

Proposals for a National Infrastructure Bank

The Obama Administration's Proposals

	<u>Obama FY 2010</u>	<u>Obama FY 2011</u>	<u>Obama FY 2012</u>	<u>Obama FY 2013</u>	<u>Obama FY 2014-6</u>	<u>Obama FY 2017</u>
Independent, or Within USDOT?	Indep.	DOT	DOT	Indep.	Indep.	Indep.
Call it "Bank," "Fund," or "Authority"?	Bank	Fund	Bank	Bank	Bank	Bank
Will It Give Credit Only, or Grants Also?	Grants also	Grants also	Grants also	Credit only	Credit only	Credit only
Will It Issue Bonds Itself?	No	No	No	No	No	No
Will It Control Issuance of Other Bonds?	No	No	No	No	No	No
Fund Transportation Infrastructure?	Yes	Yes	Yes	Yes	Yes	Yes
Fund Water and Energy Infrastructure?	Presumably	No	No	Yes	Yes	Yes
Fund Broadband Infrastructure?	Presumably	No	No	No	No	No
Fund Environmental Infrastructure?	Presumably	No	No	No	No	No
First Year Federal Capitalization?	\$5 billion	\$4 billion	\$5 billion	\$10 billion	\$10 billion	\$10 billion
Five-Year Capitalization Total?	25 over 5 yr	25 over 5 yr	25 over 5 yr	one-time	one-time	one-time
GF Appropriation, or HTF CA?	GF Disc.	GF Disc.	HTF CA	GF Mand.	GF Mand.	GF Mand.
Budget Subfunction Number?	452	452	401	452	452	452
Direct Loan Subsidy Rate	50.72	20.00	20.00	15.14	11.57	12.26
For Every Dollar of Subsidy BA, How Much						
Direct Loan Face Value?	\$1.97	\$5.00	\$5.00	\$6.61	\$8.64	\$8.16
Maximum Aggregate Face Value	\$49.2 billion	\$125 billion	\$125 billion	\$66.1 billion	\$86.4 billion	\$81.6 billion

Other Significant Proposals

	<u>Dodd-Hagel 2007</u>	<u>DeLauro 2009</u>	<u>Kerry-KBH 2011</u>	<u>Delaney 2013</u>	<u>Clinton 2015</u>	<u>C.A.P. 2016</u>
Independent, or Within USDOT?	Indep.	Indep.	Indep.	Indep.	Indep.	Indep.
Call it "Bank," "Fund," or "Authority"?	Bank	Bank	Authority	Fund	Bank	Authority
Will It Give Credit Only, or Grants Also?	Grants also	Credit only	Credit only	COEI	Credit only	Grants also
Will It Issue Bonds Itself?	Yes	Yes	No	Yes	No	No
Will It Control Issuance of Other Bonds?	No	Yes	No	No	Yes	No
Fund Transportation Infrastructure?	Yes	Yes	Yes	Yes	Yes	Yes
Fund Water and Energy Infrastructure?	Yes	Yes	Yes	Yes	Yes	Yes
Fund Broadband Infrastructure?	No	Yes	No	Yes	Yes	Unclear
Fund Environmental Infrastructure?	No	Yes	No	No	No	Unclear
Fund Education Infrastructure?	No	No	No	Yes	No	Unclear
Fund Public Housing Infrastructure?	Yes	No	No	No	No	Unclear
First Year Federal Capitalization?	As needed	\$5 billion	\$10 billion	None	\$5 billion	\$12.5 billion
Five-Year Capitalization Total?	Startup only	25 over 5	\$10 billion	None	25 over 5	125 over 10
GF Appropriation, or HTF CA?	Unclear	GF Disc.	GF disc.	n/a	Unclear	Unclear
Direct Loan Subsidy Rate	n/a	n/a	15.14	n/a	11.11	Unclear
For Every Dollar of Subsidy BA, How Much						
Direct Loan Face Value?	n/a	n/a	\$6.61	n/a	\$9.00	Unclear
Maximum Aggregate Face Value	\$180 billion	\$625 billion	\$66.1 billion	\$750 billion	\$225 billion	Unclear

Notes:

Maximum aggregate face value totals for all proposals subject to the Credit Reform Act are calculated by taking the direct loan subsidy rate calculated by OMB for the fiscal year of the proposal and multiplying that times the total multi-year amount of appropriations to be made to the I-Bank. In the real world, totals would vary after administrative costs are deducted, the blend of direct loans versus loan guarantees versus grants (in some instances) was decided, and OMB made its annual re-estimate of the subsidy costs based on changing market conditions and past loan performance. The Kerry-Hutchison subsidy rate is assumed to be the same as the Obama FY 2013 subsidy rate since the legislative language was identical. The Clinton 2015 subsidy rate is assumed because the campaign says the total maximum face value of federal loans is \$225 billion.

The Dodd-Hagel proposal allows the Bank to "provide direct subsidies" to infrastructure projects. The Delaney proposal allows the Fund to make equity investments in qualified infrastructure projects, as well as extend credit.

The Dodd-Hagel total aggregate face value of loans was not set in the bill, but at the hearing, Felix Rohatyn suggested a conservative 3 to 1 leverage ratio yielding total credit assistance of \$180 billion based on the \$60 billion of I-Bank bonds issued. On the other hand, the Delaney bill assumes a riskier 15 to 1 leverage ratio for its \$50 billion in bonds, yielding an aggregate total of \$750 billion.