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H.R.3339 - National Infrastructure Bank Act of 2021

117th Congress (2021-2022) | [Get alerts](#)

BILL

bills Overview

Sponsor: [Rep. Davis, Denny K. \[D-S-7\]](#) (Introduced 05/14/2021)

Committees: House - Energy and Commerce; Ways and Means; Transportation and Infrastructure; Financial Services; Education and Labor; Natural Resources; Budget

Latest Action: House - 05/20/2021 Referred to the Subcommittee on Railroads, Pipelines, and Hazardous Materials. [\(All Actions\)](#)

Tracker:

Introduced

Passed House

Passed Senate

To President

Become Law

Summary (1)

Text (1)

Actions (12)

Titles (2)

Amendments (2)

Cosponsors (11)

Committees (7)

Related Bills (2)

Cosponsor

[Rep. Cherfilus-McCormick, Sheila \[D-FL-20\]](#)

[Rep. Garcia, Jesus G. "Chuy" \[D-IL-4\]](#)

[Rep. Rush, Bobby L. \[D-IL-1\]](#)

[Rep. Dingell, Debbie \[D-MI-12\]](#)

[Rep. Tlaib, Rashida \[D-MI-13\]](#)

[Rep. Leger Fernandez, Teresa \[D-NM-3\]](#)

[Rep. Stansbury, Melanie Ann \[D-NM-1\]](#)

[Rep. Jones, Mondaire \[D-NY-17\]](#)

[Rep. Suozzi, Thomas R. \[D-NY-3\]](#)

[Rep. Doyle, Michael F. \[D-PA-18\]](#)

[Rep. Evans, Dwight \[D-PA-3\]](#)

1

History of Public Banking

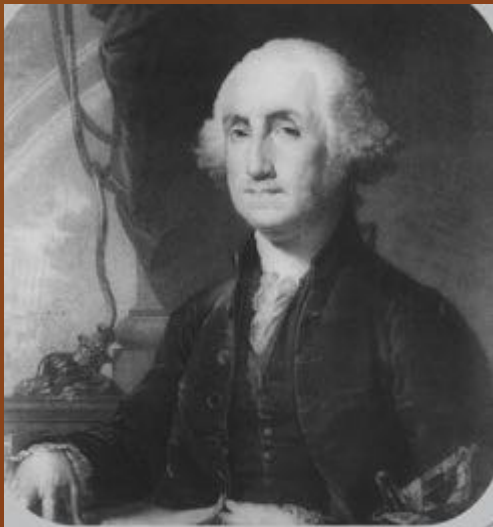
2

First Bank of US
(1791 - 1811)

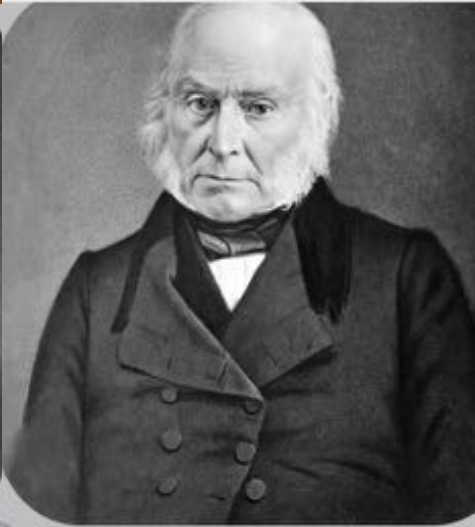
Second Bank of US
(1816 - 1836)

National Banking System
(Banking Act of 1863)

Reconstruction Finance
Corp (1932 - 1957)



George Washington



John Quincy Adams

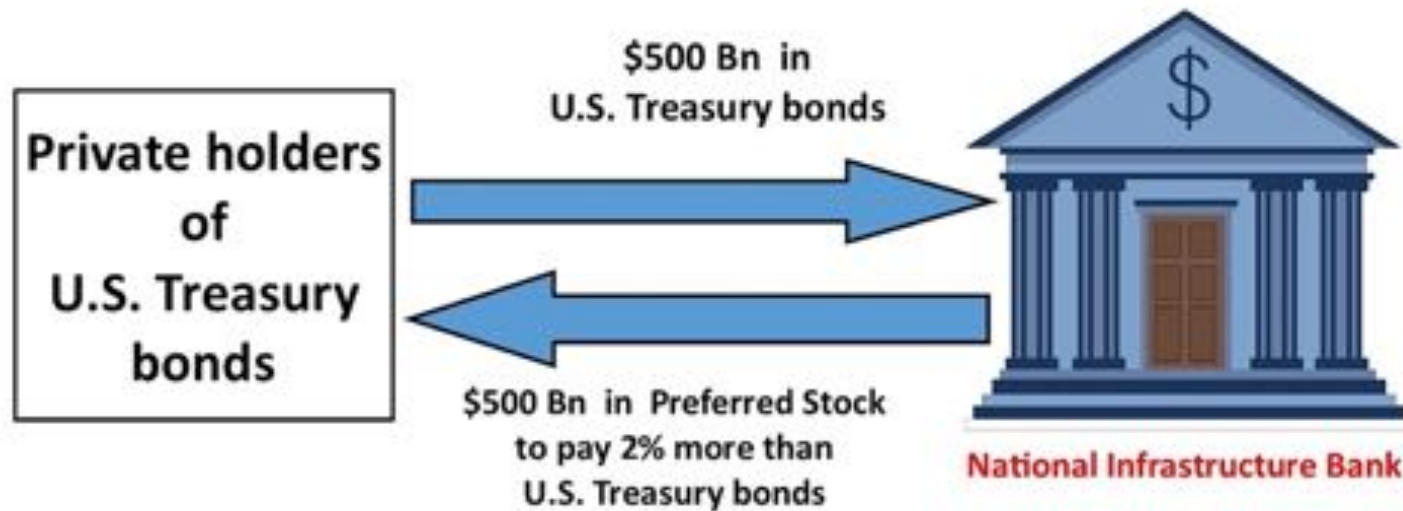


Abraham Lincoln



Franklin Roosevelt

How the National Infrastructure Bank is Capitalized



Private holders of U.S. Treasury bonds invest \$500 Bn in exchange for \$500 Bn in preferred stock in the bank. Preferred stock to pay additional 2% above U.S. Treasury rate. 2% interest paid from earnings of bank.

NO Federal Money
Needed !

WHERE DOES THE \$\$ COME FROM?

NOW THAT THE BANK IS
CAPITALIZED, IT CAN LEND UP TO
\$5 TRILLION

NIB creates \$5 T in deposits
owned by the borrower when
it books each loan for an
infrastructure project

NIB uses its cash on hand from
deposits and loan repayments to
move the money through the rest
of the banking system



What the NIB Covers

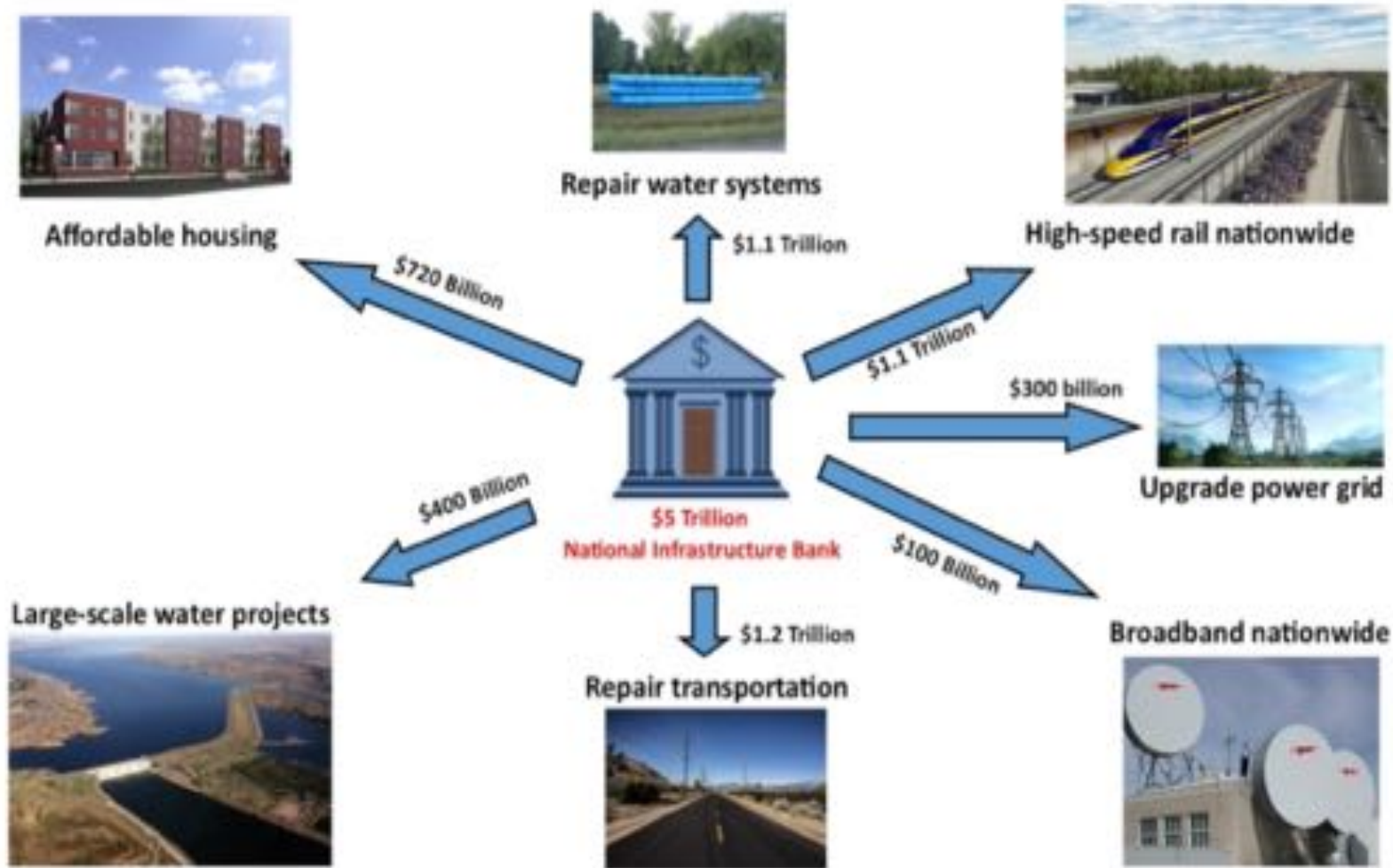


Table 1. Breakout of Infrastructure to be Financed by the National Infrastructure Bank (NIB)
Cumulative Infrastructure Needs over Ten Years: 2020-2029
(In billions of 2019-dollars)

| Infrastructure Categories | NIB Total Lending Amount | Revised Senate Bi-Partisan Bill Over 5 Years 12/ |
|---|-----------------------------|--|
| Total | \$5,000 | \$550 |
| ASCE 2021 Report Card 1/ | Funding Gap 2/ 3/ 4/ | New Money |
| Subtotal for 16 Categories | \$2,624 | |
| Surface Transportation | \$1,205 | |
| Roads & Bridges | \$785 | \$110 |
| Transit | \$250 | \$39 |
| Passenger Rail | \$45 | \$66 |
| Drinking Water, Wastewater, and Stormwater 5/ | \$801 | \$55 |
| Power Infrastructure 6/ | \$197 | \$73 |
| Additional Mega Projects | \$2,376 | |
| Affordable Housing 8/ | \$720 | |
| High Speed Rail 9/ | \$1,076 | |
| Broadband Complete Access 10/ | \$100 | \$65 |
| Renewable Energy Super-Grid Overlay 11/ | \$80 | |
| Large Water Management Projects | \$400 | \$8 |

\$5T Supercharges the American Economy !

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- Creates **25 million new jobs**, paying Davis Bacon Wages, with full benefits.
- **Buy America only** for construction inputs; **Makes America Manufacture Again.**
- Estimated to raise **GDP growth to 5%/year**, and **Productivity to 3.5%/year.**
- **No new Federal Taxes or Debt!**
- **Reduces Inflation!**
- **Offsets any coming Recession!**

Every Sector Thrives:

- Small and Medium **Businesses** grow, including with new High Speed Rail, and spinoff business opportunities.
- **Workers** benefit; poverty and income inequality are reduced.
- **Rural and urban** improvements. Everyone receives adequate funding.
- **Federal, state and local finances** improve: higher revenues from growth, and fewer workers needing social safety nets.

NIB Adds High Speed & Passenger Rail to the Transportation Mix

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\$1.1 trillion in NIB financing earmarked for High Speed Rail:

- Grows the economy along economic corridors, just like Transcontinental RR did and China did.
- Relieves congestion on roads and at airports.

Passenger and Express Freight Rail

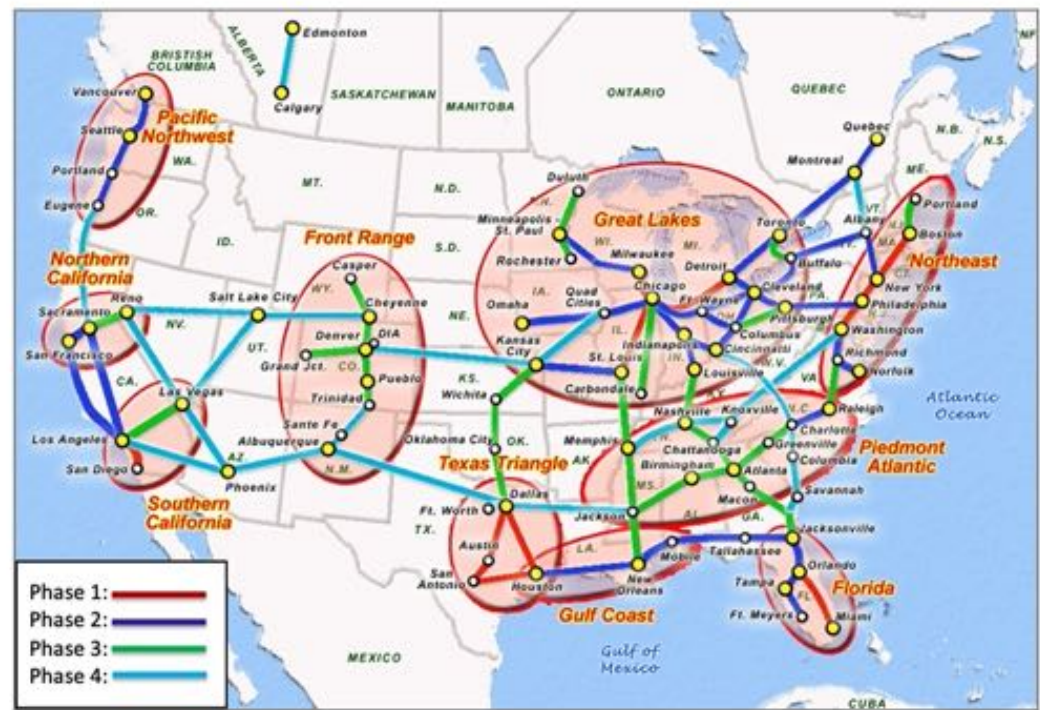
- Finances all the **new passenger lines** identified by Passenger Rail Association.
- Moves passengers and freight faster, more efficiently.
- Better connects rural and urban areas.

Energy and Economy Savings

- Moving passengers and express freight by rail, rather than road or air, saves 2/3 on fuel and CO2 emissions.
- **Economical too.** Ex: HSR between Eugene Oregon and Vancouver Canada would cost \$42 billion while generating \$355 billion in economic benefits. By comparison, widening the I-5 highway between those cities by one lane each way would cost \$108 billion and do nothing to relieve congestion (WA DOT).
- Less traffic congestion saves on wasted time and fuel; makes economy more productive; grows businesses.

Keeps America Competitive

Evolution of Potential National Network



Transportation Economics & Management Systems, Inc.

What are the Power Grid's Vulnerabilities?

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The Grid is Vulnerable to extreme weather events, cyber attacks, and problems of peak demand

- Power outages related to severe weather doubled over past five years (ME, LA, CA). Past storm repairs have not provided resilience. PG&E needs \$20B to bury CA transmission lines.
- China-purchased transformers are not cyber secure.

Renewable Energy and EV Electric Vehicles will Strain the Grid

- Plug-in cars are the future. The grid isn't ready. Wind power not always reliable. Congestion prevents renewable power entering the grid. Smart grid technologies needed to conserve.
- Grids at maximum capacity in summer months; won't have capacity to re-charge EVs.
- \$3 T needed from government to achieve zero carbon roads by 2050, a DOE study found. More needed to electrify rail.

Government not yet taken Total Needs Into Account

- ASCE estimates \$200 B in new money is needed just for repairs. Infrastructure Bill provides only \$73.
- The National Infrastructure Bank would finance \$200 B for new lines, resilience, cybersecurity, plus \$80 B for a High Voltage Direct Current Transmission Grid Overlay



Hurricane Ida destroyed 22,000 power poles in New Orleans, more than Katrina, Zeta, and Delta combined.

Safety First - Let's Get ALL the Lead Out!

10

Research by Prof. M Allaire, U California, Irvine

- Number of lead service lines = 7 to 11 million – more than 50,000 miles of lead pipes - serving 15 to 22 million people, or 7 percent of people living mostly in neighborhoods of color.
- Prevalent in Northeast, Midwest, & older cities:
Northern New Jersey (Newark)
Buffalo, Rochester, and New York City
Worcester, Massachusetts
Providence, Rhode Island
Baltimore, Maryland
Chicago, IL, **\$10 billion alone**
Flint and Benton Harbor, Michigan
Milwaukee, Wisconsin, Indianapolis Indiana
Portland, Oregon
Denver, Colorado - **Example of Best Practices**
Montgomery and Harris counties, Texas
Jackson, Mississippi
- Prevalent in rural areas with populations < 3000: Severe in 3 Michigan, Texas, and Utah communities
- Cost to replace lead pipes = **\$45 (EPA) to \$286 billion (2021 ASCE Failure to Act)**. **Bipartisan Bill allocates only \$15 billion.**
- Of Which: homeowners must pay to replace pipes in their yard: up to \$12,000 per home - NIB will finance that.



In 2011, a team of EPA researchers in Chicago, led by Miguel del Toral, made a startling discovery: Millions of Americans were likely consuming more lead in their water than anyone had known before.

NIB solves homelessness, builds adequate affordable housing

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Current State of U.S. Housing -U.S. Depts Housing and Urban Development (HUD), and Health and Human Services (HHS)

- Two million Americans are homeless (living in shelters or outdoors) including numbers of Veterans and children. Half the nation's homeless live in CA. Other high rates in: WA, OR, AK, CO, TX, NY, MA, VA, and FL.
- Another 10-15% of all American households are housing insecure. 30% of all U.S. households spent more than 30% of income on rent in 2019. Most are minorities. Overcrowding has already led to deaths: The Bronx Apartment Fire.
- Two long-term factors drive homelessness: 1) low pay (minimum wage still \$7.25/hour; 40 million Americans live below poverty line and are just a paycheck away from being evicted. 2) high cost of housing spurred by Fed monetary policy fueling Wall Street housing speculation, and migration to cities.
- The COVID pandemic caused workers to lose jobs. National eviction moratorium ended; rental assistance running out. Now Rents are skyrocketing.

NIB provides \$720 billion over 10 years to build / re-build 7.2 million affordable housing units needed.

- Creates 25 million new, family sustaining jobs, making housing more affordable.
- Targets poverty: Clyburn 10-20-30 Rule. NIB Trust Fund for poor areas.



More than 66,400 people are homeless in Los Angeles (2021). 21% of CA households are housing insecure, says National Low Income Housing Coalition.

Western Water Crisis

U.S. Drought Monitor: 65% of Western states continue in a Severe Drought, or worse. **Drought entering third year.**

Farmers report they will sell off herds, and reduce tilled acreage by 32%, which will likely reduce food production and raise food prices nationwide.

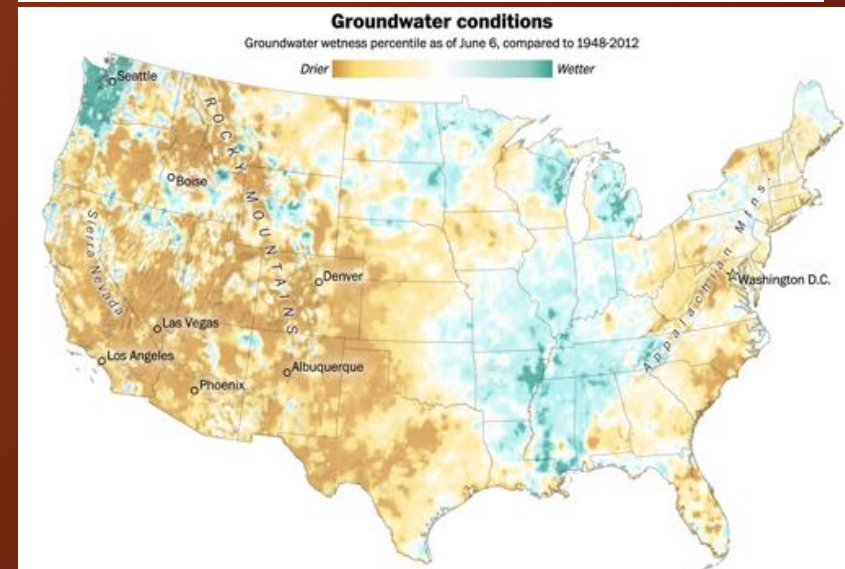
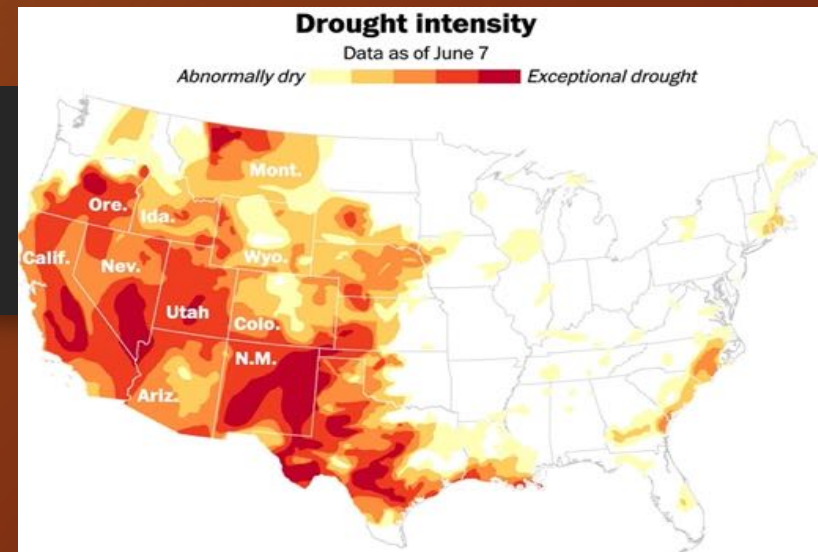
Severe groundwater depletion in Northern CA and Central Valley. 42% of CA's 1,500 public supply wells may dry up. Cities and farmers vie for water access.

Affects all Western States, United States indirectly

"Mega-drought" takes dramatic toll on Colorado River system that provides water to 40 million people Lake Mead Reservoir is at just 37% of its capacity. Hoover Dam may have to curtail hydro-electric power provided to seven states.

Drought is reducing food production in an area that provides 50% of America's fresh produce.

NIB Provides \$400 billion for new water supply projects.



NIB Helps Low Income Communities, Women, and Minority Owned Businesses

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- Scale of investment creates 25 million family sustaining jobs.
- Requires Davis Bacon Wages.
- Buy America stimulates manufacturing.
- Fair access to jobs for minorities and women. Enforcement.
- Targeted share of projects for Disadvantaged Business Enterprises, regions via the Clyburn 10-20-30 Rule, and Tribal Areas.
- Trust Fund grants for low income rural and urban communities.
- Builds needed affordable housing linked to public transportation.
- Job training. Earn while you learn.



10 million working families in the United States are not making enough money to cover basic household expenses; a disproportionate share -- 1 in 3 -- are minorities.

NIB Financing for Farmers and Rural Areas

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Water Infrastructure + Water Management:

- **\$800 B for drinking water**, sewer, and stormwater systems.
- **\$400 B for Mega Water projects** to address drought: water redistribution, desalination, capturing rainwater in local aquifers, and irrigation and agricultural conservation.

Connecting Rural America:

- Improved **local roads and bridges**, and inland waterways, to move agriculture goods to market.
- **Affordable broadband** everywhere, to improve farm technologies, and provide tele-education & health.
- **High Speed Rail** to transport workers / stimulate local growth / improve local municipality revenues.
- **Electric Grid** Resiliency. Renewable energy grid overlay.

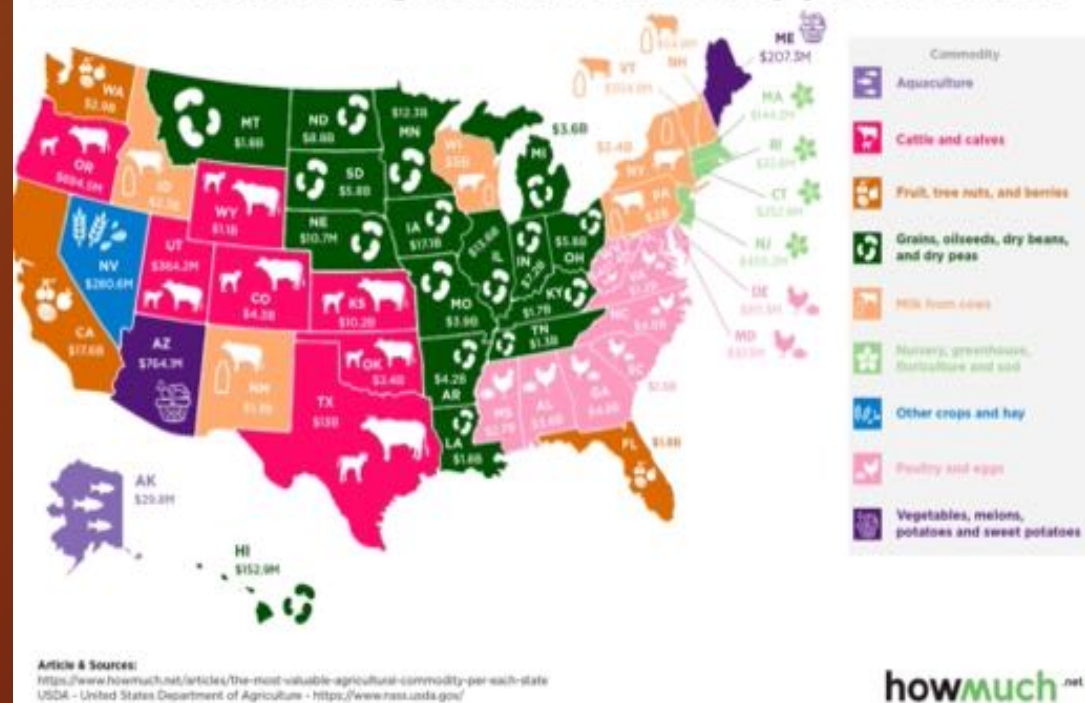
Equitable Community Development:

- **Create millions of local, family sustaining jobs.**
- Promote **community development**, including in Rural Towns, and Traditional & Native American regions. NIB Trust Fund.
- Build schools and **train workers** in new industries.

Top Up USDA Financing, Combat Climate Change:

- \$28 billion for regenerative practices moved to next Farm Bill.

The Most Valuable Agricultural Commodity per Each State



Top Agricultural states in 2019 were: CA, IA, IL, TX, MN

Training Workers

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- **Union Apprenticeship Programs:** National Association of Building Trades and other unions provide registered apprenticeships that train workers for good-paying jobs, allowing them to **earn while they learn**. Also Helmets to Hardhats and Trades Orientation Program.
- Federally Financed Training Programs, Career One Stop, and Jobs for Ex-Offenders (Dept. Labor)
- **Community Workforce Development:** Rhode Island Workforce Development after COVID, Los Angeles' Workforce Development Board, Michigan's Future for Frontliners, Chicago's Green ReEntry, and Pennsylvania's Keystone Development Partnership.
- **Community College Technical Degrees:** 2 year degree in Electrical and Power Transmission earns \$80,000 in first year, or more than twice the median income of a bachelor's degree. 34% of Federal education grants now go to 2-year colleges.
- **Career and Technical Education:** NY City's vocational high schools, and CT Technical Education and Career System, provide blended courses in technical fields.



Stop Runaway Inflation and Recession, Make America Produce Again!

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Stagflation as of June 30, 2022:

- **Inflation** rampant, 8.6% in May; housing prices up 34% over past two years; gas at record \$5.00/gal. Wage price spiral setting in.
- **Interest rates up:** 3.4% 10-year Treasuries; 6.2% 30-year fixed rate mortgages. National Debt \$30.5 trillion. Yield curve > recession.
- **Economy contracted** 1.5% at annual rate in first quarter. Forecast to grow only .9% in the second quarter.
- Fed forced to finally clamp down; accelerated interest rise by ¾%; begins Quantitative Tightening in June; both lower aggregate demand and may bring on a recession.
- **Tight labor market:** jobless rate 3.8% in May, and 12 million job openings in April. But TRU unemployment (not working; seeking full time; or earning below poverty line) = 23 percent of workforce.
- Economists divided over **possible recession** in 12-18 months.
- **5 Mega Banks in Terrible Shape:** lost \$300 billion in market cap in one year. Sitting on \$200 trillion (T) in derivatives, \$1.4 T in crypto, \$7.8 T in shaky corporate debt added since 2010. Asset bubbles now bursting everywhere.

Doesn't Have to be Sophie's Choice

- EITHER Fed clamps down enough to fight inflation, bringing on a recession.
- OR, Fed does too little, and hurtful stagflation persists.

Solution: National Infrastructure Bank Raises Growth, Lowers Inflation

- **Lends only to real sector.** Sized at \$5 trillion to fix entire backlog of infrastructure projects. Start with shovel-ready projects.
- **Raises real wages**, especially for workers who need it most (with less than college degree). Trains for permanent careers.
- Helps **resolve supply chain** problems (ports, trucking, housing, and other bottlenecks).
- **Sharply raises economic growth and productivity**, as proven by RFC during Great Depression and WWII.
- Accordingly, **no new inflation**, because produce more & efficiency.
- **No new Federal spending, taxes, or debt.**

Side-by-Side Comparison of Bank Bills

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| Name | National Infrastructure Bank | Infrastructure Financing Authority | National Infrastructure Development Bank | 21 st Century Infrastructure Bank | <u>National Infrastructure Investment Corporation (NIIC)</u> |
|---|--|--|--|---|---|
| Bill | H.R. 3339 (Rep. D. Davis, D-IL) | S.1499 (Sen. Warner, D-VA) + bi-partisan co-sponsors H.R.2895 (Rep. Scott Peters) bi-partisan | H.R.4413 (Rep. DeLauro, D-CT) | H.R.3722 (Rep. Maloney NY) D | No Number Yet (Rep. Carbajal) D |
| Maximum Lending Amount | \$5 trillion over ten years | \$210 billion over ten years | <u>\$250 billion</u> + equal amount from P3s | \$500 billion b/ | \$25 billion over 5 years |
| Funding | Private Treasuries exchanged for Preferred Stock to capitalize; deposits and bond proceeds to lend; \$100 million appropriation for start-up costs | \$10 billion appropriation; loan fees | \$25 billion appropriation; may issue own bonds; loan fees | \$50 billion appropriation to capitalize; bond proceeds to lend | \$5 billion per year over 5 years borrowed from pension funds; interest on borrowing in 3-4% per year range |
| Require Public <u>Private Partnership</u> (P3)? | No | Yes | Yes | No | No |

Endorsements from States and Organizations

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Resolutions in Support of NIB Introduced in 25 State Legislatures: See NIBCoalition.com

Resolutions Passed in: Both Chambers: ME, NJ, NV; One Chamber: DE, IL, RI, WA



How You Can Help

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- Read More at: NIBCoalition.com
- Ask Questions, or request a Presentation:
info@nibcoalition.com 866-739-1791
- Sign an Open Letter / OP ED asking Congress to pass HR3339
- Form a Grass Roots Campaign in Your Area:
Organize local legislators / workers / businesses
Formulate a Resolution for your City or County (samples on website)
- Call or Write your Member of Congress to Pass HR 3339:
U.S. Capitol Switchboard at (202) 224-3121
- Make a donation at NIBCoalition.com - we are a low budget, all volunteer org.