

112TH CONGRESS
1ST SESSION

S. _____

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

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

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,*

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

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

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

12 **SEC. 2. FINDINGS AND PURPOSE.**

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

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

19 (2) The establishment, maintenance, and im-
20 provement of the national transportation network is
21 a national priority, for economic, environmental, en-
22 ergy, security, and other reasons.

23 (3) The ability to move people and goods is crit-
24 ical to maintaining State, metropolitan, rural, and
25 local economies.

1 (4) The construction of infrastructure requires
2 the skills of numerous occupations, including those
3 in the contracting, engineering, planning and design,
4 materials supply, manufacturing, distribution, and
5 safety industries.

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

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

14 (7) Every billion dollars in transportation in-
15 vestment has the potential to create up to 30,000
16 jobs.

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

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

1 (b) PURPOSE.—The purpose of this Act is to provide
2 financing for additional transportation infrastructure cap-
3 ital investments.

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

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

8 **“SEC. 54G. TRIP BONDS.**

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

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

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

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

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

1 “(5) the issue meets the requirements of sub-
2 section (e),

3 “(6) the State infrastructure bank certifies that
4 it meets the State contribution requirement of sub-
5 section (h) with respect to such project, as in effect
6 on the date of issuance, and

7 “(7) the State infrastructure bank certifies the
8 State meets the requirement described in subsection
9 (i).

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

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

1 “(d) LIMITATION ON AMOUNT OF BONDS DES-
2 IGNATED.—

3 “(1) IN GENERAL.—The maximum aggregate
4 face amount of bonds which may be designated
5 under subsection (a) by any State infrastructure
6 bank shall not exceed the TRIP bond limitation
7 amount allocated to such bank under paragraph (3).

8 “(2) NATIONAL LIMITATION AMOUNT.—There
9 is a TRIP bond limitation amount for each calendar
10 year. Such limitation amount is—

11 “(A) \$5,000,000,000 for 2011,

12 “(B) \$5,000,000,000 for 2012,

13 “(C) \$10,000,000,000 for 2013,

14 “(D) \$10,000,000,000 for 2014,

15 “(E) \$10,000,000,000 for 2015,

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

17 “(G) except as provided in paragraph (4),
18 zero thereafter.

19 “(3) ALLOCATIONS TO STATES.—The TRIP
20 bond limitation amount for each calendar year shall
21 be allocated by the Secretary among the States such
22 that each State is allocated 2 percent of such
23 amount.

24 “(4) CARRYOVER OF UNUSED ISSUANCE LIM-
25 TATION.—If for any calendar year the TRIP bond

1 limitation amount under paragraph (2) exceeds the
2 amount of TRIP bonds issued during such year,
3 such excess shall be carried forward to 1 or more
4 succeeding calendar years as an addition to the
5 TRIP bond limitation amount under paragraph (2)
6 for such succeeding calendar year and until used by
7 issuance of TRIP bonds.

8 “(e) SPECIAL RULES RELATING TO EXPENDI-
9 TURES.—

10 “(1) IN GENERAL.—An issue shall be treated as
11 meeting the requirements of this subsection if, as of
12 the date of issuance, the State infrastructure bank
13 reasonably expects—

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

18 “(B) to incur a binding commitment with
19 a third party to spend at least 10 percent of the
20 proceeds of such issue, or to commence con-
21 struction, with respect to such projects within
22 the 12-month period beginning on such date,
23 and

1 “(C) to proceed with due diligence to com-
2 plete such projects and to spend the proceeds of
3 such issue.

4 “(2) RULES REGARDING CONTINUING COMPLI-
5 ANCE AFTER 5-YEAR DETERMINATION.—To the ex-
6 tent that less than 100 percent of the available
7 project proceeds of such issue are expended by the
8 close of the 5-year expenditure period beginning on
9 the date of issuance, the State infrastructure bank
10 shall redeem all of the nonqualified bonds within 90
11 days after the end of such period. For purposes of
12 this paragraph, the amount of the nonqualified
13 bonds required to be redeemed shall be determined
14 in the same manner as under section 142.

15 “(f) RECAPTURE OF PORTION OF CREDIT WHERE
16 CESSATION OF COMPLIANCE.—If any bond which when
17 issued purported to be a TRIP bond ceases to be such
18 a bond, the State infrastructure bank shall pay to the
19 United States (at the time required by the Secretary) an
20 amount equal to the sum of—

21 “(1) the aggregate of the credits allowable
22 under section 54A with respect to such bond (deter-
23 mined without regard to section 54A(c)) for taxable
24 years ending during the calendar year in which such
25 cessation occurs and each succeeding calendar year

1 ending with the calendar year in which such bond is
2 redeemed by the bank, and

3 “(2) interest at the underpayment rate under
4 section 6621 on the amount determined under para-
5 graph (1) for each calendar year for the period be-
6 ginning on the first day of such calendar year.

7 “(g) TRIP BONDS TRUST ACCOUNT.—

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

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

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

14 “(C) The amount described in paragraph
15 (2).

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

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

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

1 “(B) \$50,000,000,000.

2 “(3) USE OF FUNDS.—Amounts in the TRIP
3 Bonds Trust Account may be used only to pay costs
4 of qualified projects and redeem TRIP bonds, except
5 that amounts withdrawn from the TRIP Bonds
6 Trust Account to pay costs of qualified projects may
7 not exceed the proceeds from the sale of TRIP
8 bonds described in subsection (a)(1).

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

14 “(5) APPLICABILITY OF FEDERAL LAW.—The
15 requirements of any Federal law, including titles 23,
16 40, and 49 of the United States Code, which would
17 otherwise apply to projects to which the United
18 States is a party or to funds made available under
19 such law and projects assisted with those funds shall
20 apply to—

21 “(A) funds made available under the TRIP
22 Bonds Trust Account for similar qualified
23 projects, including contributions required under
24 subsection (h), and

1 “(B) similar qualified projects assisted
2 through the use of such funds.

3 “(6) INVESTMENT.—Subject to subsections (e)
4 and (f), it shall be the duty of the Secretary to in-
5 vest in investment grade obligations such portion of
6 the TRIP Bonds Trust Account as is not, in the
7 judgment of the Secretary, required to meet current
8 withdrawals. To the maximum extent practicable, in-
9 vestments should be made in securities that support
10 infrastructure investment at the State and local
11 level.

12 “(h) STATE CONTRIBUTION REQUIREMENTS.—

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

23 “(2) STATE MATCHING CONTRIBUTIONS MAY
24 NOT INCLUDE FEDERAL FUNDS.—For purposes of
25 this subsection, State matching contributions shall

1 not be derived, directly or indirectly, from Federal
2 funds, including any transfers from the Highway
3 Trust Fund under section 9503.

4 “(i) UTILIZATION OF UPDATED CONSTRUCTION
5 TECHNOLOGY FOR QUALIFIED PROJECTS.—For purposes
6 of subsection (a)(7), the requirement of this subsection is
7 met if the appropriate State agency relating to the quali-
8 fied project is utilizing updated construction technologies.

9 “(j) OTHER DEFINITIONS AND SPECIAL RULES.—
10 For purposes of this section—

11 “(1) STATE INFRASTRUCTURE BANK.—

12 “(A) IN GENERAL.—The term ‘State infra-
13 structure bank’ means a State infrastructure
14 bank established under section 610 of title 23,
15 United States Code, and includes a joint ven-
16 ture among 2 or more State infrastructure
17 banks.

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

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

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

11 (b) CONFORMING AMENDMENTS.—

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

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

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

18 (C) by inserting after subparagraph (E)
19 the following new subparagraph:

20 “(F) a TRIP bond,” and

21 (D) by inserting “(paragraphs (3), (4),
22 and (6), in the case of a TRIP bond)” after
23 “and (6)”.

24 (2) Subparagraph (C) of section 54A(d)(2) of
25 such Code is amended by striking “and” at the end

1 of clause (iv), by striking the period at the end of
2 clause (v) and inserting “, and”, and by adding at
3 the end the following new clause:

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

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

“Sec. 54G. TRIP bonds.”.

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

13 **SEC. 4. ADDITIONAL REVENUES THROUGH EXTENSION OF**
14 **CUSTOMS USER FEES.**

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

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

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