

Comparison of Four House Infrastructure “Bank” Bills

Infrastructure Bank for America (IBA) H. R. 7231
National Infrastructure Development Bank (NIDB) H. R. 658
National Infrastructure Investment Corporation (NIIC) H. R. 4780
National Infrastructure Bank (NIB) H. R. 6422

IBA H.R. 7231	DeLauro - NIDB H.R. 658	Carbajal - NIIC H.R. 4780	NIB H.R. 6422
Structure & Organization			
<p>IBA is a private Delaware Bank Holding Company with a wholly owned Bank subsidiary established as a GSE. Sec.2</p>	<p>NIDB is established as Government corporation subject to chapter 91 of title 31 US Code, commonly known as the “Government Corporation Control Act”. Sec.4</p>	<p>NIIC is a Government owned corporation to be established as an investment company as defined in section 103 of title 5 US Code. Sec.3</p>	<p>NIB is established as Government corporation subject to chapter 91 of title 31 US Code, commonly known as the “Government Corporation Control Act”. Sec.4</p>
<p>Structure – IBA established as a GSE that is privately owned, managed and funded, like the FHLB and Farm Credit System. Sec.2</p>	<p>Structure – Government corporation that is wholly government owned, managed and funded. Sec.4</p>	<p>NIIC is a Government owned and controlled investment corporation to source funds from US Pension Funds to invest in infrastructure projects. Sec.3 & 7</p>	<p>The Secretary of the Treasury shall assist in the establishment of the Bank, including obtaining a national bank charter. Sec.5 (c)</p>
Management & Governance			
<p>Shareholders Elect the Board – The IBA to have 7 Directors all elected by the shareholders. Management is appointed by the Board. Sec.2</p>	<p>Presidential Appointments - NIDB to have 7 Directors appointed by the President and approved by the Senate, which would be very political and could take years. Sec.5</p>	<p>Political Appointments - NIIC to have 7 Directors appointed by the President and Congressional Leaders. Sec.4</p>	<p>Political and Labor Appointments – NIB to have 25 Directors appointed by the President and Congressional and Labor Leaders. Sec.8</p>

Comparison of Four House Infrastructure “Bank” Bills

IBA H.R. 7231	DeLauro - NIDB H.R. 658	Carbajal - NIIC H.R. 4780	NIB H.R. 6422
<p>The IBA Holding Company and Bank shall be regulated and supervised by the Federal Reserve, Treasury and the SEC, all of which have Congressional oversight. Sec.6</p>	<p>Board as Liaison - The Board “shall serve as primary liaison between the Bank and the Congress.” (Not a good governance model.) Sec.6 (9)</p>	<p>Inspector General – The Board shall appoint an Inspector General to conduct audits and to carry out the duties and responsibilities of the IG Act of 1978 (5 USC App.). Sec.4 (h)</p>	<p>Special Inspector General – The President shall appoint a Special Inspector General with the consent of the Senate to carry out the duties and responsibilities of the IG Act of 1978 (5 USC App.). Sec.14 (b)</p>
Oversight & Reporting			
<p>Regulated by the Federal Reserve, the Treasury, and the SEC. Quarterly and Annual Reports to Shareholders. Sec.6</p>	<p>Regulated by Congress - The Bank must at all times operate in a manner consistent with this Act HR658. Sec. 5-L-(3)</p>	<p>Annual Report to Congress by the Board. Once every 5 years, the Comptroller General shall conduct an audit and report to Congress. Sec.6</p>	<p>Special Inspector General – The Special Inspector General will submit an Annual Report to the President and Congress. Sec.14 (f)</p>
<p>Audits - IBA will be audited by a major auditing firm and the Federal Reserve which is more appropriate for a bank. Sec.6</p>	<p>Audits by Secretary of Treasury and GAO. Treasury is not set up to audit banks as is the Fed. Sec.16 (3)</p>	<p>Audits conducted by the Inspector General and reported to Congress. Sec.6</p>	<p>Audits – The Special Inspector General shall contract for audits, studies, and other services, with Annual Audits presented to the President and Congress. Sec.14 (3) & Sec17</p>
Subsidies & Guarantees			

Comparison of Four House Infrastructure “Bank” Bills

IBA H.R. 7231	DeLauro - NIDB H.R. 658	Carbajal - NIIC H.R. 4780	NIB H.R. 6422
<p>No Government Guarantee - IBA bonds are not backed by the full faith and credit of the U. S. See Section 10 “Rule of Construction.” Sec. 10</p>	<p>Government Guarantee - NIDB will issue Public Benefit Bonds that will be “backed by the full faith and credit of the U. S.” Sec. 3 # 22</p>	<p>Government Guarantee – As a wholly owned Government corporation, the NIIC obligations will be fully guaranteed by the US Government. Sec.3</p>	<p>Government Guarantee – As a wholly owned Government corporation, the NIB obligations will be fully guaranteed by the US Government. Sec.4</p>
<p>Infrastructure Guarantee Fund will function like a sinking fund for borrowers and investors, funded by public and private interests. Sec.7</p>	<p>Subsidies - NIDB “shall pay an interest subsidy on American Infrastructure Bonds to the issuer of such bonds.” Sec. 6 (4)</p>	<p>No mention.</p>	<p>Loan Losses above reserves guaranteed by the Secretary of the Treasury and the full faith and credit of the US Government. Sec.5 (i)</p>
Assets & Funding			
<p>IBA Equity and Bonds will be purchased by public and private entities. IBA can issue 30 year or longer Bonds that are taxable at the Federal, State and Local levels. Sec.5</p>	<p>NIDB Bonds are exempt from state and local taxes by this Act. Sec.12</p>	<p>No Equity provided for the NIIC. Its loans will be funded by borrowing from US Pension Funds. Sec.7</p>	<p>NIB shall be capitalized by public holders of US Treasury Securities, paid in share capital, paid in cash, and the US Treasury as “on call” subscriber. Its Bonds are limited to 10-year maturity. Sec.5</p>
<p>IBA offers no subsidized bonds and no Government guarantees.</p>	<p>American Infrastructure Bonds to be issued by a third party and subsidized by the NIDB. Interest on bonds is taxable and subsidized by NIDB. Sec.17</p>	<p>Not applicable.</p>	<p>Preferred Stock Redemption – A guarantee of redemption ..shall impose on the US a contractual obligation to fund the redemption. Sec.5</p>

Comparison of Four House Infrastructure “Bank” Bills

IBA H.R. 7231	DeLauro - NIDB H.R. 658	Carbajal - NIIC H.R. 4780	NIB H.R. 6422
<p>All IBA funding will come from the private sector, equity and debt, unless the Federal Reserve should buy its bonds. Sec.5, Sec.6</p>	<p>Infrastructure Bank Trust Fund is funded by the Treasury. This may morph into a Trust like the Highway Trust Fund to be dependent on the Federal Government for funding. Sec.18</p>	<p>Not applicable.</p>	<p>NIB would be a “US public deposit money bank” accepting deposits from the public and being subject to the FDIC. Sec.2 (7) & Sec.5 (e)</p>
Distribution of Funds			
<p>Functions of the Bank – The IBA will function as a <i>wholesale bank</i> to lend to infrastructure projects throughout the USA without using government funds. Sec.4</p>	<p>Risk Management Committee will set guidelines to ensure diversification of lending activities by both geographic region and infrastructure project type. Sec.8</p>	<p>No mention of how the loans could be distributed across the country.</p>	<p>No mention of how the loans could be distributed across the country.</p>
<p>State Infrastructure Banks will receive “direct and indirect loans and loan guaranty” to achieve wide funding distribution. Sec.4</p>	<p>No mention of State Infrastructure Banks.</p>	<p>No mention of State Infrastructure Banks.</p>	<p>NIB will establish Regional Economic Accelerator Planning Groups. Sec.6</p>
<p>Private Projects - IBA can invest in and lend to private entities but does not provide subsidies. Sec.4</p>	<p>Private Projects without public benefit “shall not be eligible for financial assistance under this act.” Sec.11 (a)</p>	<p>No mention.</p>	<p>Private Projects without public benefit “shall not be eligible for financial assistance under this act.” Sec.7</p>

Comparison of Four House Infrastructure “Bank” Bills

IBA H.R. 7231	DeLauro - NIDB H.R. 658	Carbajal - NIIC H.R. 4780	NIB H.R. 6422
Rural Areas – At least 7% of loans, equity investments and guarantees to rural areas. Sec. 4 (b)	No mention.	No mention.	No mention.
Loan Approvals through established credit procedures of Loan Officers, Credit Committee, Risk Committee, Senior Management and Board, as needed.	Risk Management Committee and Eligibility Criteria to determine Loan Approvals. Sec.5 & Sec.11	Application Waiting Period – Each loan must be submitted to a Member of Congress and to the full House for its review for 60 days. Sec.5 (d) & Sec.6 (d)	Loan Approvals by Executive and Risk Management Committees. Sec.10 & Sec.11
Miscellaneous			
Davis Bacon applies when any Federal money is involved in a project or there is a state or local requirement.	Davis Bacon applies to all projects because the NIDB is wholly owned by the Federal Government. Sec.13	Davis Bacon applies to all projects because the NIIB is wholly owned by the Federal Government. Sec.3	Davis Bacon shall apply to all projects funded by the Bank. Sec.15 (b)
No Appropriations from the Federal Government for IBA which can raise more equity from private sources, and which will mean ten times the equity in loans for infrastructure loans.	Appropriations – Federal Government will fund \$25B to capitalize the NIDB. At \$5B/year => \$50B of loans per year which is too small. Administrative costs equal \$25mm to \$50mm per year. Sec.19	No mention.	The US Treasury Secretary is an “on call” subscriber. Sec.5
Organizational Expenses funded privately and estimated at \$25,000,000.	Organizational Expenses funded by the Government, but not detailed.	Administrative Costs funded by borrowings from Pension Funds. Sec.7	Organizational Expenses appropriated by Congress are \$100,000,000 over 2 years. Sec.18