made available under this sub-
19 section shall be apportioned to States
20 using the formula set forth in section
21 104(b)(3) of title 23, United States Code;
22 and

23 (ii) the remaining amounts shall be
24 apportioned to States in the same ratio as
25 the obligation limitation for fiscal year

1 2010 was distributed among the States in
2 accordance with the formula specified in
3 section 120(a)(6) of the Department of
4 Transportation Appropriations Act, 2010
5 (title I of division A of Public Law 111–
6 117).

7 (B) STATE PLANNING AND OVERSIGHT EX-
8 PENSES.—Of amounts apportioned under sub-
9 paragraph (A), a State may use up to 0.5 per-
10 cent for activities related to projects funded
11 under this subsection, including activities eligi-
12 ble under sections 134 and 135 of title 23,
13 United States Code, State administration of
14 subgrants, and State oversight of subrecipients.

15 (5) REDISTRIBUTION.—

16 (A) INITIAL ALLOCATION.—The Secretary
17 shall, 180 days following the date of apportion-
18 ment, withdraw from each State an amount
19 equal to 50 percent of the funds apportioned
20 under paragraph (4) to that State (excluding
21 funds suballocated within the State) less the
22 amount of funding obligated (excluding funds
23 suballocated within the State), and the Sec-
24 retary shall redistribute such amounts to other
25 States that have had no funds withdrawn under

1 this subparagraph in the manner described in
2 section 120(c) of division A of Public Law 111–
3 117.

4 (B) SUBSEQUENT ALLOCATION.—One year
5 following the date of apportionment, the Sec-
6 retary shall withdraw from each recipient of
7 funds apportioned under paragraph (4) any un-
8 obligated funds, and the Secretary shall redis-
9 tribute such amounts to States that have had
10 no funds withdrawn under this paragraph (ex-
11 cluding funds suballocated within the State) in
12 the manner described in section 120(c) of divi-
13 sion A of Public Law 111–117.

14 (C) EXTENSION.—At the request of a
15 State, the Secretary may provide an extension
16 of the 1-year period only to the extent that the
17 Secretary determines that the State has en-
18 countered extreme conditions that create an un-
19 workable bidding environment or other extenu-
20 ating circumstances. Before granting an exten-
21 sion, the Secretary shall provide a thorough jus-
22 tification for the extension in a written notifica-
23 tion submitted to the Committee on Environ-
24 ment and Public Works of the Senate and the

1 Committee on Transportation and Infrastruc-
2 ture of the House of Representatives.

3 (6) TRANSPORTATION ENHANCEMENTS.—Three
4 percent of the amounts apportioned to a State under
5 paragraph (4) shall be set aside for the purposes de-
6 scribed in section 133(d)(2) of title 23, United
7 States Code (without regard to the comparison to
8 fiscal year 2005).

9 (7) SUBALLOCATION.—Thirty percent of the
10 amounts apportioned to a State under this sub-
11 section shall be suballocated within the State in the
12 manner and for the purposes described in the first
13 sentence of sections 133(d)(3)(A), 133(d)(3)(B), and
14 133(d)(3)(D) of title 23, United States Code. Such
15 suballocation shall be conducted in every State.
16 Amounts suballocated within a State to urbanized
17 areas and other areas shall not be subject to the re-
18 distribution of amounts required 180 days after the
19 date of apportionment of funds provided by para-
20 graph (6)(A).

21 (8) PUERTO RICO AND TERRITORIAL HIGHWAY
22 PROGRAMS.—Of the amounts provided under this
23 subsection, \$105,000,000 shall be set aside for the
24 Puerto Rico highway program authorized under sec-
25 tion 165 of title 23, United States Code, and

1 \$45,000,000 shall be for the territorial highway pro-
2 gram authorized under section 215 of title 23,
3 United States Code.

4 (9) FEDERAL LANDS AND INDIAN RESERVA-
5 TIONS.—Of the amounts provided under this sub-
6 section, \$550,000,000 shall be set aside for invest-
7 ments in transportation at Indian reservations and
8 Federal lands in accordance with the following re-
9 quirements:

10 (A) Of the funds set aside by this para-
11 graph, \$310,000,000 shall be for the Indian
12 Reservation Roads program, \$170,000,000
13 shall be for the Park Roads and Parkways pro-
14 gram, \$60,000,000 shall be for the Forest
15 Highway Program, and \$10,000,000 shall be
16 for the Refuge Roads program.

17 (B) For investments at Indian reservations
18 and Federal lands, priority shall be given to
19 capital investments, and to projects and activi-
20 ties that can be completed within 2 years of en-
21 actment of this Act.

22 (C) One year following the enactment of
23 this Act, to ensure the prompt use of the fund-
24 ing provided for investments at Indian reserva-
25 tions and Federal lands, the Secretary shall

1 have the authority to redistribute unobligated
2 funds within the respective program for which
3 the funds were appropriated.

4 (D) Up to 4 percent of the funding pro-
5 vided for Indian Reservation Roads may be
6 used by the Secretary of the Interior for pro-
7 gram management and oversight and project-re-
8 lated administrative expenses.

9 (E) Section 134(f)(3)(C)(ii)(II) of title 23,
10 United States Code, shall not apply to funds set
11 aside under this paragraph.

12 (10) JOB TRAINING.—

13 (A) IN GENERAL.—Of the amounts pro-
14 vided under this subsection, \$50,000,000 shall
15 be set aside for the development and adminis-
16 tration of transportation training programs
17 under section 140(b) title 23, United States
18 Code.

19 (B) COMPETITIVE AWARD.—Amounts set
20 aside under this paragraph shall be competi-
21 tively awarded and used for the purpose of pro-
22 viding training, apprenticeship (including Reg-
23 istered Apprenticeship), skill development, and
24 skill improvement programs, as well as summer
25 transportation institutes and may be trans-

1 ferred to, or administered in partnership with,
2 the Secretary of Labor and shall demonstrate
3 to the Secretary of Transportation program
4 outcomes, including—

5 (i) impact on areas with transpor-
6 tation workforce shortages;

7 (ii) diversity of training participants;

8 (iii) number of participants obtaining
9 certifications or credentials required for
10 specific types of employment;

11 (iv) employment outcome metrics,
12 such as job placement and job retention
13 rates, established in consultation with the
14 Secretary of Labor and consistent with
15 metrics used by programs under the Work-
16 force Investment Act;

17 (v) to the extent practical, evidence
18 that the program did not preclude workers
19 that participate in training or apprentice-
20 ship activities under the program from
21 being referred to, or hired on, projects
22 funded under this chapter; and

23 (vi) identification of areas of collabo-
24 ration with the Department of Labor pro-
25 grams, including co-enrollment.

1 (C) CERTIFICATION.—To be eligible to re-
2 ceive a competitively awarded grant under this
3 subsection, a State must certify that at least
4 0.1 percent of the amounts apportioned under
5 the Surface Transportation Program and
6 Bridge Program will be obligated in the first
7 fiscal year after the date of the enactment of
8 this Act for job training activities, in accord-
9 ance with section 140(b) of title 23, United
10 States Code.

11 (11) DISADVANTAGED BUSINESS ENTER-
12 PRISES.—Of the amounts provided under this sub-
13 section, \$10,000,000 shall be set aside for training
14 programs and assistance programs under section
15 140(c) of title 23, United States Code. Amounts set
16 aside under this paragraph should be allocated to
17 businesses that have proven success in adding staff
18 while effectively completing projects.

19 (12) CONDITIONS.—Amounts made available
20 under this subsection—

21 (A) shall be administered as if apportioned
22 under chapter 1 of title 23, United States Code,
23 except for—

24 (i) amounts made available for invest-
25 ments in transportation at Indian reserva-

1 tions and Federal lands and for the terri-
2 torial highway program, which shall be ad-
3 ministered in accordance with chapter 2 of
4 such title 23; and

5 (ii) amounts made available for dis-
6 advantaged business enterprises bonding
7 assistance, which shall be administered in
8 accordance with chapter 3 of title 49,
9 United States Code;

10 (B) may not be obligated for the purposes
11 authorized under section 115(b) of title 23,
12 United States Code;

13 (C) shall be in addition to any and all
14 funds provided for fiscal years 2011 and 2012
15 in any other Act for “Federal-aid Highways”
16 and shall not affect the distribution of funds
17 provided for “Federal-aid Highways” in any
18 other Act; and

19 (D) shall be subject to the requirements
20 under section 1101(b) of SAFETEA-LU (Pub-
21 lic Law 109–59).

22 (13) OVERSIGHT.—The Administrator of the
23 Federal Highway Administration may set aside up
24 to 0.15 percent of the amounts provided under this
25 subsection to fund the oversight by the Adminis-

1 trator of projects and activities carried out with
2 amounts made available to the Federal Highway Ad-
3 ministration under this Act. Such amounts shall be
4 available through September 30, 2015.

5 (d) CAPITAL ASSISTANCE FOR HIGH-SPEED RAIL
6 CORRIDORS AND INTERCITY PASSENGER RAIL SERV-
7 ICE.—

8 (1) IN GENERAL.—

9 (A) GRANTS.—There is made available to
10 the Secretary of Transportation
11 \$4,000,000,000, which shall be used—

12 (i) for grants for high-speed rail
13 projects authorized under sections 26104
14 and 26106 of title 49, United States Code

15 (ii) for capital investment grants to
16 support intercity passenger rail service au-
17 thorized under section 24406 of such title
18 49;

19 (iii) congestion grants authorized
20 under section 24105 of such title 49; and

21 (iv) to enter into cooperative agree-
22 ments for the purposes set forth in clauses
23 (i) through (iii).

24 (B) OVERSIGHT.—The Administrator of
25 the Federal Railroad Administration may retain

1 up to 1 percent of the amounts made available
2 under subparagraph (A) for award and over-
3 sight by the Administrator of the grants made
4 under this subsection. Such amount shall re-
5 main available for obligation until September
6 30, 2015.

7 (2) AVAILABILITY.—The amounts made avail-
8 able under this subsection shall be available for obli-
9 gation during the 2-year period beginning on the
10 date of the enactment of this Act. The Secretary
11 shall obligate not less than 50 percent of the such
12 amounts not later than 1 year after the date of the
13 enactment of this Act and obligate the remaining
14 amounts not later than 2 years after such date of
15 enactment.

16 (3) FEDERAL SHARE.—The Federal share pay-
17 able of the costs for which a grant or cooperative
18 agreements is made under this subsection shall be,
19 at the option of the recipient, up to 100 percent.

20 (4) INTERIM GUIDANCE.—The Secretary shall
21 issue interim guidance to applicants covering appli-
22 cation procedures and administer the grants pro-
23 vided under this subsection pursuant to that guid-
24 ance until final regulations are issued.

1 (5) INTERCITY PASSENGER RAIL CORRIDORS.—

2 Not less than 85 percent of the amounts provided
3 under this subsection shall be for cooperative agree-
4 ments that lead to the development of entire seg-
5 ments or phases of intercity or high-speed rail cor-
6 ridors.

7 (6) CONDITIONS.—

8 (A) In addition to the provisions of title
9 49, United States Code, that apply to each of
10 the individual programs funded under this sub-
11 section, subsections (a)(2) and (i) of section
12 24402(i) of title 49, United States Code, and
13 subsections (a) and (c) of section 24403 of such
14 title 49, shall also apply to amounts provided
15 under this subsection.

16 (B) A project need not be in a State rail
17 plan developed under chapter 227 of title 49,
18 United States Code, to be eligible for assistance
19 under this subsection.

20 (C) Recipients of grants under this para-
21 graph shall conduct all procurement trans-
22 actions using such grant funds in a manner
23 that provides full and open competition, as de-
24 termined by the Secretary, in compliance with
25 existing labor agreements.

1 (e) CAPITAL GRANTS TO THE NATIONAL RAILROAD
2 PASSENGER CORPORATION.—

3 (1) IN GENERAL.—There is made available
4 \$2,000,000,000 to the Secretary of Transportation
5 to award capital grants to the National Railroad
6 Passenger Corporation (Amtrak), as authorized by
7 section 101(c) of the Passenger Rail Investment and
8 Improvement Act of 2008 (Public Law 110–432).

9 (2) AVAILABILITY.—The amounts made avail-
10 able under this subsection shall be available for obli-
11 gation during the 2-year period beginning on the
12 date of the enactment of this Act. The Secretary
13 shall obligate not less than 50 percent of the such
14 amounts not later than 1 year after the date of the
15 enactment of this Act and obligate the remaining
16 amounts not later than 2 years after such date of
17 enactment.

18 (3) PROJECT PRIORITY.—The priority for the
19 use of funds shall be given to projects for the repair,
20 rehabilitation, or upgrade of railroad assets or infra-
21 structure, and for capital projects that expand pas-
22 senger rail capacity including the rehabilitation of
23 rolling stock.

24 (4) CONDITIONS.—

1 (A) None of the amounts under this sub-
2 section shall be used to subsidize the operating
3 losses of Amtrak.

4 (B) Amounts provided under this sub-
5 section shall be awarded not later than 90 days
6 after the date of the enactment of this Act.

7 (C) The Secretary shall take measures to
8 ensure that projects funded under this sub-
9 section shall be completed not later than 2
10 years after the date of the enactment of this
11 Act, and shall serve to supplement and not sup-
12 plant planned expenditures for such activities
13 from other Federal, State, local and corporate
14 sources. The Secretary shall submit written cer-
15 tification to the Committee on Appropriations
16 of the Senate and the Committee on Armed
17 Services of the House of Representatives that
18 the Secretary is in compliance with this sub-
19 paragraph.

20 (5) OVERSIGHT.—The Administrator of the
21 Federal Railroad Administration may set aside 0.5
22 percent of the amounts provided under this sub-
23 section to fund the oversight by the Administrator of
24 projects and activities carried out with funds made

1 available in this subsection, and such amounts shall
2 be available through September 30, 2015.

3 (f) TRANSIT CAPITAL ASSISTANCE.—

4 (1) IN GENERAL.—There is made available to
5 the Secretary of Transportation \$3,000,000,000 for
6 grants for transit capital assistance grants as de-
7 fined by section 5302(a)(1) of title 49, United
8 States Code. Notwithstanding any provision of chap-
9 ter 53 of such title 49, a recipient of funding under
10 this subsection may use up to 10 percent of such
11 funding for the operating costs of equipment and fa-
12 cilities for use in public transportation or for other
13 eligible activities.

14 (2) FEDERAL SHARE; LIMITATION ON OBLIGA-
15 TIONS.—The applicable requirements of chapter 53
16 of title 49, United States Code, shall apply to fund-
17 ing provided under this subsection, except that the
18 Federal share of the costs for which any grant is
19 made under this subsection shall be, at the option of
20 the recipient, up to 100 percent. The amount made
21 available under this subsection shall not be subject
22 to any limitation on obligations for transit programs
23 set forth in any Act or chapter 53 of title 49, United
24 States Code.

1 (3) AVAILABILITY.—The amounts made avail-
2 able under this subsection shall be available for obli-
3 gation during the 2-year period beginning on the
4 date of the enactment of this Act. The Secretary
5 shall obligate not less than 50 percent of the such
6 amounts not later than 1 year after the date of the
7 enactment of this Act and obligate the remaining
8 amounts not later than 2 years after such date of
9 enactment.

10 (4) DISTRIBUTION OF FUNDS.—The Secretary
11 of Transportation shall—

12 (A) provide 80 percent of the funds appro-
13 priated under this subsection for grants under
14 section 5307 of title 49, United States Code,
15 and apportion such funds in accordance with
16 section 5336 of such title;

17 (B) provide 10 percent of the funds appro-
18 priated under this subsection in accordance
19 with section 5340 of such title; and

20 (C) provide 10 percent of the funds appro-
21 priated under this subsection for grants under
22 section 5311 of title 49, United States Code,
23 and apportion such funds in accordance with
24 such section.

1 (5) APPORTIONMENT.—Amounts apportioned
2 under this subsection shall be apportioned not later
3 than 21 days after the date of the enactment of this
4 Act.

5 (6) REDISTRIBUTION.—

6 (A) INITIAL ALLOCATION.—The Secretary
7 of Transportation shall, 180 days following the
8 date of apportionment, withdraw from each ur-
9 banized area or State an amount equal to 50
10 percent of the amounts apportioned to such ur-
11 banized areas or States less the amount of
12 funding obligated, and the Secretary shall redis-
13 tribute such amounts to other urbanized areas
14 or States that have had no funds withdrawn
15 under this subparagraph utilizing whatever
16 method the determines to be appropriate to en-
17 sure that all funds redistributed under this sub-
18 paragraph shall be utilized promptly.

19 (B) SUBSEQUENT ALLOCATION.—One year
20 following the date of apportionment, the Sec-
21 retary shall withdraw from each urbanized area
22 or State any unobligated funds, and the Sec-
23 retary shall redistribute such amounts to other
24 urbanized areas or States that have had no
25 amounts withdrawn under this paragraph uti-

1 lizing whatever method the determines to be ap-
2 propriate to ensure that all funds redistributed
3 under this subparagraph shall be utilized
4 promptly.

5 (C) EXTENSION.—At the request of an ur-
6 banized area or State, the Secretary may pro-
7 vide an extension of the 1-year period only to
8 the extent that the Secretary determines that
9 the urbanized area or State has encountered an
10 unworkable bidding environment or other ex-
11 tenuating circumstances. Before granting an ex-
12 tension, the Secretary shall provide a thorough
13 justification for the extension in a written noti-
14 fication submitted to the Committee on Envi-
15 ronment and Public Works of the Senate and
16 the Committee on Transportation and Infra-
17 structure of the House of Representatives.

18 (7) CONDITIONS.—

19 (A) Of the amounts provided for section
20 5311 of title 49, United States Code, 2.5 per-
21 cent shall be made available for subsection
22 (c)(1) of such section.

23 (B) Amounts appropriated under this sub-
24 section shall be subject to the requirements

1 under section 1101(b) of SAFETEA-LU (Pub-
2 lic Law 109–59).

3 (C) Amounts appropriated under this sub-
4 section may not be commingled with amounts
5 appropriated in any prior fiscal year.

6 (8) OVERSIGHT.—Notwithstanding any other
7 provision of law—

8 (A) 0.3 percent of the amounts provided
9 for grants under sections 5307 and 5340 of
10 title 49, United States Code, and 0.3 percent of
11 the amounts provided for grants under section
12 5311 of such title 49, shall be available for ad-
13 ministrative expenses and program management
14 oversight; and

15 (B) amounts set aside under subparagraph
16 (A) shall be available through September 30,
17 2015.

18 (g) STATE OF GOOD REPAIR.—

19 (1) IN GENERAL.—There is made available to
20 the Secretary of Transportation \$6,000,000,000 for
21 capital expenditures authorized under paragraphs
22 (2) and (3) of section 5309(b) of title 49, United
23 States Code.

24 (2) FEDERAL SHARE.—The applicable require-
25 ments under chapter 53 of title 49, United States

1 Code, shall apply to amounts made available under
2 this subsection, except that the Federal share of the
3 costs for which a grant is made under this sub-
4 section shall be, at the option of the recipient, up to
5 100 percent.

6 (3) AVAILABILITY.—The amounts made avail-
7 able under this subsection shall be available for obli-
8 gation during the 2-year period beginning on the
9 date of the enactment of this Act. The Secretary
10 shall obligate not less than 50 percent of the such
11 amounts not later than 1 year after the date of the
12 enactment of this Act and obligate the remaining
13 amounts not later than 2 years after such date of
14 enactment.

15 (4) DISTRIBUTION OF FUNDS.—

16 (A) FIXED GUIDEWAY SYSTEMS.—Not
17 later than 30 days after the date of the enact-
18 ment of this Act, the Secretary of Transpor-
19 tation shall apportion not less than 75 percent
20 of the amounts made available under this sub-
21 section for the modernization of fixed guideway
22 systems pursuant to the formula set forth in
23 section 5336(b) title 49, United States Code
24 (other than paragraph (2)(A)(ii)).

1 (B) BUS SYSTEMS.—Not later than 30
2 days after the date of the enactment of this
3 Act, the Secretary of Transportation shall ap-
4 portion not less than 25 percent of the amounts
5 appropriated under this subsection for the res-
6 toration or replacement of existing public trans-
7 portation assets related to bus systems pursu-
8 ant to the formula set forth in section 5336
9 (other than subsection (b)).

10 (5) REDISTRIBUTION.—

11 (A) INITIAL ALLOCATION.—The Secretary
12 of Transportation shall, 180 days following the
13 date of apportionment, withdraw from each ur-
14 banized area an amount equal to 50 percent of
15 the amounts apportioned to such urbanized
16 area less the amount of funding obligated, and
17 the Secretary shall redistribute such amounts to
18 other urbanized areas that have had no funds
19 withdrawn under this paragraph utilizing what-
20 ever method the determines to be appropriate to
21 ensure that all funds redistributed under this
22 subparagraph shall be utilized promptly.

23 (B) SUBSEQUENT ALLOCATION.—One year
24 after the date of apportionment, the Secretary
25 shall withdraw from each urbanized area any

1 unobligated funds, and the Secretary shall re-
2 distribute such amounts to other urbanized
3 areas that have had no amounts withdrawn
4 under this paragraph utilizing whatever method
5 the determines to be appropriate to ensure that
6 all funds redistributed under this subparagraph
7 shall be utilized promptly.

8 (C) EXTENSION.—At the request of an ur-
9 banized area, the Secretary may provide an ex-
10 tension of the 1-year period if the Secretary de-
11 termines that the urbanized area has encoun-
12 tered an unworkable bidding environment or
13 other extenuating circumstances. Before grant-
14 ing an extension, the Secretary shall provide a
15 thorough justification for the extension in a
16 written notification submitted to the Committee
17 on Environment and Public Works of the Sen-
18 ate and the Committee on Transportation and
19 Infrastructure of the House of Representatives.

20 (6) CONDITIONS.—

21 (A) Amounts appropriated under this sub-
22 section shall be subject to the requirements
23 under section 1101(b) of SAFETEA-LU (Pub-
24 lic Law 109–59).

1 (B) Amounts appropriated under this sub-
2 section may not be commingled with amounts
3 appropriated in any prior fiscal year.

4 (7) OVERSIGHT.—Notwithstanding any other
5 provision of law, 0.3 percent of the funds under this
6 subsection shall be available for administrative ex-
7 penses and program management oversight and shall
8 remain available for obligation until September 30,
9 2015.

10 (h) TRANSPORTATION INFRASTRUCTURE GRANTS
11 AND FINANCING.—

12 (1) IN GENERAL.—There is made available to
13 the Secretary of Transportation \$5,000,000,000 for
14 capital investments in surface transportation infra-
15 structure. The Secretary shall distribute amounts
16 made available under this subsection as discretionary
17 grants to be awarded to State and local governments
18 or transit agencies on a competitive basis for
19 projects that will have a significant impact on the
20 Nation, a metropolitan area, or a region.

21 (2) FEDERAL SHARE; LIMITATION ON OBLIGA-
22 TIONS.—The Federal share payable of the costs for
23 which a grant is made under this subsection shall be
24 100 percent.

1 (3) AVAILABILITY.—The amounts made avail-
2 able under this subsection shall be available for obli-
3 gation during the 2-year period beginning on the
4 date of the enactment of this Act. The Secretary
5 shall obligate not less than 50 percent of the such
6 amounts not later than 1 year after the date of the
7 enactment of this Act and obligate the remaining
8 amounts not later than 2 years after such date of
9 enactment.

10 (4) PROJECT ELIGIBILITY.—Projects eligible for
11 funding provided under this subsection include—

12 (A) highway or bridge projects eligible
13 under title 23, United States Code, including
14 interstate rehabilitation, improvements to the
15 rural collector road system, the reconstruction
16 of overpasses and interchanges, bridge replace-
17 ments, seismic retrofit projects for bridges, and
18 road realignments;

19 (B) public transportation projects eligible
20 under chapter 53 of title 49, United States
21 Code, including investments in projects partici-
22 pating in the New Starts or Small Starts pro-
23 grams that will expedite the completion of those
24 projects and their entry into revenue service;

1 (C) passenger and freight rail transpor-
2 tation projects; and

3 (D) port infrastructure investments, in-
4 cluding projects that connect ports to other
5 modes of transportation and improve the effi-
6 ciency of freight movement.

7 (5) TIFIA PROGRAM.—The Secretary may
8 transfer amounts made available under this sub-
9 section to the Federal Highway Administration for
10 the purpose of paying the subsidy and administrative
11 costs of projects eligible for federal credit assistance
12 under chapter 6 of title 23, United States Code, if
13 the Secretary determines that such use would ad-
14 vance the purposes of this subsection.

15 (6) PROJECT PRIORITY.—The Secretary shall
16 give priority to projects that are expected to be com-
17 pleted not later than 3 years after the date of the
18 enactment of this Act.

19 (7) DEADLINE FOR ISSUANCE OF COMPETITION
20 CRITERIA.—Not later than 90 days after the date of
21 the enactment of this Act, the Secretary shall pub-
22 lish criteria on which to base the competition for any
23 grants awarded under this subsection. The Secretary
24 shall require applications for funding under this sub-
25 section to be submitted not later than 180 days after

1 the publication of the criteria, and announce all
2 projects selected to be funded from such amounts
3 not later than 1 year after the date of the enactment
4 of the Act.

5 (8) APPLICABILITY OF TITLE 40, UNITED
6 STATES CODE.—Each project conducted using funds
7 provided under this subsection shall comply with the
8 requirements under subchapter IV of chapter 31 of
9 title 40, United States Code.

10 (9) ADMINISTRATIVE EXPENSES.—The Sec-
11 retary may retain up to 0.5 percent of the amounts
12 provided under this subsection, and may transfer
13 portions of those funds to the Administrator of the
14 Federal Highway Administration, the Administrator
15 of the Federal Transit Administration, the Adminis-
16 trator of the Federal Railroad Administration, and
17 the Administrator of the Maritime Administration,
18 to fund the award and oversight of grants made
19 under this subsection. Amounts retained under this
20 paragraph shall remain available for obligation until
21 September 30, 2015.

22 (i) LOCAL HIRING.—

23 (1) IN GENERAL.—With regard to the funding
24 made available under subsections (a) through (h),
25 the Secretary of Transportation may establish stand-

1 ards under which a contract for construction may be
2 advertised that contains requirements for the em-
3 ployment of individuals residing in or adjacent to
4 any of the areas in which the work is to be per-
5 formed to perform construction work required under
6 the contract, if—

7 (A) all or part of the construction work
8 performed under the contract occurs in an area
9 designated by the Secretary as an area of high
10 unemployment, using data reported by the
11 United States Department of Labor, Bureau of
12 Labor Statistics;

13 (B) the estimated cost of the project of
14 which the contract is a part is greater than
15 \$10,000,000, except that the estimated cost of
16 the project in the case of construction funded
17 under subsection (c) shall be greater than
18 \$50,000,000; and

19 (C) the recipient may not require the hir-
20 ing of individuals who do not have the nec-
21 essary skills to perform work in any craft or
22 trade unless the recipient establishes reasonable
23 provisions to train such individuals to perform
24 any such work under the contract effectively.

25 (2) PROJECT STANDARDS.—

1 (A) IN GENERAL.—Any standards estab-
2 lished by the Secretary under this section shall
3 ensure that any requirements under subsection
4 (c)(1)—

5 (i) do not compromise the quality of
6 the project;

7 (ii) are reasonable in scope and appli-
8 cation;

9 (iii) do not unreasonably delay the
10 completion of the project; and

11 (iv) do not unreasonably increase the
12 cost of the project.

13 (B) AVAILABLE PROGRAMS.—A portion of
14 the amounts made available under subsections
15 (a) through (h) may be allocated by the recipi-
16 ents of such funding for training programs that
17 comply with paragraph (1)(C). The Secretary of
18 Labor shall make available its qualifying work-
19 force and training development programs to re-
20 cipients desiring to establish training programs
21 that comply with paragraph (1)(C).

22 (3) IMPLEMENTING REGULATIONS.—The Sec-
23 retary shall promulgate final regulations to imple-
24 ment this subsection.

25 (j) ADMINISTRATIVE PROVISIONS.—

1 (1) APPLICABILITY OF TITLE 40.—Each project
2 using amounts provided under this section shall
3 comply with the requirements under subchapter IV
4 of chapter 31 of title 40, United States Code.

5 (2) BUY AMERICAN.—Section 1605 of division
6 A of the American Recovery and Reinvestment Act
7 of 2009 (Public Law 111–5) shall apply to each
8 project conducted using amounts made available
9 under this section.

10 **Subtitle B—Building and Upgrad-**
11 **ing Infrastructure for Long-**
12 **term Development**

13 **SEC. 121. SHORT TITLE.**

14 This subtitle may be cited as the “Building and Up-
15 grading Infrastructure for Long-Term Development”.

16 **SEC. 122. FINDINGS AND PURPOSE.**

17 (1) FINDINGS.—Congress finds that—

18 (A) infrastructure has always been a vital
19 element of the economic strength of the United
20 States and a key indicator of the international
21 leadership of the United States;

22 (B) the Erie Canal, the Hoover Dam, the
23 railroads, and the interstate highway system
24 are all testaments to American ingenuity and

1 have helped propel and maintain the United
2 States as the world's largest economy;

3 (C) according to the World Economic Fo-
4 rum's Global Competitiveness Report, the
5 United States fell to second place in 2009, and
6 dropped to fourth place overall in 2010, how-
7 ever, in the "Quality of overall infrastructure"
8 category of the same report, the United States
9 ranked 23rd in the world;

10 (D) according to the World Bank's 2010
11 Logistic Performance Index, the capacity of
12 countries to efficiently move goods and connect
13 manufacturers and consumers with inter-
14 national markets is improving around the
15 world, and the United States now ranks seventh
16 in the world in logistics-related infrastructure
17 behind countries from both Europe and Asia;

18 (E) according to a January 2009 report
19 from the University of Massachusetts/Alliance
20 for American Manufacturing entitled "Employ-
21 ment, Productivity and Growth," infrastructure
22 investment is a "highly effective engine of job
23 creation";

24 (F) according to the American Society of
25 Civil Engineers, the current condition of the in-

1 frastructure in the United States earns a grade
2 point average of D, and an estimated
3 \$2,200,000,000,000 investment is needed over
4 the next 5 years to bring American infrastruc-
5 ture up to adequate condition;

6 (G) according to the National Surface
7 Transportation Policy and Revenue Study Com-
8 mission, \$225,000,000,000 is needed annually
9 from all sources for the next 50 years to up-
10 grade the United States surface transportation
11 system to a state of good repair and create a
12 more advanced system;

13 (H) the current infrastructure financing
14 mechanisms of the United States, both on the
15 Federal and State level, will fail to meet current
16 and foreseeable demands and will create large
17 funding gaps;

18 (I) published reports state that there may
19 not be enough demand for municipal bonds to
20 maintain the same level of borrowing at the
21 same rates, resulting in significantly decreased
22 infrastructure investment at the State and local
23 level;

24 (J) current funding mechanisms are not
25 readily scalable and do not—

1 (i) serve large in-State or cross juris-
2 diction infrastructure projects, projects of
3 regional or national significance, or
4 projects that cross sector silos;

5 (ii) sufficiently catalyze private sector
6 investment; or

7 (iii) ensure the optimal return on pub-
8 lic resources;

9 (K) although grant programs of the United
10 States Government must continue to play a
11 central role in financing the transportation, en-
12 vironment, and energy infrastructure needs of
13 the United States, current and foreseeable de-
14 mands on existing Federal, State, and local
15 funding for infrastructure expansion clearly ex-
16 ceed the resources to support these programs
17 by margins wide enough to prompt serious con-
18 cerns about the United States ability to sustain
19 long-term economic development, productivity,
20 and international competitiveness;

21 (L) the capital markets, including pension
22 funds, private equity funds, mutual funds, sov-
23 eraign wealth funds, and other investors, have
24 a growing interest in infrastructure investment

1 and represent hundreds of billions of dollars of
2 potential investment; and

3 (M) the establishment of a United States
4 Government-owned, independent, professionally
5 managed institution that could provide credit
6 support to qualified infrastructure projects of
7 regional and national significance, making
8 transparent merit-based investment decisions
9 based on the commercial viability of infrastruc-
10 ture projects, would catalyze the participation
11 of significant private investment capital.

12 (2) PURPOSE.—The purpose of this subtitle is
13 to facilitate investment in, and long-term financing
14 of, economically viable infrastructure projects of re-
15 gional or national significance in a manner that—

16 (A) complements existing Federal, State,
17 local, and private funding sources for these
18 projects;

19 (B) introduces a merit-based system for fi-
20 nancing such projects; and

21 (C) mobilizes significant private sector in-
22 vestment, creates jobs, and ensures United
23 States competitiveness through an institution
24 that limits the need for ongoing Federal fund-
25 ing.

1 **SEC. 123. DEFINITIONS.**

2 In this subtitle:

3 (1) AIFA.—The term “AIFA” means the
4 American Infrastructure Financing Authority estab-
5 lished under this subtitle.

6 (2) BLIND TRUST.—The term “blind trust”
7 means a trust in which the beneficiary has no knowl-
8 edge of the specific holdings and no rights over how
9 those holdings are managed by the fiduciary of the
10 trust prior to the dissolution of the trust.

11 (3) BOARD OF DIRECTORS.—The term “Board
12 of Directors” means Board of Directors of AIFA.

13 (4) CHAIRPERSON.—The term “Chairperson”
14 means the Chairperson of the Board of Directors of
15 AIFA.

16 (5) CHIEF EXECUTIVE OFFICER.—The term
17 “chief executive officer” means the chief executive
18 officer of AIFA, appointed under section 126.

19 (6) COST; DIRECT LOAN.—The terms “cost”
20 and “direct loan” have the meanings given such
21 terms in section 502 of the Federal Credit Reform
22 Act of 1990 (2 U.S.C. 661a).

23 (7) ELIGIBLE ENTITY.—The term “eligible enti-
24 ty” means an individual, corporation, partnership
25 (including a public-private partnership), joint ven-
26 ture, trust, State, or other non-Federal govern-

1 mental entity, including a political subdivision or any
2 other instrumentality of a State, or a revolving fund.

3 (8) INFRASTRUCTURE PROJECTS.—

4 (A) IN GENERAL.—The term “eligible in-
5 farastructure project” means any non-Federal
6 transportation, water, or energy infrastructure
7 project, or an aggregation of such infrastruc-
8 ture projects, as provided in this subtitle.

9 (B) TRANSPORTATION INFRASTRUCTURE
10 PROJECT.—The term “transportation infra-
11 structure project” means the construction, al-
12 teration, or repair, including the facilitation of
13 intermodal transit, of the following subsectors:

14 (i) Highway or road.

15 (ii) Bridge.

16 (iii) Mass transit.

17 (iv) Inland waterways.

18 (v) Commercial ports.

19 (vi) Airports.

20 (vii) Air traffic control systems.

21 (viii) Passenger rail, including high-
22 speed rail.

23 (ix) Freight rail systems.

24 (C) WATER INFRASTRUCTURE PROJECT.—

25 The term “water infrastructure project” means

1 the construction, consolidation, alteration, or
2 repair of the following subsectors:

- 3 (i) Wastewater treatment facility.
4 (ii) Storm water management system.
5 (iii) Dam.
6 (iv) Solid waste disposal facility.
7 (v) Drinking water treatment facility.
8 (vi) Levee.
9 (vii) Open space management system.

10 (D) ENERGY INFRASTRUCTURE

11 PROJECT.—The term “energy infrastructure
12 project” means the construction, alteration, or
13 repair of the following subsectors:

- 14 (i) Pollution reduced energy genera-
15 tion.
16 (ii) Transmission and distribution.
17 (iii) Storage.
18 (iv) Energy efficiency enhancements
19 for buildings, including public and com-
20 mercial buildings.

21 (E) BOARD AUTHORITY TO MODIFY SUB-

22 SECTORS.—The Board of Directors may make
23 modifications to the subsectors set forth in sub-
24 paragraphs (B) through (D) by a vote of not

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

3 (9) INVESTMENT PROSPECTUS.—

4 (A) IN GENERAL.—The term “investment
5 prospectus” means the processes and publica-
6 tions described in this subsection that will guide
7 the priorities and strategic focus for the Bank’s
8 investments. The investment prospectus shall
9 follow rulemaking procedures under section 553
10 of title 5, United States Code.

11 (B) PUBLICATION.—Not later than 1 year
12 after the date of the enactment of this Act, the
13 Bank shall publish a detailed description of its
14 strategy in an Investment Prospectus that—

15 (i) specifies what the Bank shall con-
16 sider significant to the economic competi-
17 tiveness of the United States or a region
18 thereof in a manner consistent with the
19 primary objective;

20 (ii) specifies the priorities and stra-
21 tegic focus of the Bank in forwarding its
22 strategic objectives and carrying out the
23 Bank strategy;

24 (iii) specifies the priorities and stra-
25 tegic focus of the Bank in promoting

1 greater efficiency in the movement of
2 freight;

3 (iv) specifies the priorities and stra-
4 tegic focus of the Bank in promoting the
5 use of innovation and best practices in the
6 planning, design, development and delivery
7 of projects;

8 (v) describes in detail the framework
9 and methodology for calculating applica-
10 tion qualification scores and associated
11 ranges as specified in this subchapter,
12 along with the data to be requested from
13 applicants and the mechanics of calcula-
14 tions to be applied to that data to deter-
15 mine qualification scores and ranges;

16 (vi) describes how selection criteria
17 will be applied by the Chief Executive Offi-
18 cer in determining the competitiveness of
19 an application and its qualification score
20 and range relative to other current applica-
21 tions and previously funded applications;
22 and

23 (vii) describes how the qualification
24 score and range methodology and project
25 selection framework are consistent with

1 maximizing the Bank goals in urban and
2 rural areas.

3 (C) APPROVAL.—The Investment Pro-
4 spectus and any subsequent updates to the In-
5 vestment Prospectus shall be approved by a ma-
6 jority vote of the Board of Directors prior to
7 publication.

8 (D) UPDATES.—The Bank shall update
9 the Investment Prospectus on every biennial an-
10 niversary of its original publication.

11 (10) INVESTMENT-GRADE RATING.—The term
12 “investment-grade rating” means a rating of BBB
13 minus, Baa3, or higher assigned to an infrastructure
14 project by a ratings agency.

15 (11) LOAN GUARANTEE.—The term “loan guar-
16 antee” has the meaning given such term in section
17 502 of the Federal Credit Reform Act of 1990 (2
18 U.S.C. 661a).

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

22 (A)(i) which is undertaking the develop-
23 ment of all or part of an infrastructure project
24 that will have a public benefit, pursuant to re-
25 quirements established in one or more contracts

1 between the entity and a State or an instru-
2 mentality of a State; or

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

7 (B) which owns, leases, or operates or will
8 own, lease, or operate, the project in whole or
9 in part; and

10 (C) the participants in which include not
11 fewer than 1 nongovernmental entity with sig-
12 nificant investment and some control over the
13 project or project vehicle.

14 (13) RURAL INFRASTRUCTURE PROJECT.—The
15 term “rural infrastructure project” means an infra-
16 structure project in a rural area (as defined in sec-
17 tion 343(a)(13)(A) of the Consolidated Farm and
18 Rural Development Act (7 U.S.C. 1991(a)(13)(A))).

19 (14) SECRETARY.—Unless the context other-
20 wise requires, the term “Secretary” means the Sec-
21 retary of the Treasury or the designee of the Sec-
22 retary of the Treasury.

23 (15) SENIOR MANAGEMENT.—The term “senior
24 management” means—

1 (A) the chief financial officer, chief risk of-
2 ficer, chief compliance officer, general counsel,
3 chief lending officer, and chief operations offi-
4 cer of AIFA established under section 128; and

5 (B) such other officers as the Board of Di-
6 rectors may, by majority vote, add to senior
7 management.

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

13 **SEC. 124. ESTABLISHMENT AND GENERAL AUTHORITY OF**
14 **AMERICAN INFRASTRUCTURE FINANCING**
15 **AUTHORITY.**

16 (a) ESTABLISHMENT OF AIFA.—The American In-
17 frastructure Financing Authority is established as a whol-
18 ly owned Government corporation.

19 (b) GENERAL AUTHORITY OF AIFA.—AIFA shall
20 provide direct loans and loan guarantees to facilitate infra-
21 structure projects that are both economically viable and
22 of regional or national significance, and shall have such
23 other authority, as provided in this subtitle.

24 (c) INCORPORATION.—

1 of the Senate, not more than 4 of whom shall be
2 from the same political party.

3 (2) CHAIRPERSON.—One of the voting members
4 of the Board of Directors shall be designated by the
5 President to serve as Chairperson.

6 (3) CONGRESSIONAL RECOMMENDATIONS.—Not
7 later than 30 days after the date of the enactment
8 of this Act, the majority leader of the Senate, the
9 minority leader of the Senate, the Speaker of the
10 House of Representatives, and the minority leader of
11 the House of Representatives shall each submit a
12 recommendation to the President for appointment of
13 a member of the Board of Directors, after consulta-
14 tion with the appropriate committees of Congress.

15 (b) VOTING RIGHTS.—Each voting member of the
16 Board of Directors shall have an equal vote in all decisions
17 of the Board of Directors.

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

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

21 (2) have significant demonstrated expertise in—

22 (A) the management and administration of
23 a financial institution relevant to the operation
24 of AIFA; or a public financial agency or author-
25 ity; or

1 (B) the financing, development, or oper-
2 ation of infrastructure projects; or

3 (C) analyzing the economic benefits of in-
4 frastructure investment.

5 (d) TERMS.—

6 (1) IN GENERAL.—Except as otherwise pro-
7 vided in this subtitle, each voting member of the
8 Board of Directors shall be appointed for a term of
9 4 years.

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

12 (A) the initial Chairperson and 3 of the
13 other voting members shall each be appointed
14 for a term of 4 years; and

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

17 (3) DATE OF INITIAL NOMINATIONS.—The ini-
18 tial nominations for the appointment of all voting
19 members of the Board of Directors shall be made
20 not later than 60 days after the date of the enact-
21 ment of this Act.

22 (4) BEGINNING OF TERM.—The term of each of
23 the initial voting members appointed under this sub-
24 title shall commence immediately upon the date of
25 appointment, except that, for purposes of calculating

1 the term limits specified in this section, the initial
2 terms shall each be construed as beginning on Janu-
3 ary 22 of the year following the date of the initial
4 appointment.

5 (5) VACANCIES.—A vacancy in the position of
6 a voting member of the Board of Directors shall be
7 filled by the President, and a member appointed to
8 fill a vacancy on the Board of Directors occurring
9 before the expiration of the term for which the pred-
10 ecessor was appointed shall be appointed only for
11 the remainder of that term.

12 (e) MEETINGS.—

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

16 (A) open to the public; and

17 (B) preceded by reasonable public notice.

18 (2) FREQUENCY.—The Board of Directors shall
19 meet not later than 60 days after the date on which
20 all members of the Board of Directors are first ap-
21 pointed, at least quarterly thereafter, and otherwise
22 at the call of either the Chairperson or 5 voting
23 members of the Board of Directors.

24 (3) EXCEPTION FOR CLOSED MEETINGS.—The
25 voting members of the Board of Directors may, by

1 majority vote, close a meeting to the public if, dur-
2 ing the meeting to be closed, there is likely to be dis-
3 closed proprietary or sensitive information regarding
4 an infrastructure project under consideration for as-
5 sistance under this Act. The Board of Directors
6 shall prepare minutes of any meeting that is closed
7 to the public, and shall make such minutes available
8 as soon as practicable, not later than 1 year after
9 the date of the closed meeting, with any necessary
10 redactions to protect any proprietary or sensitive in-
11 formation.

12 (4) QUORUM.—For purposes of meetings of the
13 Board of Directors, 5 voting members of the Board
14 of Directors shall constitute a quorum.

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

23 (g) CONFLICTS OF INTEREST.—A voting member of
24 the Board of Directors may not participate in any review
25 or decision affecting an infrastructure project under con-

1 sideration for assistance under this subtitle, if the member
2 has or is affiliated with an entity who has a financial inter-
3 est in such project.

4 **SEC. 126. CHIEF EXECUTIVE OFFICER OF AIFA.**

5 (a) IN GENERAL.—The chief executive officer of
6 AIFA shall be a nonvoting member of the Board of Direc-
7 tors, who shall be responsible for all activities of AIFA,
8 and shall support the Board of Directors as set forth in
9 this Act and as the Board of Directors deems necessary
10 or appropriate.

11 (b) APPOINTMENT AND TENURE OF THE CHIEF EX-
12 ECUTIVE OFFICER.—

13 (1) IN GENERAL.—The President shall appoint
14 the chief executive officer, by and with the advice
15 and consent of the Senate.

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

18 (3) VACANCIES.—Any vacancy in the office of
19 the chief executive officer shall be filled by the Presi-
20 dent, and the person appointed to fill a vacancy in
21 that position occurring before the expiration of the
22 term for which the predecessor was appointed shall
23 be appointed only for the remainder of that term.

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

1 (1) shall have significant expertise in manage-
2 ment and administration of a financial institution,
3 or significant expertise in the financing and develop-
4 ment of infrastructure projects, or significant exper-
5 tise in analyzing the economic benefits of infrastruc-
6 ture investment; and

7 (2) may not—

8 (A) hold any other public office;

9 (B) have any financial interest in an infra-
10 structure project then being considered by the
11 Board of Directors, unless that interest is
12 placed in a blind trust; or

13 (C) have any financial interest in an in-
14 vestment institution or its affiliates or any
15 other entity seeking or likely to seek financial
16 assistance for any infrastructure project from
17 AIFA, unless any such interest is placed in a
18 blind trust for the tenure of the service of the
19 chief executive officer plus 2 additional years.

20 (d) RESPONSIBILITIES.—The chief executive officer
21 shall have such executive functions, powers, and duties as
22 may be prescribed by this Act, the bylaws of AIFA, or
23 the Board of Directors, including—

24 (1) responsibility for the development and im-
25 plementation of the strategy of AIFA, including—

1 (A) the development and submission to the
2 Board of Directors of the investment pro-
3 spectus, the annual business plans and budget;

4 (B) the development and submission to the
5 Board of Directors of a long-term strategic
6 plan; and

7 (C) the development, revision, and submis-
8 sion to the Board of Directors of internal poli-
9 cies; and

10 (2) responsibility for the management and over-
11 sight of the daily activities, decisions, operations,
12 and personnel of AIFA, including—

13 (A) the appointment of senior manage-
14 ment, subject to approval by the voting mem-
15 bers of the Board of Directors, and the hiring
16 and termination of all other AIFA personnel;

17 (B) requesting the detail, on a reimburs-
18 able basis, of personnel from any Federal agen-
19 cy having specific expertise not available from
20 within AIFA, following which request the head
21 of the Federal agency may detail, on a reim-
22 bursable basis, any personnel of such agency
23 reasonably requested by the chief executive offi-
24 cer;

1 (C) assessing and recommending in the
2 first instance, for ultimate approval or dis-
3 approval by the Board of Directors, compensa-
4 tion and adjustments to compensation of senior
5 management and other personnel of AIFA as
6 may be necessary for carrying out the functions
7 of AIFA;

8 (D) ensuring, in conjunction with the gen-
9 eral counsel of AIFA, that all activities of
10 AIFA are carried out in compliance with appli-
11 cable law;

12 (E) overseeing the involvement of AIFA in
13 all projects, including—

14 (i) developing eligible projects for
15 AIFA financial assistance;

16 (ii) determining the terms and condi-
17 tions of all financial assistance packages;

18 (iii) monitoring all infrastructure
19 projects assisted by AIFA, including re-
20 sponsibility for ensuring that the proceeds
21 of any loan made, guaranteed, or partici-
22 pated in are used only for the purposes for
23 which the loan or guarantee was made;

1 (iv) preparing and submitting for ap-
2 proval by the Board of Directors the docu-
3 ments required under paragraph (1); and

4 (v) ensuring the implementation of de-
5 cisions of the Board of Directors; and

6 (F) such other activities as may be nec-
7 essary or appropriate in carrying out this Act.

8 (e) COMPENSATION.—

9 (1) IN GENERAL.—Any compensation assess-
10 ment or recommendation by the chief executive offi-
11 cer under this subtitle shall be without regard to the
12 provisions of chapter 51 or subchapter III of chapter
13 53 of title 5, United States Code.

14 (2) CONSIDERATIONS.—The compensation as-
15 sessment or recommendation required under this
16 section shall take into account merit principles,
17 where applicable, as well as the education, experi-
18 ence, level of responsibility, geographic differences,
19 and retention and recruitment needs in determining
20 compensation of personnel.

21 **SEC. 127. POWERS AND DUTIES OF THE BOARD OF DIREC-**
22 **TORS.**

23 The Board of Directors shall—

1 (a) as soon as is practicable after the date on which
2 all members are appointed, approve or disapprove senior
3 management appointed by the chief executive officer;

4 (b) not later than 180 days after the date on which
5 all members are appointed—

6 (1) develop and approve the bylaws of AIFA,
7 including bylaws for the regulation of the affairs and
8 conduct of the business of AIFA, consistent with the
9 purpose, goals, objectives, and policies set forth in
10 this subtitle;

11 (2) establish subcommittees, including an audit
12 committee that is composed solely of members of the
13 Board of Directors who are independent of the sen-
14 ior management of AIFA;

15 (3) develop and approve, in consultation with
16 senior management, a conflict-of-interest policy for
17 the Board of Directors and for senior management;

18 (4) approve or disapprove internal policies that
19 the chief executive officer shall submit to the Board
20 of Directors, including—

21 (A) policies regarding the loan application
22 and approval process, including—

23 (i) disclosure and application proce-
24 dures to be followed by entities in the

1 course of nominating infrastructure
2 projects for assistance under this Act;

3 (ii) guidelines for the selection and
4 approval of projects;

5 (iii) specific criteria for determining
6 eligibility for project selection, consistent
7 with title II; and

8 (iv) standardized terms and condi-
9 tions, fee schedules, or legal requirements
10 of a contract or program, so as to carry
11 out this Act; and

12 (B) operational guidelines; and

13 (5) approve or disapprove a multi-year or 1-
14 year business plan and budget for AIFA;

15 (c) ensure that AIFA is at all times operated in a
16 manner that is consistent with this subtitle, by—

17 (1) monitoring and assessing the effectiveness
18 of AIFA in achieving its strategic goals;

19 (2) periodically reviewing internal policies;

20 (3) reviewing and approving annual business
21 plans, annual budgets, and long-term strategies sub-
22 mitted by the chief executive officer;

23 (4) reviewing and approving annual reports
24 submitted by the chief executive officer;

1 (5) engaging one or more external auditors, as
2 set forth in this subtitle; and

3 (6) reviewing and approving all changes to the
4 organization of senior management;

5 (d) appoint and fix, by a vote of 5 of the 7 voting
6 members of the Board of Directors, and without regard
7 to the provisions of chapter 51 or subchapter III of chap-
8 ter 53 of title 5, United States Code, the compensation
9 and adjustments to compensation of all AIFA personnel,
10 provided that in appointing and fixing any compensation
11 or adjustments to compensation under this subsection, the
12 Board shall—

13 (1) consult with, and seek to maintain com-
14 parability with, other comparable Federal personnel;

15 (2) consult with the Office of Personnel Man-
16 agement; and

17 (3) carry out such duties consistent with merit
18 principles, where applicable, as well as the education,
19 experience, level of responsibility, geographic dif-
20 ferences, and retention and recruitment needs in de-
21 termining compensation of personnel;

22 (e) establish such other criteria, requirements, or pro-
23 cedures as the Board of Directors may consider to be ap-
24 propriate in carrying out this subtitle;

1 (f) serve as the primary liaison for AIFA in inter-
2 actions with Congress, the Executive Branch, and State
3 and local governments, and to represent the interests of
4 AIFA in such interactions and others;

5 (g) approve by a vote of 5 of the 7 voting members
6 of the Board of Directors any changes to the bylaws or
7 internal policies of AIFA;

8 (h) have the authority and responsibility—

9 (1) to oversee entering into and carry out such
10 contracts, leases, cooperative agreements, or other
11 transactions as are necessary to carry out this sub-
12 title with—

13 (A) any Federal department or agency;

14 (B) any State, territory, or possession (or
15 any political subdivision thereof, including State
16 infrastructure banks) of the United States; and

17 (C) any individual, public-private partner-
18 ship, firm, association, or corporation;

19 (2) to approve of the acquisition, lease, pledge,
20 exchange, and disposal of real and personal property
21 by AIFA and otherwise approve the exercise by
22 AIFA of all of the usual incidents of ownership of
23 property, to the extent that the exercise of such pow-
24 ers is appropriate to and consistent with the pur-
25 poses of AIFA;

1 (3) to determine the character of, and the ne-
2 cessity for, the obligations and expenditures of
3 AIFA, and the manner in which the obligations and
4 expenditures will be incurred, allowed, and paid,
5 subject to this Act and other Federal law specifically
6 applicable to wholly owned Federal corporations;

7 (4) to execute, in accordance with applicable by-
8 laws and regulations, appropriate instruments;

9 (5) to approve other forms of credit enhance-
10 ment that AIFA may provide to eligible projects, as
11 long as the forms of credit enhancements are con-
12 sistent with the purposes of this subtitle and terms
13 set forth in this subtitle;

14 (6) to exercise all other lawful powers which are
15 necessary or appropriate to carry out, and are con-
16 sistent with, the purposes of AIFA;

17 (7) to sue or be sued in the corporate capacity
18 of AIFA in any court of competent jurisdiction;

19 (8) to indemnify the members of the Board of
20 Directors and officers of AIFA for any liabilities
21 arising out of the actions of the members and offi-
22 cers in such capacity, in accordance with, and sub-
23 ject to the limitations contained in this subtitle;

24 (9) to review all financial assistance packages
25 to all eligible infrastructure projects, as submitted

1 by the chief executive officer and to approve, post-
2 pone, or deny the same by majority vote;

3 (10) to review all restructuring proposals sub-
4 mitted by the chief executive officer, including assign-
5 nation, pledging, or disposal of the interest of AIFA
6 in a project, including payment or income from any
7 interest owned or held by AIFA, and to approve,
8 postpone, or deny the same by majority vote; and

9 (11) to enter into binding commitments, as
10 specified in approved financial assistance packages;

11 (i) delegate to the chief executive officer those duties
12 that the Board of Directors deems appropriate, to better
13 carry out the powers and purposes of the Board of Direc-
14 tors under this section; and

15 (j) to approve a maximum aggregate amount of out-
16 standing obligations of AIFA at any given time, taking
17 into consideration funding, and the size of AIFA's ad-
18 dressable market for infrastructure projects.

19 **SEC. 128. SENIOR MANAGEMENT.**

20 (a) IN GENERAL.—Senior management shall support
21 the chief executive officer in the discharge of the respon-
22 sibilities of the chief executive officer.

23 (b) APPOINTMENT OF SENIOR MANAGEMENT.—The
24 chief executive officer shall appoint such senior managers
25 as are necessary to carry out the purpose of AIFA, as

1 approved by a majority vote of the voting members of the
2 Board of Directors.

3 (c) TERM.—Each member of senior management
4 shall serve at the pleasure of the chief executive officer
5 and the Board of Directors.

6 (d) REMOVAL OF SENIOR MANAGEMENT.—Any mem-
7 ber of senior management may be removed, either by a
8 majority of the voting members of the Board of Directors
9 upon request by the chief executive officer, or otherwise
10 by vote of not fewer than 5 voting members of the Board
11 of Directors.

12 (e) SENIOR MANAGEMENT.—

13 (1) IN GENERAL.—Each member of senior
14 management shall report directly to the chief execu-
15 tive officer, other than the Chief Risk Officer, who
16 shall report directly to the Board of Directors.

17 (2) DUTIES AND RESPONSIBILITIES.—

18 (A) CHIEF FINANCIAL OFFICER.—The
19 Chief Financial Officer shall be responsible for
20 all financial functions of AIFA, provided that,
21 at the discretion of the Board of Directors, spe-
22 cific functions of the Chief Financial Officer
23 may be delegated externally.

1 (B) CHIEF RISK OFFICER.—The Chief
2 Risk Officer shall be responsible for all func-
3 tions of AIFA relating to—

4 (i) the creation of financial, credit,
5 and operational risk management guide-
6 lines and policies;

7 (ii) credit analysis for infrastructure
8 projects;

9 (iii) the creation of conforming stand-
10 ards for infrastructure finance agreements;

11 (iv) the monitoring of the financial,
12 credit, and operational exposure of AIFA;
13 and

14 (v) risk management and mitigation
15 actions, including by reporting such ac-
16 tions, or recommendations of such actions
17 to be taken, directly to the Board of Direc-
18 tors.

19 (C) CHIEF COMPLIANCE OFFICER.—The
20 Chief Compliance Officer shall be responsible
21 for all functions of AIFA relating to internal
22 audits, accounting safeguards, and the enforce-
23 ment of such safeguards and other applicable
24 requirements.

1 (D) GENERAL COUNSEL.—The General
2 Counsel shall be responsible for all functions of
3 AIFA relating to legal matters and, in consulta-
4 tion with the chief executive officer, shall be re-
5 sponsible for ensuring that AIFA complies with
6 all applicable law.

7 (E) CHIEF OPERATIONS OFFICER.—The
8 Chief Operations Officer shall be responsible for
9 all operational functions of AIFA, including
10 those relating to the continuing operations and
11 performance of all infrastructure projects in
12 which AIFA retains an interest and for all
13 AIFA functions related to human resources.

14 (F) CHIEF LENDING OFFICER.—The Chief
15 Lending Officer shall be responsible for—

16 (i) all functions of AIFA relating to
17 the development of project pipeline, finan-
18 cial structuring of projects, selection of in-
19 frastructure projects to be reviewed by the
20 Board of Directors, preparation of infra-
21 structure projects to be presented to the
22 Board of Directors, and set aside for rural
23 infrastructure projects;

24 (ii) the creation and management of—

1 (I) a Center for Excellence to
2 provide technical assistance to public
3 sector borrowers in the development
4 and financing of infrastructure
5 projects; and

6 (II) an Office of Rural Assistance
7 to provide technical assistance in the
8 development and financing of rural in-
9 frastructure projects; and

10 (iii) the establishment of guidelines to
11 ensure diversification of lending activities
12 by region, infrastructure project type, and
13 project size.

14 (f) CHANGES TO SENIOR MANAGEMENT.—The Board
15 of Directors, in consultation with the chief executive offi-
16 cer, may alter the structure of the senior management of
17 AIFA at any time to better accomplish the goals, objec-
18 tives, and purposes of AIFA, provided that the functions
19 of the Chief Financial Officer set forth in subsection
20 (e)(2)(A) remain separate from the functions of the Chief
21 Risk Officer set forth in subsection (e)(2)(B).

22 (g) CONFLICTS OF INTEREST.—No individual ap-
23 pointed to senior management may—

24 (1) hold any other public office;

1 (2) have any financial interest in an infrastruc-
2 ture project then being considered by the Board of
3 Directors, unless that interest is placed in a blind
4 trust; or

5 (3) have any financial interest in an investment
6 institution or its affiliates, AIFA or its affiliates, or
7 other entity then seeking or likely to seek financial
8 assistance for any infrastructure project from AIFA,
9 unless any such interest is placed in a blind trust
10 during the term of service of that individual in a
11 senior management position, and for a period of 2
12 years thereafter.

13 **SEC. 129. SPECIAL INSPECTOR GENERAL FOR AIFA.**

14 (a) IN GENERAL.—During the first 5 operating years
15 of AIFA, the Office of the Inspector General of the De-
16 partment of the Treasury shall have responsibility for
17 AIFA.

18 (b) OFFICE OF THE SPECIAL INSPECTOR GEN-
19 ERAL.—Effective 5 years after the date of the commence-
20 ment of the operations of AIFA, there is established the
21 Office of the Special Inspector General for AIFA.

22 (c) APPOINTMENT OF INSPECTOR GENERAL; RE-
23 MOVAL.—

24 (1) HEAD OF OFFICE.—The head of the Office
25 of the Special Inspector General for AIFA shall be

1 the Special Inspector General for AIFA (referred to
2 in this section as the “Special Inspector General”),
3 who shall be appointed by the President, by and
4 with the advice and consent of the Senate.

5 (2) BASIS OF APPOINTMENT.—The appoint-
6 ment of the Special Inspector General shall be made
7 on the basis of integrity and demonstrated ability in
8 accounting, auditing, financial analysis, law, man-
9 agement analysis, public administration, or inves-
10 tigation.

11 (3) TIMING OF NOMINATION.—The nomination
12 of an individual as Special Inspector General shall
13 be made as soon as is practicable after the effective
14 date under subsection (b).

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

19 (5) RULE OF CONSTRUCTION.—For purposes of
20 section 7324 of title 5, United States Code, the Spe-
21 cial Inspector General shall not be considered an em-
22 ployee who determines policies to be pursued by the
23 United States in the nationwide administration of
24 Federal law.

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

6 (d) DUTIES.—

7 (1) IN GENERAL.—The Special Inspector Gen-
8 eral shall conduct, supervise, and coordinate audits
9 and investigations of the business activities of AIFA.

10 (2) OTHER SYSTEMS, PROCEDURES, AND CON-
11 TROLS.—The Special Inspector General shall estab-
12 lish, maintain, and oversee such systems, procedures,
13 and controls as the Special Inspector General con-
14 siders appropriate to discharge the duty described in
15 paragraph (1).

16 (3) ADDITIONAL DUTIES.—In addition to the
17 duties specified in paragraphs (1) and (2), the In-
18 spector General shall have the duties and respon-
19 sibilities of inspectors general under the Inspector
20 General Act of 1978.

21 (e) POWERS AND AUTHORITIES.—

22 (1) IN GENERAL.—In carrying out the duties
23 specified in subsection (d), the Special Inspector
24 General shall have the authorities provided in section
25 6 of the Inspector General Act of 1978.

1 (2) ADDITIONAL AUTHORITY.—The Special In-
2 specter General shall carry out the duties specified
3 in subsection (d)(1) in accordance with section
4 4(b)(1) of the Inspector General Act of 1978.

5 (f) PERSONNEL, FACILITIES, AND OTHER RE-
6 SOURCES.—

7 (1) ADDITIONAL OFFICERS.—

8 (A) The Special Inspector General may se-
9 lect, appoint, and employ such officers and em-
10 ployees as may be necessary for carrying out
11 the duties of the Special Inspector General,
12 subject to the provisions of title 5, United
13 States Code, governing appointments in the
14 competitive service, and the provisions of chap-
15 ter 51 and subchapter III of chapter 53 of such
16 title, relating to classification and General
17 Schedule pay rates.

18 (B) The Special Inspector General may ex-
19 ercise the authorities under subsections (b)
20 through (i) of section 3161 of title 5, United
21 States Code (without regard to subsection (a)
22 of that section).

23 (2) RETENTION OF SERVICES.—The Special In-
24 specter General may obtain services as authorized by
25 section 3109 of title 5, United States Code, at daily

1 rates not to exceed the equivalent rate prescribed for
2 grade GS-15 of the General Schedule by section
3 5332 of such title.

4 (3) ABILITY TO CONTRACT FOR AUDITS, STUD-
5 IES, AND OTHER SERVICES.—The Special Inspector
6 General may enter into contracts and other arrange-
7 ments for audits, studies, analyses, and other serv-
8 ices with public agencies and with private persons,
9 and make such payments as may be necessary to
10 carry out the duties of the Special Inspector Gen-
11 eral.

12 (4) REQUEST FOR INFORMATION.—

13 (A) IN GENERAL.—Upon request of the
14 Special Inspector General for information or as-
15 sistance from any department, agency, or other
16 entity of the Federal Government, the head of
17 such entity shall, insofar as is practicable and
18 not in contravention of any existing law, furnish
19 such information or assistance to the Special
20 Inspector General, or an authorized designee.

21 (B) REFUSAL TO COMPLY.—Whenever in-
22 formation or assistance requested by the Spe-
23 cial Inspector General is, in the judgment of the
24 Special Inspector General, unreasonably refused
25 or not provided, the Special Inspector General

1 shall report the circumstances to the Secretary
2 of the Treasury, without delay.

3 (g) REPORTS.—

4 (1) ANNUAL REPORT.—Not later than 1 year
5 after the confirmation of the Special Inspector Gen-
6 eral, and every calendar year thereafter, the Special
7 Inspector General shall submit to the President a re-
8 port summarizing the activities of the Special In-
9 spector General during the previous 1-year period
10 ending on the date of such report.

11 (2) PUBLIC DISCLOSURES.—Nothing in this
12 section shall be construed to authorize the public
13 disclosure of information that is—

14 (A) specifically prohibited from disclosure
15 by any other provision of law;

16 (B) specifically required by Executive order
17 to be protected from disclosure in the interest
18 of national defense or national security or in
19 the conduct of foreign affairs; or

20 (C) a part of an ongoing criminal inves-
21 tigation.

22 **SEC. 130. OTHER PERSONNEL.**

23 Except as otherwise provided in the bylaws of AIFA,
24 the chief executive officer, in consultation with the Board
25 of Directors, shall appoint, remove, and define the duties

1 of such qualified personnel as are necessary to carry out
2 the powers, duties, and purpose of AIFA, other than sen-
3 ior management, who shall be appointed in accordance
4 with section 249.

5 **SEC. 131. COMPLIANCE.**

6 The provision of assistance by the Board of Directors
7 pursuant to this Act shall not be construed as superseding
8 any provision of State law or regulation otherwise applica-
9 ble to an infrastructure project.

10 **SEC. 132. TERMS AND LIMITATIONS ON DIRECT LOANS AND**
11 **LOAN GUARANTEES.**

12 (a) **ELIGIBILITY CRITERIA FOR ASSISTANCE FROM**
13 **AIFA AND TERMS AND LIMITATIONS OF LOANS.**—Any
14 project whose use or purpose is private and for which no
15 public benefit is created shall not be eligible for financial
16 assistance from AIFA under this subtitle. Financial assist-
17 ance under this subtitle shall only be made available if
18 the applicant for such assistance has demonstrated to the
19 satisfaction of the Board of Directors that the infrastruc-
20 ture project for which such assistance is being sought—

21 (1) is not for the refinancing of an existing in-
22 frastructure project; and

23 (2) meets—

24 (A) any pertinent requirements set forth in
25 this subtitle;

1 (B) any criteria established by the Board
2 of Directors or chief executive officer in accord-
3 ance with this subtitle; and

4 (C) the definition of a transportation infra-
5 structure project, water infrastructure project,
6 or energy infrastructure project.

7 (b) CONSIDERATIONS.—The criteria established by
8 the Board of Directors pursuant to this subtitle shall pro-
9 vide adequate consideration of—

10 (1) the economic, financial, technical, environ-
11 mental, and public benefits and costs of each infra-
12 structure project under consideration for financial
13 assistance under this subtitle, prioritizing infrastruc-
14 ture projects that—

15 (A) contribute to regional or national eco-
16 nomic growth;

17 (B) offer value for money to taxpayers;

18 (C) demonstrate a clear and significant
19 public benefit;

20 (D) lead to job creation; and

21 (E) mitigate environmental concerns;

22 (2) the means by which development of the in-
23 frastructure project under consideration is being fi-
24 nanced, including—

1 (A) the terms, conditions, and structure of
2 the proposed financing;

3 (B) the credit worthiness and standing of
4 the project sponsors, providers of equity, and
5 co-financiers;

6 (C) the financial assumptions and projec-
7 tions on which the infrastructure project is
8 based; and

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

12 (3) the likelihood that the provision of assist-
13 ance by AIFA will cause such development to pro-
14 ceed more promptly and with lower costs than would
15 be the case without such assistance;

16 (4) the extent to which the provision of assist-
17 ance by AIFA maximizes the level of private invest-
18 ment in the infrastructure project or supports a
19 public-private partnership, while providing a signifi-
20 cant public benefit;

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

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

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

3 (8) the geographic location of the project in an
4 effort to have geographic diversity of projects funded
5 by AIFA;

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

8 (10) the infrastructure sector of the project, in
9 an effort to have projects from more than one sector
10 funded by AIFA; and

11 (11) encourages use of innovative procurement,
12 asset management, or financing to minimize the all-
13 in-life-cycle cost, and improve the cost-effectiveness
14 of a project.

15 (c) APPLICATION.—

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

22 (2) REVIEW OF APPLICATIONS.—AIFA shall re-
23 view applications for assistance under this Act on an
24 ongoing basis. The chief executive officer, working
25 with the senior management, shall prepare eligible

1 infrastructure projects for review and approval by
2 the Board 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 that also secure the infrastructure
7 project obligations.

8 (d) ELIGIBLE INFRASTRUCTURE PROJECT COSTS.—

9 (1) IN GENERAL.—Except as provided in para-
10 graph (2), to be eligible for assistance under this
11 subtitle, an infrastructure project shall have project
12 costs that are reasonably anticipated to equal or ex-
13 ceed \$100,000,000.

14 (2) RURAL INFRASTRUCTURE PROJECTS.—To
15 be eligible for assistance under this subtitle, a rural
16 infrastructure project shall have project costs that
17 are reasonably anticipated to equal or exceed
18 \$25,000,000.

19 (e) LOAN ELIGIBILITY AND MAXIMUM AMOUNTS.—

20 (1) IN GENERAL.—The amount of a direct loan
21 or loan guarantee under this subtitle may not exceed
22 the lesser of 50 percent of the reasonably anticipated
23 eligible infrastructure project costs or, if the direct
24 loan or loan guarantee does not receive an invest-

1 ment grade rating, the amount of the senior project
2 obligations.

3 (2) MAXIMUM ANNUAL LOAN AND LOAN GUAR-
4 ANTEE VOLUME.—The aggregate amount of direct
5 loans and loan guarantees made by AIFA in any
6 single fiscal year may not exceed—

7 (A) during the first 2 fiscal years of the
8 operations of AIFA, \$10,000,000,000;

9 (B) during fiscal years 3 through 9 of the
10 operations of AIFA, \$20,000,000,000; or

11 (C) during any fiscal year thereafter,
12 \$50,000,000,000.

13 (f) STATE AND LOCAL PERMITS REQUIRED.—The
14 provision of assistance by the Board of Directors pursuant
15 to this subtitle shall not be deemed to relieve any recipient
16 of such assistance, or the related infrastructure project,
17 of any obligation to obtain required State and local per-
18 mits and approvals.

19 **SEC. 133. LOAN TERMS AND REPAYMENT.**

20 (a) IN GENERAL.—A direct loan or loan guarantee
21 under this subtitle with respect to an eligible infrastruc-
22 ture project shall be on such terms, subject to such condi-
23 tions, and contain such covenants, representations, war-
24 ranties, and requirements (including requirements for au-
25 dits) as the chief executive officer determines appropriate.

1 (b) TERMS.—A direct loan or loan guarantee under
2 this subtitle—

3 (1) shall—

4 (A) be payable, in whole or in part, from
5 tolls, user fees, or other dedicated revenue
6 sources that also secure the senior project obli-
7 gations (such as availability payments and dedi-
8 cated State or local revenues); and

9 (B) include a rate covenant, coverage re-
10 quirement, or similar security feature sup-
11 porting the project obligations; and

12 (2) may have a lien on revenues described in
13 paragraph (1), subject to any lien securing project
14 obligations.

15 (c) BASE INTEREST RATE.—The base interest rate
16 on a direct loan under this subtitle shall be not less than
17 the yield on United States Treasury obligations of a simi-
18 lar maturity to the maturity of the direct loan.

19 (d) RISK ASSESSMENT.—Before entering into an
20 agreement for assistance under this subtitle, the chief ex-
21 ecutive officer, in consultation with the Director of the Of-
22 fice of Management and Budget and considering rating
23 agency preliminary or final rating opinion letters of the
24 project under this subtitle, shall estimate an appropriate
25 Federal credit subsidy amount for each direct loan and

1 loan guarantee, taking into account such letter, as well
2 as any comparable market rates available for such a loan
3 or loan guarantee, should any exist. The final credit sub-
4 sidy cost for each loan and loan guarantee shall be deter-
5 mined consistent with the Federal Credit Reform Act, 2
6 U.S.C. 661a et seq.

7 (e) CREDIT FEE.—With respect to each agreement
8 for assistance under this subtitle, the chief executive offi-
9 cer may charge a credit fee to the recipient of such assist-
10 ance to pay for, over time, all or a portion of the Federal
11 credit subsidy determined under subsection (d), with the
12 remainder paid by the account established for AIFA; pro-
13 vided, that the source of fees paid under this subtitle shall
14 not be a loan or debt obligation guaranteed by the Federal
15 Government. In the case of a direct loan, such credit fee
16 shall be in addition to the base interest rate established
17 under subsection (c).

18 (f) MATURITY DATE.—The final maturity date of a
19 direct loan or loan guaranteed by AIFA under this subtitle
20 shall be not later than 35 years after the date of substan-
21 tial completion of the infrastructure project, as determined
22 by the chief executive officer.

23 (g) RATING OPINION LETTER.—

24 (1) IN GENERAL.—The chief executive officer
25 shall require each applicant for assistance under this

1 subtitle to provide a rating opinion letter from at
2 least 1 ratings agency, indicating that the senior ob-
3 ligations of the infrastructure project, which may be
4 the Federal credit instrument, have the potential to
5 achieve an investment-grade rating.

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

16 (h) INVESTMENT-GRADE RATING REQUIREMENT.—

17 (1) LOANS AND LOAN GUARANTEES.—The exe-
18 cution of a direct loan or loan guarantee under this
19 subtitle shall be contingent on the senior obligations
20 of the infrastructure project receiving an investment-
21 grade rating.

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

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

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

7 (2) COMMENCEMENT.—Scheduled loan repay-
8 ments of principal or interest on a direct loan under
9 this subtitle shall commence not later than 5 years
10 after the date of substantial completion of the infra-
11 structure project, as determined by the chief execu-
12 tive officer of AIFA.

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

15 (A) AUTHORIZATION.—If, at any time
16 after the date of substantial completion of an
17 infrastructure project assisted under this sub-
18 title, the infrastructure project is unable to gen-
19 erate sufficient revenues to pay the scheduled
20 loan repayments of principal and interest on the
21 direct loan under this subtitle, the chief execu-
22 tive officer may allow the obligor to add unpaid
23 principal and interest to the outstanding bal-
24 ance of the direct loan, if the result would ben-
25 efit 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 infrastructure project meet-
12 ing criteria established by the Board of Di-
13 rectors.

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 in-
22 frastructure project obligations and direct loan
23 and all deposit requirements under the terms of
24 any trust agreement, bond resolution, or similar
25 agreement securing project obligations under

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

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

8 (5) SALE OF DIRECT LOANS.—

9 (A) IN GENERAL.—As soon as is prac-
10 ticable after substantial completion of an infra-
11 structure project assisted under this subtitle,
12 and after notifying the obligor, the chief execu-
13 tive officer may sell to another entity, or reoffer
14 into the capital markets, a direct loan for the
15 infrastructure project, if the chief executive offi-
16 cer determines that the sale or reoffering can
17 be made on favorable terms for the taxpayer.

18 (B) CONSENT OF OBLIGOR.—In making a
19 sale or reoffering under subparagraph (A), the
20 chief executive officer may not change the origi-
21 nal terms and conditions of the direct loan,
22 without the written consent of the obligor.

23 (j) LOAN GUARANTEES.—

24 (1) TERMS.—The terms of a loan guaranteed
25 by AIFA under this subtitle shall be consistent with

1 the terms set forth in this subtitle for a direct loan,
2 except that the rate on the guaranteed loan and any
3 payment, pre-payment, or refinancing features shall
4 be negotiated between the obligor and the lender,
5 with the consent of the chief executive officer.

6 (2) GUARANTEED LENDER.—A guaranteed
7 lender shall be limited to those lenders meeting the
8 definition of that term in section 601(a) of title 23,
9 United States Code.

10 (k) COMPLIANCE WITH FCRA—IN GENERAL.—Di-
11 rect loans and loan guarantees authorized by this subtitle
12 shall be subject to the provisions of the Federal Credit
13 Reform Act of 1990 (2 U.S.C. 661 et seq.).

14 **SEC. 134. COMPLIANCE AND ENFORCEMENT.**

15 (a) CREDIT AGREEMENT.—Notwithstanding any
16 other provision of law, each eligible entity that receives
17 assistance under this subtitle from AIFA shall enter into
18 a credit agreement that requires such entity to comply
19 with all applicable policies and procedures of AIFA, in ad-
20 dition to all other provisions of the loan agreement.

21 (b) AIFA AUTHORITY ON NONCOMPLIANCE.—In any
22 case in which a recipient of assistance under this subtitle
23 is materially out of compliance with the loan agreement,
24 or any applicable policy or procedure of AIFA, the Board
25 of Directors may take action to cancel unutilized loan

1 amounts, or to accelerate the repayment terms of any out-
2 standing obligation.

3 (c) **RULE OF CONSTRUCTION.**—Nothing in this sub-
4 title is intended to affect existing provisions of law applica-
5 ble to the planning, development, construction, or oper-
6 ation of projects funded under this subtitle.

7 **SEC. 135. AUDITS; REPORTS TO THE PRESIDENT AND CON-**
8 **GRESS.**

9 (a) **ACCOUNTING.**—The books of account of AIFA
10 shall be maintained in accordance with generally accepted
11 accounting principles, and shall be subject to an annual
12 audit by independent public accountants of nationally rec-
13 ognized standing appointed by the Board of Directors.

14 (b) **REPORTS.**—

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

20 (A) a summary of the operations of AIFA,
21 for such fiscal year;

22 (B) a schedule of the obligations of AIFA
23 and capital securities outstanding at the end of
24 such fiscal year, with a statement of the

1 amounts issued and redeemed or paid during
2 such fiscal year;

3 (C) the status of infrastructure projects re-
4 ceiving funding or other assistance pursuant to
5 this subtitle during such fiscal year, including
6 all nonperforming loans, and including disclo-
7 sure of all entities with a development, owner-
8 ship, or operational interest in such infrastruc-
9 ture projects;

10 (D) a description of the successes and
11 challenges encountered in lending to rural com-
12 munities, including the role of the Center for
13 Excellence and the Office of Rural Assistance
14 established under this subtitle; and

15 (E) an assessment of the risks of the port-
16 folio of AIFA, prepared by an independent
17 source.

18 (2) GAO.—Not later than 5 years after the
19 date of the enactment of this Act, the Comptroller
20 General of the United States shall conduct an eval-
21 uation of, and shall submit to Congress a report on,
22 activities of AIFA for the fiscal years covered by the
23 report that includes an assessment of the impact
24 and benefits of each funded infrastructure project,
25 including a review of how effectively each such infra-

1 structure project accomplished the goals prioritized
2 by the infrastructure project criteria of AIFA.

3 (c) BOOKS AND RECORDS.—

4 (1) IN GENERAL.—AIFA shall maintain ade-
5 quate books and records to support the financial
6 transactions of AIFA, with a description of financial
7 transactions and infrastructure projects receiving
8 funding, and the amount of funding for each such
9 project maintained on a publically accessible data-
10 base.

11 (2) AUDITS BY THE SECRETARY AND GAO.—
12 The books and records of AIFA shall at all times be
13 open to inspection by the Secretary of the Treasury,
14 the Special Inspector General, and the Comptroller
15 General of the United States.

16 **SEC. 136. ADMINISTRATIVE FEES.**

17 (a) IN GENERAL.—In addition to fees that may be
18 collected under section 133(e), the chief executive officer
19 shall establish and collect fees from eligible funding recipi-
20 ents with respect to loans and loan guarantees under this
21 subtitle that—

22 (1) are sufficient to cover all or a portion of the
23 administrative costs to the Federal Government for
24 the operations of AIFA, including the costs of expert
25 firms, including counsel in the field of municipal and

1 project finance, and financial advisors to assist with
2 underwriting, credit analysis, or other independent
3 reviews, as appropriate;

4 (2) may be in the form of an application or
5 transaction fee, or other form established by the
6 CEO; and

7 (3) may be based on the risk premium associ-
8 ated with the loan or loan guarantee, taking into
9 consideration—

10 (A) the price of United States Treasury
11 obligations of a similar maturity;

12 (B) prevailing market conditions;

13 (C) the ability of the infrastructure project
14 to support the loan or loan guarantee; and

15 (D) the total amount of the loan or loan
16 guarantee.

17 (b) AVAILABILITY OF AMOUNTS.—Amounts collected
18 under paragraphs (1), (2), and (3) of subsection (a) shall
19 be available without further action; provided further, that
20 the source of fees paid under this section shall not be a
21 loan or debt obligation guaranteed by the Federal Govern-
22 ment.

23 **SEC. 137. EFFICIENCY OF AIFA.**

24 The chief executive officer shall, to the extent pos-
25 sible, take actions consistent with this subtitle to minimize

1 the risk and cost to the taxpayer of AIFA activities. Fees
2 and premiums for loan guarantee or insurance coverage
3 will be set at levels that minimize administrative and Fed-
4 eral credit subsidy costs to the Government (as defined
5 in section 502 of the Federal Credit Reform Act of 1990)
6 of such coverage, while supporting achievement of the pro-
7 gram's objectives, consistent with policies as set forth in
8 the Business Plan.

9 **SEC. 138. FUNDING.**

10 There is appropriated to AIFA to carry out this sub-
11 title, for the cost of direct loans and loan guarantees sub-
12 ject to the limitations under section 132, and for adminis-
13 trative costs, \$10,000,000,000, to remain available until
14 expended. Such costs, including the costs of modifying
15 such loans, shall be as defined in section 502 of the Fed-
16 eral Credit Reform Act of 1990. Of this amount, not more
17 than \$25,000,000 for each of fiscal years 2012 through
18 2013, and not more than \$50,000,000 for fiscal year 2014
19 may be used for administrative costs of AIFA. Not more
20 than 5 percent of such amount shall be used to offset sub-
21 sidy costs associated with rural projects. Amounts author-
22 ized shall be available without further action.

1 **Subtitle C—Extension of Exemp-**
2 **tion From Alternative Minimum**
3 **Tax Treatment for Certain Tax-**
4 **exempt Bonds**

5 **SEC. 141. EXTENSION OF EXEMPTION FROM ALTERNATIVE**
6 **MINIMUM TAX TREATMENT FOR CERTAIN**
7 **TAX-EXEMPT BONDS.**

8 (a) **IN GENERAL.**—Clause (vi) of section 57(a)(5)(C)
9 of the Internal Revenue Code of 1986 is amended—

10 (1) by striking “January 1, 2011” in subclause

11 (I) and inserting “January 1, 2013”; and

12 (2) by striking “AND 2010” in the heading and
13 inserting “, 2010, 2011, AND 2012”.

14 (b) **ADJUSTED CURRENT EARNINGS.**—Clause (iv) of
15 section 56(g)(4)(B) of the Internal Revenue Code of 1986
16 is amended—

17 (1) by striking “January 1, 2011” in subclause

18 (I) and inserting “January 1, 2013”; and

19 (2) by striking “AND 2010” in the heading and
20 inserting “, 2010, 2011, AND 2012”.

21 (c) **EFFECTIVE DATE.**—The amendments made by
22 this section shall apply to obligations issued after Decem-
23 ber 31, 2010.

1 **TITLE II—SURTAX ON**
2 **MILLIONAIRES**

3 **SEC. 201. SURTAX ON MILLIONAIRES.**

4 (a) IN GENERAL.—Subchapter A of chapter 1 of the
5 Internal Revenue Code of 1986 is amended by adding at
6 the end the following new part:

7 **“PART VIII—SURTAX ON MILLIONAIRES**

 “Sec. 59B. Surtax on millionaires.

8 **“SEC. 59B. SURTAX ON MILLIONAIRES.**

9 “(a) GENERAL RULE.—In the case of a taxpayer
10 other than a corporation for any taxable year beginning
11 after 2012, there is hereby imposed (in addition to any
12 other tax imposed by this subtitle) a tax equal to 0.7 per-
13 cent of so much of the modified adjusted gross income
14 of the taxpayer for such taxable year as exceeds
15 \$1,000,000 (\$500,000, in the case of a married individual
16 filing a separate return).

17 “(b) INFLATION ADJUSTMENT.—

18 “(1) IN GENERAL.—In the case of any taxable
19 year beginning after 2013, each dollar amount under
20 subsection (a) shall be increased by an amount equal
21 to—

22 “(A) such dollar amount, multiplied by

23 “(B) the cost-of-living adjustment deter-
24 mined under section 1(f)(3) for the calendar

1 year in which the taxable year begins, deter-
2 mined by substituting ‘calendar year 2011’ for
3 ‘calendar year 1992’ in subparagraph (B)
4 thereof.

5 “(2) ROUNDING.—If any amount as adjusted
6 under paragraph (1) is not a multiple of \$10,000,
7 such amount shall be rounded to the next highest
8 multiple of \$10,000.

9 “(c) MODIFIED ADJUSTED GROSS INCOME.—For
10 purposes of this section, the term ‘modified adjusted gross
11 income’ means adjusted gross income reduced by any de-
12 duction (not taken into account in determining adjusted
13 gross income) allowed for investment interest (as defined
14 in section 163(d)). In the case of an estate or trust, ad-
15 justed gross income shall be determined as provided in sec-
16 tion 67(e).

17 “(d) SPECIAL RULES.—

18 “(1) NONRESIDENT ALIEN.—In the case of a
19 nonresident alien individual, only amounts taken
20 into account in connection with the tax imposed
21 under section 871(b) shall be taken into account
22 under this section.

23 “(2) CITIZENS AND RESIDENTS LIVING
24 ABROAD.—The dollar amount in effect under sub-
25 section (a) shall be decreased by the excess of—

1 “(A) the amounts excluded from the tax-
2 payer’s gross income under section 911, over

3 “(B) the amounts of any deductions or ex-
4 clusions disallowed under section 911(d)(6)
5 with respect to the amounts described in sub-
6 paragraph (A).

7 “(3) CHARITABLE TRUSTS.—Subsection (a)
8 shall not apply to a trust all the unexpired interests
9 in which are devoted to one or more of the purposes
10 described in section 170(c)(2)(B).

11 “(4) NOT TREATED AS TAX IMPOSED BY THIS
12 CHAPTER FOR CERTAIN PURPOSES.—The tax im-
13 posed under this section shall not be treated as tax
14 imposed by this chapter for purposes of determining
15 the amount of any credit under this chapter or for
16 purposes of section 55.”.

17 (b) CLERICAL AMENDMENT.—The table of parts for
18 subchapter A of chapter 1 of the Internal Revenue Code
19 of 1986 is amended by adding at the end the following
20 new item:

 “PART VIII. SURTAX ON MILLIONAIRES.”.

21 (c) SECTION 15 NOT TO APPLY.—The amendment
22 made by subsection (a) shall not be treated as a change
23 in a rate of tax for purposes of section 15 of the Internal
24 Revenue Code of 1986.

1 (d) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to taxable years beginning after
3 December 31, 2012.