Funding Principles

I. Infrastructure Incentives Initiative: encourages state, local and private investment in core infrastructure by providing incentives in the form of grants. Federal incentive funds will be conditioned on achieving milestones within an identified timeframe. ***Accounts for 50% of total appropriation***.

A. Applies to: surface transportation, airports, passenger rail, maritime and inland waterway ports, flood control, water supply, hydropower, water resources, drinking water facilities, storm water facilities, Brownfield and Superfund sites

B. Eligible entities: States or groups of states, Puerto Rico, U.S. territories, metropolitan planning organizations, units of local government or a group of local governments, special purpose district or public authority responsible for maintaining infrastructure facilities, public utilities, non-profits, tribal governments, multijurisdictional group of eligible entities, private entities with sponsorship from an eligible public entity .

C. Core infrastructure projects are eligible. The lead federal agency administering the initiative will define eligible costs and conduct audits to ensure funds are used appropriately.

D. The lead federal agency will solicit applications every 6 months. Criteria includes:

1. Dollar value of project (weighted at 10%)
2. Evidence supporting how applicant will secure and commit new, non-federal revenue to create sustainable, long-term funding (weighted at 50%)
3. Evidence supporting how applicant will secure and commit new, non-federal revenue for operations, maintenance and rehabilitation (weighted at 20%)
4. Updates to procurement policies and project delivery approaches to improve efficiency in project delivery and operations (weighted at 10%)
5. Plans to incorporate new technology (weighted at 5%)
6. Evidence to support how project will spur economic and social returns on investment (weighted at 5%)
    a. Calculated by multiplying the weighted score by the percentage of non-federal revenues used to fund the project
    b. Lookback period:

Years Passed	New Revenue Credit Score Multiplier
>3 years	0%
2-3	30%
1-2	40%
0-1	50%
After Jan. 2018	100%

E. Grant awards can’t exceed 20% of total project cost. Any individual state can’t receive more than 10% of the amount available

II. Transformative Projects Program: makes available federal funding and technical assistance for innovative and transformative infrastructure projects based on competitive basis to viable projects unable to secure financing through private sector due to the uniqueness of the program. Applicable projects must be exploratory and ground-breaking ideas that have more risk than standard infrastructure projects but offer a larger reward profile. Covered sectors include: transportation, clean water, drinking water, energy, commercial space, and telecommunications. ***Accounts for 10% of total appropriation.***

A. Dept. of Commerce chairs administration of the program.
B. Eligible entities: States or groups of states, Puerto Rico, U.S. territories, metropolitan planning organizations, units of local government or a group of local governments, special purpose district or public authority responsible for maintaining infrastructure facilities, public utilities, non-profits, tribal governments, multijurisdictional group of eligible entities, private entities with sponsorship from an eligible public entity.
C. Funding tracks: *Applicants could apply for all or specific tracks*.
    1. Demonstration: funding provided for planning, construction, deployment and evaluation of demonstration trials. Can't be used for applied R&D activities but instead where a prototype is operated at or near full scale. *Federal funding may be used for up to 30% of eligible costs.*
    2. Project Planning: funding provided for final pre-construction activities – i.e. final design and engineering. Demonstration trial must have occurred and been successful. Must demonstrate construction would begin within a reasonable time frame. *Federal funding may be used for up to 50% of eligible costs.*
    3. Capitol Construction: funding provided for capital projects having independent utility and ready for intended use upon completion. *Federal funding may be used for up to 80% of eligible costs.*
        a. Under this track, applicant required to enter into a financial partnership agreement with the Federal Government requiring that if a project begins to generate value, the Federal Government would have rights to share in the project value. The Federal Government would not assert first claim under any such agreement, would not accept a seat on any company's board of directors, and all partnership agreements would provide that the company retains ownership of any and all intellectual property.
D. Minimum match requirements in the form of equity investments by private or non-profit organizations. Applicant must demonstrate equity is committed and available.
E. Federal technical assistance available in addition to funding tracks, but no funding provided.
F. Dept. of Commerce would administer the program with an interagency selection committee. A notice of funding opportunity would be published in the federal register soliciting applications on an annual basis. Cost benefit analysis is required and applications are limited to one per lead applicant, although there would be no limit to the number of applications on which an applicant could be listed as a partner applicant.
G. Applicants selected would enter into a partnership agreement with the Federal Government which would specify terms and would not exceed 7 years to outlay funds. Milestones and schedules included in the agreement, the progress for which the lead Federal agencies would conduct regular audits.

III. Rural Infrastructure Program: designed to encourage investment to enable rural economies, facilitate freight movement, improve access to reliable and affordable transportation, etc. States are incentivized to partner with local and private investment for completion and operation of projects under this program. ***Accounts for 25% of total appropriation.***

A. Eligible entities rural programs include:

1. Transportation - roads, bridges, public transit, rail airports, and maritime and inland waterway ports;
2. Broadband - and other high-speed data and communication conduits;
3. Water and waste – drinking water, waste water, land revitalization, and Brownfields;
4. Power and electric – governmental generation, transmission and distribution facilities; and
5. Water resources – inland waterway ports, flood risk management, maritime ports and water supply.

B. Funding:
1. 80% of funds made available for states would be provided to the Governor of each state via the following formula:
    a. Ratio based on total rural lane miles in a state in relation to total rural lane miles in all states and a ratio based on the total adjusted rural population of a State in relation to the total adjusted rural population of all states.
2. 20% reserved for rural performance grants
    a. States encouraged to do so within 2 years of enactment
    b. Grants available for up to 10 years after enactment or until funds run out.
    c. To qualify, states must publish a comprehensive rural infrastructure investment plan (RIIP) within 180 days of receipt of formula funds.
3. Funds made available would be distributed as block grants without Federal requirements, but must be used for projects in rural areas with a population of less than 50,000.
4. Provides investment designed to address infrastructure needs on tribal lands and U.S. Territories.

IV. Federal Credit Programs: designed to increase the capacity of existing Federal lending programs to increase investment. ***Accounts for 7.05% of total appropriation***.

A. Would establish the (1) Transportation Infrastructure Finance and Innovation Act, (2) Railroad Rehabilitation and Improvement Financing, (3) Water Infrastructure Finance and Innovation Act, and (4) United States Department of Agriculture Rural Utilities Lending Programs under which specific funds would be set aside and appropriated to the relevant U.S. agency and would remain available until 2028.

V. Public Lands Infrastructure Fund: would create a new infrastructure fund in the U.S. Treasury called the Interior Maintenance Fund comprised of additional revenues from the amounts due and payable to the U.S. from mineral and energy development on Federal lands and waters.

VI. Disposition of Federal Real Property: would establish through executive order the authority to allow for the disposal of Federal assets to improve the overall allocation of economic resources in infrastructure investment.

VII. Federal Capital Financing Fund: creates a funding mechanism similar to a capital budget but that operates within the traditional rules used for the Federal budget by establishing a mandatory revolving fund to finance purchases of federally owned civilian real property. Once approved in an Appropriations Act, the revolving fund would transfer money to agencies to finance large-dollar real property purchases. Purchasing agencies would then be required to repay the fund in 15 equal annual amounts using discretionary appropriations. ***Accounts for 5% of total appropriation.***

VIII. Private Activity Bonds: would amend 26 U.S.C. 142 to allow broader categories of public-purpose infrastructure, including reconstruction projects, to take advantage of PABs would encourage more private investment in projects to benefit the public.

   A. Elimination of the AMT provision and the Advance Refunding prohibition on PABs
   B. Elimination of the transportation volume caps on PABs and expend eligibility to ports and airports
   C. Removal of state volume cap on PABs
   D. Provide change-of-use provisions to preserve the tax exempt status of governmental bonds
   E. Require public attributes for core public infrastructure projects
   F. Provide change-of-use cures for private leasing of projects to ensure preservation of tax exemption for core infrastructure bonds

Principles for Infrastructure Improvements

I. Transportation

   A. Financing
      1. Allow states flexibility to toll on interstates and reinvest toll revenues in infrastructure
      2. Reconcile the grandfathered restrictions on use of highway toll revenues with current law
      3. Extend streamlined passenger facility charge process from non-hub airports to small hub sized airports
      4. Support airport and non-federal maritime and inland water way ports financing options through broadened TIFIA program eligibility
      5. Subsidize railroad rehabilitation and improvement financing for short-line and passenger rail
      6. Provide states flexibility to commercialize interstate rest areas
      7. Remove application of federal requirements for projects with de minimis Federal share
      8. Expand qualified credit assistance and other capabilities for state infrastructure banks
   B. Highways
      1. Authorize federal land management agencies to use contracting methods available to states
      2. Raise the cost threshold for major project requirements to $1 billion
      3. Authorize utility relocation to take place prior to NEPA completion
      4. Refund of federal investment to eliminate perpetual application of federal requirements
      5. Provide small highway projects with relief from the same Federal requirements as major projects
   C. Transit
      1. Require value capture financing as condition for receipt of transit funds for major capital projects (Capital Investment Grants)
      2. Eliminate constraints on use of public-private and public-public partnerships in transit
      3. Codify expedited project delivery for Capital Investment Grants pilot program

D. Rail
  1. Apply Fast Act streamlining provisions to rail projects and shorten the statute of limitations

E. Airports
  1. Create more efficient federal aviation administration oversight of non-aviation development activities at airports
  2. Reduce barriers to alternative project delivery for airports
  3. Clarify authority for incentive payments under the Airport Improvement program
  4. Move oversight of AIP funds to post-expenditure audits

II. Water Infrastructure

A. Financing
  1. Authorize Clean Water State Revolving Fund for privately owned public purpose treatment works
  2. Expand EPA's WIFIA authorization to include flood mitigation, navigation and water supply
  3. Eliminate requirement under WIFIA for borrowers to be community water systems
  4. Authorize Brownfield rehabilitation and clean up of superfund sites under WIFIA
  5. Reduce rating agency opinions from two to one for all barrowers
  6. Provide EPA authority to waive the springing lien in certain lending situations
  7. Increase the base level of administrative funding authorized to ensure EPA has sufficient funding to operate the WIFIA program
  8. Remove the restriction on the ability to reimburse costs incurred prior to loan closing under WIFIA
  9. Expand the WIFIA program to authorize eligibility for credit assistance for water systems acquisitions and restructurings.

B. Water programs
  1. Remove the application of Federal requirements for de minimis Federal involvement
  2. Provide EPA infrastructure programs with "SEP-15" authorizing language
  3. Apply identical regulatory requirements to privately owned "public purpose" treatment works and publicly owned treatment works

C. Inland waterways
  1. Authorize all third party construction and operation arrangements as eligible expenses for inland waterways trust fund and treasury appropriations
  2. Authorize non-federal construction and operation of inland waterways projects

D. Water infrastructure resources
  1. Authorize user fee collection and retention by the Federal government and third parties under the WRDA Section 5014 pilot program
  2. Expend U.S. Army Corps of Engineers' authority to engage in long-term contracts
  3. Authorize operation and maintenance activities at hydropower facilities
  4. Deauthorize certain federal civil works projects
  5. Expand authority for acceptance of contributed and advanced funds
  6. Retain recreation user fees for operation and maintenance of public facilities
  7. Amend the Water Resources Development Act to allow for waiver of cost limits

        8. Expand WIFIA authorization to include Federal deauthorized water resource projects

III. Veterans Affairs: designed to provide Veteran's with state-of-the-art facilities

   A. Authorize VA to retain proceeds from sales of properties
   B. Authorize VA to exchange existing facilities for construction of new facilities
   C. Authorize pilot for VA to exchange land or facilities for lease of space
   D. Increase threshold above which VA is required to obtain Congressional authorization for leases

IV. Land Revitalization (Brownfield/Superfund Reform)

   A. Replicate the Brownfield Grant/Revolving Loan Fund program for Superfund projects
   B. Clarify EPA's ability to create special accounts for third party funds for CERCLA clean up response without state assurances
   C. Provide liability relief for states and municipalities acquiring contaminated property through actions as sovereign governments
   D. Provide EPA express settlement authority to enter into administrative agreements
   E. Integrate clean up, infrastructure and long-term stewardship needs by creating flexibility in funding and execution requirements
   F. Authorize national priority list sites to be eligible for Brownfield grants
   G. Clarify risks to non-liable third parties that perform superfund cleanup.