

**U.S. Department of
Transportation**

**BUDGET
ESTIMATES
FISCAL YEAR 2012**

**NATIONAL
INFRASTRUCTURE
BANK**

**SUBMITTED FOR THE USE OF
THE COMMITTEES ON APPROPRIATIONS**

**DEPARTMENT OF TRANSPORTATION
NATIONAL INFRASTRUCTURE BANK**

FY 2012 CONGRESSIONAL BUDGET JUSTIFICATION

TABLE OF CONTENTS

	<u>Page</u>
SECTION 1: OVERVIEW	
Overview	Overview - 1
Organizational Chart	Overview - 2
 SECTION 2: BUDGET SUMMARY TABLES	
Exhibit II-1 – New Budget Authority	Sec.2 - 1
Exhibit II-2 – Budgetary Resources by Appropriation Account	Sec.2 - 2
Exhibit II-3 – Budget Request by DOT Strategic and Org. Goals.....	Sec.2 - 3
Exhibit II-3A – Budget Request by DOT Outcomes	Sec.2 - 4
Exhibit II-4 – Budgetary Authority.....	Sec.2 - 5
Exhibit II-5 – Outlays	Sec.2 - 6
Exhibit II-6 – Summary of Requested Funding Changes from Base.....	Sec.2 - 7
Exhibit II-8– Personnel Resource Summary – FTEs.....	Sec.2 - 8
Exhibit II-9 - Personnel Resource Summary – Positions.....	Sec.2 - 9
 SECTION 3: FY 2012 BUDGET REQUEST BY APPROPRIATION	
Exhibit III-1 - Appropriation Summary by Program Activity	Sec.3 - 1
Exhibit III-1 - Program and Performance Statement	Sec.3 - 1
Exhibit III-1a – Summary Analysis of Change from FY 2011 to FY 2012	Sec.3 - 2
Surface Transportation Authorization Proposal, Budgetary Resources	Sec.3 - 3
Detailed Justification	Sec.3 - 4

GENERAL NOTES

Detail in this document may not add to the totals due to rounding.

NATIONAL INFRASTRUCTURE BANK

OVERVIEW

FY 2012 resources requested for the National Infrastructure Bank (I-Bank) total \$5 billion. The I-Bank is included as part of the Administration's six-year surface reauthorization proposal and will be funded from the Transportation Trust Fund. The I-Bank will leverage Federal dollars and focus on investments of National and regional significance to the economy that often fall through the cracks in the traditional transportation programs. The I-Bank will encourage private, State, and local entities to invest capital in projects that are most critical to our economic progress. The I-Bank will base its investment decisions on clear analytical measures of value-for-cost and level of non-Federal co-investment, competing projects against each other to determine which will produce the greatest return for American taxpayers.

I-Bank investments will be issued in the form of grants, loans, or a blend of both and will target transportation and transportation-related projects that provide a significant economic benefit to the Nation or a region. A transportation-related project means a project that is part of or related to a transportation improvement that involves a highway, rail, bridge, aviation, port and marine, public transportation facilities and systems, intercity passenger bus, passenger or freight rail facilities and vehicles. In addition, the I-Bank will sponsor planning and feasibility work, and cost-benefit analytical capacity necessary to identify high-value projects from around the country. The I-Bank will encourage collaboration among non-Federal stakeholders including States, municipalities, and private investors and also promote coordination with investments in other infrastructure sectors.

The I-Bank will be a new entity within the Department of Transportation reporting to the Secretary and headed by an Executive Director who is appointed by the President and confirmed by the Senate. I-Bank investments will be overseen by an Investment Council that is comprised of senior Department of Transportation officials, including Administrators from modal administrations, and the heads of other departments and agencies of the Federal government. The Investment Council will consider investment proposals sourced by the I-Bank and submitted by the Executive Director for a funding recommendation. Proposals approved by the Investment Council will be submitted to the Secretary for a final approval.

Of the \$5 billion in funds requested, up to \$200,000,000 is requested for analysis of cost and benefits and for planning and feasibility work, and up to \$70,000,000 is requested for administering the program.

U.S. Department of Transportation

National Infrastructure Bank

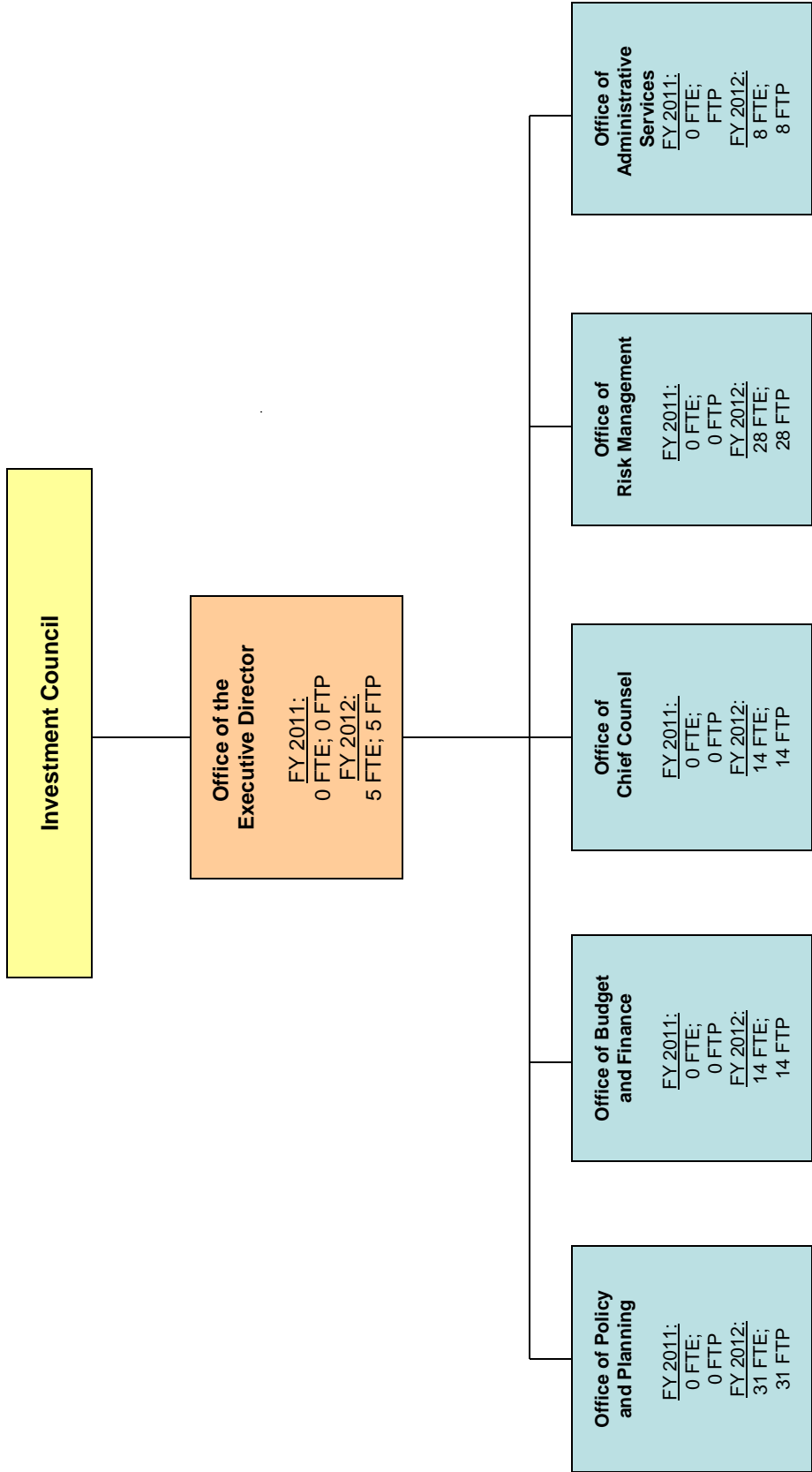


EXHIBIT II - 1

**FY 2012 NEW BUDGET AUTHORITY
NATIONAL INFRASTRUCTURE BANK
(\$000)**

<u>ACCOUNT NAME</u>	<u>FY 2010 ACTUAL</u>	<u>FY 2011 CR ANNUALIZED</u>	<u>FY 2012 REQUEST</u>
National Infrastrucuture Bank	-	-	5,000,000
TOTAL:	0	0	5,000,000

EXHIBIT II-2

**FY 2012 TOTAL BUDGETARY RESOURCES BY APPROPRIATION ACCOUNT
 NATIONAL INFRASTRUCTURE BANK
 Appropriations, Obligation Limitations and Exempt Obligations
 (\$000)**

<u>ACCOUNT NAME</u>	<u>FY 2010 ACTUAL</u>	<u>FY 2011 CR ANNUALIZED</u>	<u>FY 2012 REQUEST</u>
National Infrastructuture Bank	<u>0</u>	<u>0</u>	<u>5,000,000</u>
TOTAL:	0	0	5,000,000

EXHIBIT II-3

**FY 2012 BUDGET REQUEST BY DOT STRATEGIC AND ORGANIZATIONAL GOALS
NATIONAL INFRASTRUCTURE BANK
(\$000)**

ACCOUNT/Program	Safety	Environmental Sustainability	State of Good Repair/ Infrastructure	Livable Communities	Economic Competitiveness	Organizational Excellence	Total
National Infrastrucuture Bank					5,000,000		5,000,000
TOTAL:					5,000,000		5,000,000

EXHIBIT II-3a

**FY 2012 BUDGET REQUEST BY DOT OUTCOMES
NATIONAL INFRASTRUCTURE BANK
(\$000)**

DOT Outcome	Program	FY 2012 Request
SAFETY		
ENVIRONMENTAL SUSTAINABILITY		
GOOD REPAIR		
LIVABLE COMMUNITIES		
ECONOMIC COMPETITIVENESS		
Maximum economic returns on transportation policies and investments	National Infrastructure Bank	5,000,000
ORGANIZATIONAL EXCELLENCE		
OVERHEAD PROGRAMS/FUNCTIONS DISTRIBUTED TO PROGAMS		
TOTAL:		5,000,000

EXHIBIT II-4

**FY 2012 BUDGET AUTHORITY
NATIONAL INFRASTRUCTURE BANK
(\$000)**

<u>ACCOUNT NAME</u>	<u>FY 2010 ACTUAL</u>	<u>FY 2011 CR ANNUALIZED</u>	<u>FY 2012 REQUEST</u>
National Infrastrucuture Bank	<u>0</u>	<u>0</u>	<u>5,000,000</u>
TOTAL:	0	0	5,000,000
Mandatory	0	0	5,000,000

EXHIBIT II-5

**FY 2012 OUTLAYS
NATIONAL INFRASTRUCTURE BANK
(\$000)**

<u>ACCOUNT NAME</u>	<u>FY 2010 ACTUAL</u>	<u>FY 2011 CR ANNUALIZED</u>	<u>FY 2012 REQUEST</u>
National Infrastrucuture Bank	0	0	470,000
TOTAL	0	0	470,000
[Mandatory]	0	0	470,000

EXHIBIT II-6

SUMMARY OF REQUESTED FUNDING CHANGES FROM BASE
 NATIONAL INFRASTRUCTURE BANK
 Appropriations, Obligation Limitations, and Exempt Obligations
 (\$000)

	(A) FY 2011 CR Annualized	(B) Annualization of FY 2011 WIGS	(C) One Less Compensable Day	(D) GSA Rent	(E) WCF	(F) Inflation	FY 2012 Baseline Estimate	Program Increases	FY 2012 Request
OPERATIONS									
PERSONNEL RESOURCES									
(FTE)	0.0						0.0	100.0	100.0
Direct FTE	0.0						0.0	100.0	100.0
FINANCIAL RESOURCES									
Salaries and Benefits	\$0						\$0	\$13,000	\$13,000
-WCF Transit Benefits	\$0						\$0	\$0	\$0
Travel	\$0						\$0	\$0	\$0
Transportation	\$0						\$0	\$0	\$0
GSA Rent	\$0						\$0	\$500	\$500
Communications, Utilities & Misc.	\$0						\$0	\$0	\$0
Printing	\$0						\$0	\$0	\$0
Other Services	\$0						\$0	\$56,500	\$56,500
Supplies	\$0						\$0	\$0	\$0
Equipment	\$0						\$0	\$0	\$0
Admin Subtotal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$70,000	\$70,000
PROGRAMS									
NIB Grants and Loans	\$0						\$0	\$4,930,000	\$4,930,000
Programs Subtotal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,930,000	\$4,930,000
Total:	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,000,000	\$5,000,000
GRAND TOTAL									
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,000,000	\$5,000,000

EXHIBIT II-8

**NATIONAL INFRASTRUCTURE BANK
PERSONNEL RESOURCE -- SUMMARY
TOTAL FULL-TIME EQUIVALENTS**

<u>DIRECT FUNDED BY APPROPRIATION</u>	<u>FY 2010 ACTUAL</u>	<u>FY 2011 CR ANNUALIZED</u>	<u>FY 2012 REQUEST</u>
National Infrastructure Bank	0	0	100
TOTAL FTEs	0	0	100

EXHIBIT II-9**NATIONAL INFRASTRUCTURE BANK
RESOURCE SUMMARY - STAFFING
FULL-TIME PERMANENT POSITIONS**

<u>DIRECT FUNDED BY APPROPRIATION</u>	<u>FY 2010 ACTUAL</u>	<u>FY 2011 CR ANNUALIZED</u>	<u>FY 2012 REQUEST</u>
National Infrastructure Bank	0	0	100
TOTAL POSITIONS	0	0	100

EXHIBIT III-1

NATIONAL INFRASTRUCTURE BANK
Summary by Program Activity
Appropriations, Obligation Limitations, and Exempt Obligations
(\$000)

	FY 2010 ACTUAL	FY 2011 CR ANNUALIZED	FY 2012 REQUEST	CHANGE FY 2010-2012
National Infrastructure Bank	0	0	5,000,000	5,000,000
Total	0	0	5,000,000	5,000,000
FTEs				
Direct Funded	0	0	100	100

Program and Performance Statement

The National Infrastructure Bank (I-Bank) will provide funding for transportation infrastructure through the use of grants, loans, or a blend of both. The I-Bank will encourage collaboration among non-Federal stakeholders including States, municipalities, and private investors, and also promote coordination with investments in other infrastructure sectors. The I-Bank will leverage federal dollars and focus on investments of national and regional significance that often fall through the cracks in the traditional transportation programs. The I-Bank will base its investment decisions on clear analytical measures of value-for-cost and level of non-Federal co-investment, competing projects against each other to determine which will produce the greatest returns to Federal investment.

Of the \$5 billion requested for the bank, up to \$200,000,000 is requested for the analysis of project costs and benefits and for planning and feasibility grants, and up to \$70,000,000 is requested for administering the program. The remainder will be available for project grants and the credit subsidy costs of project loans and loan guarantees.

EXHIBIT III-1a

**SUMMARY ANALYSIS OF CHANGE FROM FY 2011 TO FY 2012
NATIONAL INFRASTRUCTURE BANK
Appropriations, Obligations, Limitations, and Exempt Obligations
(\$000)**

FY 2011 CR Annualized		
National Infrastructure Bank		0
 Adjustments to Base		
Annualization of FY 2011 WIGs	0	
One Less Compensable Day:	0	
Subtotal, Adjustments to Base		0
 New or Expanded Programs		
Administrative expenses	70,000	
Grants and loans	4,930,000	
Subtotal, New or Expanded Programs		5,000,000
 Total FY 2012 Request		 5,000,000

**DOT's Surface Transportation Authorization Proposal
FY 2012 - 2017 Budgetary Resources**

(\$ in millions)

	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2012- FY 2017</u>
I-Bank (CA/Oblim)	5,000	5,000	5,000	5,000	5,000	5,000	30,000

Detailed Justification for the National Infrastructure Bank

What Is The Request And What Will We Get For The Funds?

FY 2012 Budget Request

National Infrastructure Bank

(\$000)

<u>Program Activity</u>	<u>FY 2010 Actual</u>	<u>FY 2012 Request</u>	<u>Change FY 2010- FY 2012</u>
Grants and loans	0	4,730,000	4,730,000
Planning Grants/Cost-Benefit Analysis	0	200,000	200,000
Administrative expenses	0	70,000	70,000
TOTAL	0	5,000,000	5,000,000

The National Infrastructure Bank is requesting \$5 billion and 100 FTE for FY 2012 to accomplish the mission outlined below.

What Is This Program?

The National Infrastructure Bank (I-Bank) will leverage federal dollars and focus on investments of national and regional significance that often fall through the cracks in the traditional transportation programs. The I-Bank will base its investment decisions on clear analytical measures of value-for-cost and level of non-Federal co-investment, competing projects against each other to determine which will produce the greatest returns to Federal investment. Unlike traditional Federal funding programs that rely solely on regular solicitations for proposals, the I-Bank will also incorporate an entrepreneurial approach to investing that seeks out the most promising projects, nationwide. Transportation and transportation-related projects proposed by states, local governments, other public agencies, and private entities with a public co-sponsor would be eligible for assistance, which could be made through grants, loans or a blend of both. A transportation related project means a project that is part of or related to a transportation improvement that involves a highway, rail, bridge, aviation, port and marine, or public

transportation facilities and systems; intercity passenger bus or passenger or freight rail facilities and vehicles.

The primary objective of the I-Bank will be to invest in infrastructure projects that significantly enhance the economic competitiveness of the United States or a region thereof by increasing or otherwise improving economic output, productivity, or competitive commercial advantage.

Why Is This Particular Program Necessary?

The I-Bank is necessary because the U.S. transportation infrastructure, much of which was built decades ago, is aging and in need of repair, and also because demand for transportation capacity continues to grow with the economy while our transportation networks continue to suffer declining performance. This program will promote innovative, multi-modal approaches to moving people and goods that deliver the greatest amount of benefits to system users relative to costs. Incorporating the Department's infrastructure credit programs into the bank reflects an acknowledgement that the Federal Government needs to take a more active role in supporting major transportation projects through a combination of well-targeted grants and flexible credit assistance that is structured to deliver successful projects. The Department's experience is that competitive national programs can facilitate creative and innovative approaches that drive significant inter-jurisdictional coordination and leverage substantial non-Federal co-investment to deliver major transportation investments.

How Do You Know The Program Works?

The I-Bank will be established as a new entity within the Department reporting to the Secretary. This structure will encourage multi-modal approaches to the transportation infrastructure problems currently facing the National economy. A multi-agency Investment Council will help guide the investment decisions of the I-Bank and target critical projects that existing funding sources organized by mode can often fail to finance. Increasing the economic competitiveness of the Nation is such a compelling objective for transportation and this proposed bank with its unique ability to invest in the full range of transportation infrastructure options - highway, transit, rail, aviation, and port facilities – can support solutions that no other program at the Department can offer.

Why Do We Want/Need To Fund The Program At The Requested Level?

The I-Bank is requesting \$5 billion and 100 FTE for FY 2012. In order to address the performance challenges of the Nation's transportation system, funding adequate to support large, multi-jurisdictional projects that are likely to span multiple years is required. The bank will also

substantially leverage the requested funding level by emphasizing Federal credit and strong commitments of non-Federal co-investment when structuring project financings. The competitive aspect of this program will seek to maximize the total level of investment directed into transportation infrastructure by utilizing available grant and loan funding to drive collaborative projects that enhance the Nation's transportation network. In addition to loans and grants to projects, the I-Bank will have the authority to spend up to \$200 million on initial project planning and feasibility costs necessary to bring projects to the proposal phase, and on analytical capacities to assess project costs and benefits in a rigorous and consistent manner.

Appropriations Language:

(LIMITATION ON OBLIGATIONS)
(TRANSPORTATION TRUST FUND)

Contingent upon enactment of multi-year surface transportation authorization legislation, funds available for the implementation or execution of the National Infrastructure Bank authorized under chapter 6 of title 23, United States Code, as amended by such authorization, shall not exceed total obligations of \$5,000,000,000 in fiscal year 2012, to remain available until expended: Provided, That up to \$200,000,000 of such funds shall be available for analysis of costs and benefits of projects and for planning and feasibility grants: Provided further, That of the funds made available under this heading, up to \$70,000,000 shall be available for administering the program.

(LIQUIDATION OF CONTRACT AUTHORIZATION)
(TRANSPORTATION TRUST FUND)

Contingent upon enactment of multi-year surface transportation authorization language, \$600,000,000, to be derived from the Transportation Trust Fund and to remain available until expended, for the payment of obligations incurred in carrying out the activities of the National Infrastructure Bank authorized under title 23, United States Code, as amended by such authorization.

DEPARTMENT OF TRANSPORTATION
NATIONAL INFRASTRUCTURE BANK

PROGRAM ACCOUNT

PROGRAM AND FINANCING
(In thousands of dollars)

		FY 2010 ACTUAL	FY 2011 CR ANNUALIZED	FY 2012 REQUEST
Obligations by program activity:				
0001	Planning Grants/CBA	0	0	200,000
0002	Project Grants	0	0	2,200,000
0003	Administrative Expenses	0	0	70,000
0701	Direct loan subsidy	0	0	200,000
0900	Total new obligations	0	0	2,670,000
Budgetary Resources:				
Appropriations, discretionary:				
1102	Appropriation (trust fund)	0	0	5,000,000
1137	Appropriations applied to liquidate contract authority	0	0	-5,000,000
1160	Appropriation, discretionary (total)	0	0	0
Contract authority, mandatory:				
1600	Contract authority	0	0	5,000,000
1640	Contract authority, mandatory (total)	0	0	5,000,000
1900	Budget authority (total)	0	0	5,000,000
1930	Total budgetary resources available	0	0	5,000,000
Change in obligated balance:				
3020	Obligated balance, start of year	0	0	0
3030	Obligations incurred, unexpired accounts	0	0	2,670,000
3040	Outlays (gross)	0	0	-470,000
3100	Obligated balance, end of year	0	0	2,200,000
Budget authority and outlays, net:				
Mandatory:				
4090	Budget authority, gross	0	0	5,000,000
4100	Outlays from new mandatory authority	0	0	470,000
4160	Budget authority, net (mandatory)	0	0	5,000,000
4170	Outlays, net (mandatory)	0	0	470,000
4180	Budget authority, net (total)	0	0	5,000,000
4190	Outlays, net (total)	0	0	470,000

DEPARTMENT OF TRANSPORTATION
NATIONAL INFRASTRUCTURE BANK

PROGRAM ACCOUNT

SUMMARY OF LOAN LEVELS, SUBSIDY BA AND OUTLAYS BY PROGRAM
(In thousands of dollars)

	FY 2010 ACTUAL	FY 2011 CR ANNUALIZED	FY 2012 REQUEST
Direct loan levels supportable by subsidy budget authority:			
1150-01 NIB Direct Loans	0	0	1,000,000
1159-99 Total direct loan levels	0	0	2,085,000
1320-01 NIB Direct Loans subsidy rate (in percent)	0	0	20.00
1330-01 NIB Direct Loans subsidy budget authority	0	0	200,000
1339-99 Total subsidy budget authority	0	0	200,000
1340-01 NIB Direct Loans subsidy outlays	0	0	5,000
1342-01 NIB Direct Loans positive subsidy outlays	0	0	5,000
1349-99 Total subsidy outlays	0	0	5,000

OBJECT CLASSIFICATION
(In thousands of dollars)

	FY 2010 ACTUAL	FY 2011 CR ANNUALIZED	FY 2012 REQUEST
Direct obligations:			
Personnel compensation:			
1111 Full-time permanent	0	0	13,000
1252 Other services from non-federal sources	0	0	57,000
1410 Grants, subsidies, and contributions	0	0	2,600,000
9999 Total obligations	0	0	2,670,000

PERSONNEL SUMMARY
(In thousands)

	FY 2010 ACTUAL	FY 2011 CR ANNUALIZED	FY 2012 REQUEST
1001 Direct civilian full-time equivalent employment	0	0	100

DEPARTMENT OF TRANSPORTATION
NATIONAL INFRASTRUCTURE BANK

DIRECT LOAN FINANCING ACCOUNT

PROGRAM AND FINANCING
(In thousands of dollars)

	FY 2010 ACTUAL	FY 2011 CR ANNUALIZED	FY 2012 REQUEST
Obligations by program activity:			
0710	0	0	1,000,000
0900	0	0	1,000,000
Budgetary Resources:			
Financing authority:			
1400	0	0	800,000
1440			
1800	0	0	5,000
1801	0	0	195,000
1850	0	0	200,000
1900	0	0	1,000,000
1930	0	0	1,000,000
Change in obligated balance:			
3020	0	0	0
3030	0	0	1,000,000
3040	0	0	-25,000
3050	0	0	-195,000
3100	0	0	780,000
Financing authority and disbursements, net			
Mandatory:			
4090	0	0	1,000,000
4110	0	0	25,000
4120	0	0	-5,000
4140	0	0	-195,000
4160	0	0	800,000
4170	0	0	20,000
4180	0	0	800,000
4190	0	0	20,000

DEPARTMENT OF TRANSPORTATION
NATIONAL INFRASTRUCTURE BANK

DIRECT LOAN FINANCING ACCOUNT

STATUS OF DIRECT LOANS
(In thousands of dollars)

		FY 2010	FY 2011 CR	FY 2012
		ACTUAL	ANNUALIZED	REQUEST
Position with respect to appropriations act limitation on obligations:				
1131	Direct loan obligations exempt from limitation	0	0	1,000,000
1150	Total direct loan obligations	0	0	1,000,000
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year	0	0	0
1231	Disbursements: Direct loan disbursements	0	0	25,000
1261	Adjustments, Capitalized interest	0	0	1,000
1290	Outstanding, end of year	0	0	26,000
6200	Net financing disbursements	0	0	20,000