

112TH CONGRESS
1ST SESSION

S. 1436

To provide \$50,000,000,000 in new transportation infrastructure funding through bonding to empower States and local governments to complete significant infrastructure projects across all modes of transportation, including roads, bridges, rail and transit systems, ports, and inland waterways, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JULY 28, 2011

Mr. WYDEN (for himself, Mr. HOEVEN, and Mr. BEGICH) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To provide \$50,000,000,000 in new transportation infrastructure funding through bonding to empower States and local governments to complete significant infrastructure projects across all modes of transportation, including roads, bridges, rail and transit systems, ports, and inland waterways, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; ETC.**

4 (a) **SHORT TITLE.**—This Act may be cited as the
5 “Transportation and Regional Infrastructure Project
6 Bonds Act of 2011” or “TRIP Bonds Act”.

1 (b) REFERENCES TO INTERNAL REVENUE CODE OF
2 1986.—Except as otherwise expressly provided, whenever
3 in this Act an amendment or repeal is expressed in terms
4 of an amendment to, or repeal of, a section or other provi-
5 sion, the reference shall be considered to be made to a
6 section or other provision of the Internal Revenue Code
7 of 1986.

8 **SEC. 2. FINDINGS AND PURPOSE.**

9 (a) FINDINGS.—Congress finds the following:

10 (1) Our Nation’s highways, transit systems,
11 railroads, ports, and inland waterways drive our
12 economy, enabling all industries to achieve growth
13 and productivity that makes America strong and
14 prosperous.

15 (2) The establishment, maintenance, and im-
16 provement of the national transportation network is
17 a national priority, for economic, environmental, en-
18 ergy, security, and other reasons.

19 (3) The ability to move people and goods is crit-
20 ical to maintaining State, metropolitan, rural, and
21 local economies.

22 (4) The construction of infrastructure requires
23 the skills of numerous occupations, including those
24 in the contracting, engineering, planning and design,

1 materials supply, manufacturing, distribution, and
2 safety industries.

3 (5) Investing in transportation infrastructure
4 creates long-term capital assets for the Nation that
5 will help the United States address its enormous in-
6 frastructure needs and improve its economic produc-
7 tivity.

8 (6) Investment in transportation infrastructure
9 creates jobs and spurs economic activity to put peo-
10 ple back to work and stimulate the economy.

11 (7) Every billion dollars in transportation in-
12 vestment has the potential to create up to 30,000
13 jobs.

14 (8) Every dollar invested in the Nation's trans-
15 portation infrastructure yields at least \$5.70 in eco-
16 nomic benefits because of reduced delays, improved
17 safety, and reduced vehicle operating costs.

18 (9) Numerous experts have noted that the esti-
19 mated cost to maintain and improve our Nation's
20 highways, bridges, and other critical transportation
21 infrastructure significantly exceeds what is currently
22 being provided by all levels of government.

23 (b) PURPOSE.—The purpose of this Act is to provide
24 financing for additional transportation infrastructure cap-
25 ital investments.

1 **SEC. 3. CREDIT TO HOLDERS OF TRIP BONDS.**

2 (a) IN GENERAL.—Subpart I of part IV of sub-
3 chapter A of chapter 1 is amended by adding at the end
4 the following new section:

5 **“SEC. 54G. TRIP BONDS.**

6 “(a) TRIP BOND.—For purposes of this subpart, the
7 term ‘TRIP bond’ means any bond issued as part of an
8 issue if—

9 “(1) 100 percent of the available project pro-
10 ceeds of such issue are to be used for expenditures
11 incurred after the date of the enactment of this sec-
12 tion for 1 or more qualified projects pursuant to an
13 allocation of such proceeds to such project or
14 projects by a State infrastructure bank,

15 “(2) the bond is issued by a State infrastruc-
16 ture bank and is in registered form (within the
17 meaning of section 149(a)),

18 “(3) the State infrastructure bank designates
19 such bond for purposes of this section,

20 “(4) the term of each bond which is part of
21 such issue does not exceed 30 years,

22 “(5) the issue meets the requirements of sub-
23 section (e),

24 “(6) the State infrastructure bank certifies that
25 it meets the State contribution requirement of sub-

1 section (h) with respect to such project, as in effect
2 on the date of issuance, and

3 “(7) the State infrastructure bank certifies the
4 State meets the requirement described in subsection
5 (i).

6 “(b) QUALIFIED PROJECT.—For purposes of this
7 section, the term ‘qualified project’ means the capital im-
8 provements to any transportation infrastructure project of
9 any governmental unit or other person, including roads,
10 bridges, rail and transit systems, ports, and inland water-
11 ways proposed and approved by a State infrastructure
12 bank, but does not include costs of operations or mainte-
13 nance with respect to such project.

14 “(c) APPLICABLE CREDIT RATE.—In lieu of section
15 54A(b)(3), for purposes of section 54A(b)(2), the applica-
16 ble credit rate with respect to an issue under this section
17 is the rate equal to an average market yield (as of the
18 day before the date of sale of the issue) on outstanding
19 long-term corporate debt obligations (determined in such
20 manner as the Secretary prescribes).

21 “(d) LIMITATION ON AMOUNT OF BONDS DES-
22 IGNATED.—

23 “(1) IN GENERAL.—The maximum aggregate
24 face amount of bonds which may be designated
25 under subsection (a) by any State infrastructure

1 bank shall not exceed the TRIP bond limitation
2 amount allocated to such bank under paragraph (3).

3 “(2) NATIONAL LIMITATION AMOUNT.—There
4 is a TRIP bond limitation amount for each calendar
5 year. Such limitation amount is—

6 “(A) \$5,000,000,000 for 2011,

7 “(B) \$5,000,000,000 for 2012,

8 “(C) \$10,000,000,000 for 2013,

9 “(D) \$10,000,000,000 for 2014,

10 “(E) \$10,000,000,000 for 2015,

11 “(F) \$10,000,000,000 for 2016, and

12 “(G) except as provided in paragraph (4),
13 zero thereafter.

14 “(3) ALLOCATIONS TO STATES.—The TRIP
15 bond limitation amount for each calendar year shall
16 be allocated by the Secretary among the States such
17 that each State is allocated 2 percent of such
18 amount.

19 “(4) CARRYOVER OF UNUSED ISSUANCE LIM-
20 TATION.—If for any calendar year the TRIP bond
21 limitation amount under paragraph (2) exceeds the
22 amount of TRIP bonds issued during such year,
23 such excess shall be carried forward to 1 or more
24 succeeding calendar years as an addition to the
25 TRIP bond limitation amount under paragraph (2)

1 for such succeeding calendar year and until used by
 2 issuance of TRIP bonds.

3 “(e) SPECIAL RULES RELATING TO EXPENDI-
 4 TURES.—

5 “(1) IN GENERAL.—An issue shall be treated as
 6 meeting the requirements of this subsection if, as of
 7 the date of issuance, the State infrastructure bank
 8 reasonably expects—

9 “(A) at least 100 percent of the available
 10 project proceeds of such issue are to be spent
 11 for 1 or more qualified projects within the 5-
 12 year expenditure period beginning on such date,

13 “(B) to incur a binding commitment with
 14 a third party to spend at least 10 percent of the
 15 proceeds of such issue, or to commence con-
 16 struction, with respect to such projects within
 17 the 12-month period beginning on such date,
 18 and

19 “(C) to proceed with due diligence to com-
 20 plete such projects and to spend the proceeds of
 21 such issue.

22 “(2) RULES REGARDING CONTINUING COMPLI-
 23 ANCE AFTER 5-YEAR DETERMINATION.—To the ex-
 24 tent that less than 100 percent of the available
 25 project proceeds of such issue are expended by the

1 close of the 5-year expenditure period beginning on
2 the date of issuance, the State infrastructure bank
3 shall redeem all of the nonqualified bonds within 90
4 days after the end of such period. For purposes of
5 this paragraph, the amount of the nonqualified
6 bonds required to be redeemed shall be determined
7 in the same manner as under section 142.

8 “(f) RECAPTURE OF PORTION OF CREDIT WHERE
9 CESSATION OF COMPLIANCE.—If any bond which when
10 issued purported to be a TRIP bond ceases to be such
11 a bond, the State infrastructure bank shall pay to the
12 United States (at the time required by the Secretary) an
13 amount equal to the sum of—

14 “(1) the aggregate of the credits allowable
15 under section 54A with respect to such bond (deter-
16 mined without regard to section 54A(c)) for taxable
17 years ending during the calendar year in which such
18 cessation occurs and each succeeding calendar year
19 ending with the calendar year in which such bond is
20 redeemed by the bank, and

21 “(2) interest at the underpayment rate under
22 section 6621 on the amount determined under para-
23 graph (1) for each calendar year for the period be-
24 ginning on the first day of such calendar year.

25 “(g) TRIP BONDS TRUST ACCOUNT.—

1 “(1) IN GENERAL.—The following amounts
2 shall be held in a TRIP Bonds Trust Account:

3 “(A) The proceeds from the sale of all
4 bonds issued under this section.

5 “(B) The investment earnings on proceeds
6 from the sale of such bonds.

7 “(C) The amount described in paragraph
8 (2).

9 “(D) Any earnings on any amounts de-
10 scribed in subparagraph (A), (B), or (C).

11 “(2) APPROPRIATION OF REVENUES.—There is
12 hereby transferred to the TRIP Bonds Trust Ac-
13 count an amount equal to the lesser of—

14 “(A) the revenues resulting from the impo-
15 sition of fees pursuant to section 13031 of the
16 Consolidated Omnibus Budget Reconciliation
17 Act of 1985 (19 U.S.C. 58c) for fiscal years be-
18 ginning after September 30, 2011, or

19 “(B) \$50,000,000,000.

20 “(3) USE OF FUNDS.—Amounts in the TRIP
21 Bonds Trust Account may be used only to pay costs
22 of qualified projects and redeem TRIP bonds, except
23 that amounts withdrawn from the TRIP Bonds
24 Trust Account to pay costs of qualified projects may

1 not exceed the proceeds from the sale of TRIP
2 bonds described in subsection (a)(1).

3 “(4) USE OF REMAINING FUNDS IN TRIP BONDS
4 TRUST ACCOUNT.—Upon the redemption of all TRIP
5 bonds issued under this section, any remaining
6 amounts in the TRIP Bonds Trust Account shall be
7 available to pay the costs of any qualified project.

8 “(5) APPLICABILITY OF FEDERAL LAW.—The
9 requirements of any Federal law, including titles 23,
10 40, and 49 of the United States Code, which would
11 otherwise apply to projects to which the United
12 States is a party or to funds made available under
13 such law and projects assisted with those funds shall
14 apply to—

15 “(A) funds made available under the TRIP
16 Bonds Trust Account for similar qualified
17 projects, including contributions required under
18 subsection (h), and

19 “(B) similar qualified projects assisted
20 through the use of such funds.

21 “(6) INVESTMENT.—Subject to subsections (e)
22 and (f), it shall be the duty of the Secretary to in-
23 vest in investment grade obligations such portion of
24 the TRIP Bonds Trust Account as is not, in the
25 judgment of the Secretary, required to meet current

1 withdrawals. To the maximum extent practicable, in-
2 vestments should be made in securities that support
3 infrastructure investment at the State and local
4 level.

5 “(h) STATE CONTRIBUTION REQUIREMENTS.—

6 “(1) IN GENERAL.—For purposes of subsection
7 (a)(6), the State contribution requirement of this
8 subsection is met with respect to any qualified
9 project if the Secretary has received from 1 or more
10 States, not later than the date of issuance of the
11 bond, written commitments for matching contribu-
12 tions of not less than 20 percent (or such smaller
13 percentage as determined under title 23, United
14 States Code, for such State) of the cost of the quali-
15 fied project.

16 “(2) STATE MATCHING CONTRIBUTIONS MAY
17 NOT INCLUDE FEDERAL FUNDS.—For purposes of
18 this subsection, State matching contributions shall
19 not be derived, directly or indirectly, from Federal
20 funds, including any transfers from the Highway
21 Trust Fund under section 9503.

22 “(i) UTILIZATION OF UPDATED CONSTRUCTION
23 TECHNOLOGY FOR QUALIFIED PROJECTS.—For purposes
24 of subsection (a)(7), the requirement of this subsection is

1 met if the appropriate State agency relating to the quali-
2 fied project is utilizing updated construction technologies.

3 “(j) OTHER DEFINITIONS AND SPECIAL RULES.—

4 For purposes of this section—

5 “(1) STATE INFRASTRUCTURE BANK.—

6 “(A) IN GENERAL.—The term ‘State infra-
7 structure bank’ means a State infrastructure
8 bank established under section 610 of title 23,
9 United States Code, and includes a joint ven-
10 ture among 2 or more State infrastructure
11 banks.

12 “(B) SPECIAL AUTHORITY.—Notwith-
13 standing any other provision of law, a State in-
14 frastructure bank shall be authorized to per-
15 form any of the functions necessary to carry
16 out the purposes of this section, including the
17 making of direct grants to qualified projects
18 from available project proceeds of TRIP bonds
19 issued by such bank.

20 “(2) CREDITS MAY BE TRANSFERRED.—Noth-
21 ing in any law or rule of law shall be construed to
22 limit the transferability of the credit or bond allowed
23 by this section through sale and repurchase agree-
24 ments.

1 “(3) PROHIBITION ON USE OF HIGHWAY TRUST
2 FUND.—Notwithstanding any other provision of law,
3 no funds derived from the Highway Trust Fund es-
4 tablished under section 9503 shall be used to pay for
5 credits under this section.”.

6 (b) CONFORMING AMENDMENTS.—

7 (1) Paragraph (1) of section 54A(d) of the In-
8 ternal Revenue Code of 1986 is amended—

9 (A) by striking “or” at the end of subpara-
10 graph (D),

11 (B) by inserting “or” at the end of sub-
12 paragraph (E),

13 (C) by inserting after subparagraph (E)
14 the following new subparagraph:

15 “(F) a TRIP bond,” and

16 (D) by inserting “(paragraphs (3), (4),
17 and (6), in the case of a TRIP bond)” after
18 “and (6)”.

19 (2) Subparagraph (C) of section 54A(d)(2) of
20 such Code is amended by striking “and” at the end
21 of clause (iv), by striking the period at the end of
22 clause (v) and inserting “, and”, and by adding at
23 the end the following new clause:

24 “(vi) in the case of a TRIP bond, a
25 purpose specified in section 54G(a)(1).”.

1 (c) CLERICAL AMENDMENT.—The table of sections
 2 for subpart I of part IV of subchapter A of chapter 1 of
 3 the Internal Revenue Code of 1986 is amended by adding
 4 at the end the following new item:

“Sec. 54G. TRIP bonds.”.

5 (d) EFFECTIVE DATE.—The amendments made by
 6 this section shall apply to bonds issued after the date of
 7 the enactment of this Act.

8 **SEC. 4. ADDITIONAL REVENUES THROUGH EXTENSION OF**
 9 **CUSTOMS USER FEES.**

10 Section 13031(j)(3) of the Consolidated Omnibus
 11 Budget Reconciliation Act of 1985 (19 U.S.C. 58c(j)(3)),
 12 as amended by the Omnibus Trade Act of 2010, is amend-
 13 ed—

14 (1) by striking “January 7, 2020” in subpara-
 15 graph (A) and inserting “January 7, 2048”, and

16 (2) by striking “January 14, 2020” in subpara-
 17 graph (B)(i) and inserting “January 14, 2048”.

○