To establish the National Investment Authority to mobilize private capital to rebuild America’s obsolete public infrastructure, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

M__ introduced the following bill; which was referred to the Committee on ______________

A BILL

To establish the National Investment Authority to mobilize private capital to rebuild America’s obsolete public infrastructure, and for other purposes.

Be it enacted by the Senate and House of Representa-
tives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) Short Title.—This Act may be cited as the “National Investment Authority Act of 2021”.

(b) Table of Contents.—The table of contents for this Act is as follows:

Sec. 1. Short title; table of contents.
Sec. 2. Definitions.
TITLE I—NATIONAL INVESTMENT AUTHORITY

Sec. 101. Establishment.
Sec. 102. Functions.
Sec. 103. Funding.
Sec. 104. NIA Governing Board.
Sec. 105. Project eligibility and selection.
Sec. 106. Public accountability.

TITLE II—NIA REGIONAL OFFICES

Sec. 201. Establishment.
Sec. 203. Functions.

TITLE III—NATIONAL INFRASTRUCTURE BANK

Sec. 301. Establishment.
Sec. 302. Functions.
Sec. 303. NIB Governance.
Sec. 304. Project eligibility and selection.

TITLE IV—NATIONAL CAPITAL MANAGEMENT CORPORATION

Sec. 401. Establishment.
Sec. 402. Purpose and functions.
Sec. 403. NCMC Funds.
Sec. 404. Public asset manager powers.
Sec. 405. NCMC Governance.

1 SEC. 2. DEFINITIONS.

In this Act:

(1) CRITICAL PUBLIC INFRASTRUCTURE.—The term “Critical Public Infrastructure” means high-quality, environmentally safe—

(A) physical infrastructure (including transportation, energy, water, and communications infrastructure);

(B) industrial infrastructure (including domestic manufacturing facilities); and

(C) social infrastructure (including affordable housing, education, and healthcare).
(2) **ELIGIBLE PRIVATE ENTITY.**—The term “Eligible Private Entity” means any non-government entity, or a group of such entities, that—

(A) seeks the NIA funding or technical assistance in connection with one or more Critical Public Infrastructure projects;

(B) is not itself and is not controlled by, directly or indirectly, a Financial Intermediary; and

(C) meets the entity eligibility criteria and any other requirements and conditions, established by the Governing Board or the NIA Operating Subsidiaries.

(3) **FINANCIAL INTERMEDIARY.**—The term “Financial Intermediary” means—

(A) a commercial bank with assets above $10,000,000,000; 

(B) a broker or dealer (as such terms are defined under section 3 of the Securities Exchange Act of 1934); and 

(C) an issuer that would be an investment company, as defined under the Investment Company Act of 1940, but for paragraph (1) or (7) of section 3(c) of that Act.
(4) GOVERNING BOARD.—The term “Governing Board” means the Governing Board of the NIA.

(5) NATIONAL INVESTMENT STRATEGY.—The term “National Investment Strategy” means the National Investment Strategy designed by the Governing Board under section 102(b).

(6) NCMC.—The term “NCMC” means the National Capital Management Corporation.

(7) NCMC FUNDS.—The term “NCMC Funds” means collective investment vehicles organized, sponsored, invested in, and managed by the NCMC, in accordance with the provisions of this Act.

(8) NIA.—The term “NIA” means the National Investment Authority, established under section 101.

(9) NIA ANNUAL REPORT.—The term “NIA Annual Report” means the NIA Annual Report mandated under section 106.

(10) NIA BOND.—The term “NIA bond” means a bond or any other debt or debt-like instrument issued by the NIA or an NIA Operating Subsidiary.

(11) NIA OPERATING SUBSIDIARY.—The term “NIA Operating Subsidiary” means—

(A) the NIB;
(B) the NCMC; and

(C) such other government corporations or
entities as may be established or designated by
an Act of Congress as NIA Operating Subsidi-
aries.

(12) NIA STAFF.—The term “NIA Staff”
means the staff of the NIA.

(13) NIB.—The term “NIB” means that Na-
tional Infrastructure Bank.

(14) PORTFOLIO PROJECT.—The term “Port-
folio Project” means any project or undertaking, fi-
nanced, managed, or otherwise supported by any
NIA Operating Subsidiary in the course of its busi-
ness and in accordance with the provisions of this
Act.

(15) PROJECT FUNDING DATE.—The term
“Project Funding Date” means, with respect to each
NIA Portfolio Project, each date on which the
NIA—

(A) makes a final decision to commit to
funding or participating in that Portfolio
Project; and

(B) extends funding or assumes participa-
tion pursuant to its commitment.
(16) **QUALIFYING FUND INVESTOR.**—The term “Qualifying Fund Investor” means a public or private entity, or a group of such entities, that—

(A) is—

(i) a pension fund;

(ii) a sovereign wealth fund;

(iii) a State, municipal, or Tribal public bank, green bank, or development bank; or

(iv) a similar public entity, endowment, or other institutional investor—

(I) with long-term liabilities or strategic horizons;

(II) whose shareholders or beneficiaries are widely dispersed members of the public; or

(III) whose activities are important from a public policy perspective;

(B) meets the criteria for participation in any NCMC Fund, as established by the Governing Board and the NCMC Board; and

(C) is not—

(i) a depository institution (as defined under section 3 of the Federal Deposit Insurance Act);
(ii) a broker or dealer (as such terms are defined under section 3 of the Securities Exchange Act of 1934); or

(iii) an issuer that would be an investment company, as defined in the Investment Company Act of 1940, but for paragraph (1) or (7) of section 3(c) of that Act.

(17) State.—The term “State” means each of the several States, the District of Columbia, each territory of the United States, and each Indian Tribe.

**TITLE I—NATIONAL INVESTMENT AUTHORITY**

**SEC. 101. ESTABLISHMENT.**

There is established the National Investment Authority, which shall contain—

(1) the NIA Governing Board established under this title;

(2) the NIA regional offices established under title II; and

(3) the NIA Operating Subsidiaries, including the NIB established under title III and the NCMC established under title IV.
SEC. 102. FUNCTIONS.

(a) NIA MISSION.—

(1) IN GENERAL.—The NIA’s mission shall be to design, finance, and implement a coherent and dynamic program of long-term national economic growth and development that is—

(A) structurally and geographically balanced;

(B) environmentally sustainable;

(C) socially equitable; and

(D) in line with the strategic goals and national interests of the United States.

(2) PRINCIPAL GOALS.—In fulfilling its mission under paragraph (1), the NIA shall have the principal goals of the following:

(A) Eliminating unemployment, underemployment, and poverty.

(B) Ensuring universal access to essential goods and services.

(C) Prioritizing the communities in greatest need.

(D) Remediating and eliminating threats to communities arising from toxic water, land and air pollution, unsustainable resource use, and climate change.
(E) Prioritizing environmental justice hotspots and bolstering climate and environmental resilience.

(F) Reducing greenhouse gas emissions in line with the recommendations of the Intergovernmental Panel on Climate Change.

(G) Increasing domestic manufacturing capacity and ensuring U.S. competitiveness in line with the foregoing.

(b) NATIONAL INVESTMENT STRATEGY.—In pursuit of the NIA’s mission, the Governing Board shall formulate, regularly update, and implement a forward-looking National Investment Strategy that mobilizes, amplifies, and coordinates investment of public and private capital, over different time horizons, in—

(1) equitable, inclusive, structurally balanced, and environmentally sustainable growth of the U.S. economy;

(2) long-term development of domestic productive and manufacturing capacity;

(3) creation of sustainable and well-paying domestic jobs;

(4) universal availability of high-quality Critical Public Infrastructure;
(5) elimination of gaps in the quality of life and well-being of ethnic and racial groups, as well as among geographic regions and communities;

(6) broad and equitable access to affordable housing;

(7) transition to a low-carbon emissions economy;

(8) technology development in support of national goals; and

(9) such other goals as the Governing Board may determine.

(c) OVERSIGHT OF NIA OPERATING SUBSIDIARIES.—The Governing Board shall—

(1) establish rules governing the operations of the NIA Operating Subsidiaries;

(2) monitor the compliance of the NIA Operating Subsidiaries with the rules established under paragraph (1) and the provisions of this Act;

(3) supervise the implementation of the National Investment Strategy by the NIA Operating Subsidiaries; and

(4) develop consistent policies and procedures for the NIA Operating Subsidiaries with respect to project selection and performance, consistent with
section 105 and the other provisions of this Act, including—

(A) labor, equity, and environmental criteria to be used in the project-selection process and in the implementation of projects;

(B) project selection procedures; and

(C) the community engagement process in project selection.

(d) Oversight of NIA Regional Offices.—The Governing Board shall establish rules and procedures establishing the structure and governing the operation of the NIA regional offices.

(e) Ancillary Functions.—The Governing Board shall—

(1) conduct, fund, coordinate, and otherwise support academic research and development of technology and scientific knowledge consistent with and beneficial to the National Investment Strategy;

(2) maintain regular and effective channels of communication and public outreach, especially with respect to communities in areas where the NIA conducts or plans to conduct its operations;

(3) provide technical assistance to public and private entities, community groups, and individuals
participating or intending to participate in the NIA project selection process;

(4) ensure compliance with the relevant project selection criteria and all other applicable requirements of this Act and the Governing Board;

(5) collect, study, and publicize data relating to investments by the NIA and NIA Operating Subsidiaries and the impact of such investments on economic growth, sustainability, inclusivity, and other measures of the nation’s well-being; and

(6) perform any additional functions determined necessary or useful in order to support or enhance the NIA’s ability to fulfill its mission under this Act.

SEC. 103. FUNDING.

(a) INITIAL APPROPRIATION.—There is appropriated, out of any money in the Treasury not otherwise appropriated, to the Governing Board $50,000,000,000 for the initial establishment of the NIA, NIB, and NCMC and to carry out this Act, such sums to remain available until expended.

(b) FEDERAL RESERVE SUPPORT.—

(1) PURCHASE OF NIA BONDS.—

(A) IN GENERAL.—The Board of Governors of the Federal Reserve System may pur-
chase NIA bonds and other debt instruments, both directly from the NIA or NIA Operating Subsidiary and in secondary markets.

(B) LIMITATION.—The total value of NIA bonds and other debt instruments held by the Board of Governors of the Federal Reserve System at any one time may not exceed 25 percent of the total assets held by the Board of Governors of the Federal Reserve System (excluding any amounts outstanding under paragraph (2)) and the Federal reserve banks. For purposes of the preceding sentence, the total asset amount shall be calculated as the average total assets over the preceding 6-month period.

(2) BACKUP LIQUIDITY SUPPORT.—

(A) IN GENERAL.—At the request of the head of an NIA Operating Subsidiary, for purposes of providing short-term liquidity support, the Board of Governors of the Federal Reserve System shall lend funds to such NIA Operating Subsidiary—

(i) at preferential rates; and

(ii) on a collateralized or uncollateralized basis.
(B) LIMITATION.—The total value of outstanding loans provided by the Board of Governors of the Federal Reserve System under this paragraph may not exceed 25 percent of the total assets held by the Board of Governors of the Federal Reserve System and the Federal reserve banks. For purposes of the preceding sentence, the total asset amount shall be calculated as the average total assets over the preceding 6-month period.

(c) TREASURY LINE OF CREDIT.—

(1) IN GENERAL.—At the request of the Chair or Vice-Chair of the Governing Board, the Secretary of the Treasury shall lend funds to one or more NIA Operating Subsidiary designated in such request, at cost. The request submitted under this provision shall be accompanied by a written attestation by the head of the relevant NIA Operating Subsidiary that such Operating Subsidiary is unable to access the liquidity support from the Board of Governors of the Federal Reserve System authorized under subsection (b).

(2) LIMITATION.—The aggregate amount of all loans authorized under paragraph (1) at one time may not exceed an amount equal to 100 percent of
the NIA’s total assets. For purposes of the pre-
ceding sentence, the total asset amount shall be cal-
culated as the average total assets over the pre-
ceding 6-month period.

(d) NIA BONDS.—

(1) IN GENERAL.—The NIA or NIA Operating
Subsidiaries may issue bonds and other debt instru-
ments, or “NIA Bonds”, on terms determined by the
Governing Board or the issuing NIA Operating Sub-
sidiary, as applicable, in accordance with the re-
quirements of this Act.

(2) EXEMPT SECURITIES.—NIA Bonds and
other instruments issued by NIA Operating Subsidi-
aries shall be exempt from the requirements of sec-
tion 5 of the Securities Act of 1933.

(3) NO FULL FAITH AND CREDIT.—NIA Bonds
and other instruments issued by NIA Operating
Subsidiaries shall not be backed by the full faith and
credit of the United States.

(e) USE OF PROCEEDS.—The NIA and NIA Oper-
ating Subsidiaries shall retain all proceeds from financing,
investments, and other financial assistance made under
this Act and may, without further appropriation, use such
amounts to carry out this Act.
SEC. 104. NIA GOVERNING BOARD.

(a) Establishment.—There is established the Governing Board of the NIA, as an independent Federal agency.

(b) Members.—

(1) In general.—The Governing Board shall consist of the following:

(A) Voting members.—Nine voting members, appointed by the President by and with the advice and consent of the Senate.

(B) Non-voting members.—The following ex-officio, non-voting members:

(i) The Chairman of the Board of Governors of the Federal Reserve System.

(ii) The Secretary of the Treasury.

(iii) The Secretary of Housing and Urban Development.

(iv) The President of each NIA Operating Subsidiary.

(2) Chair; Vice Chair.—The President shall select one voting member of the Governing Board to serve as Chair and one to serve as Vice Chair.

(3) Terms of Service.—

(A) In general.—The voting members of the Governing Board shall serve a 10-year
term, and members may not serve more than one term.

(B) STAGGERED TERMS.—Notwithstanding subparagraph (A)—

(i) in appointing the initial voting members of the Governing Board, the President shall stagger the terms of the initial members such that no more than one member’s term ends in any one year; and

(ii) the initial voting members of the Governing Board may be appointed to a second term.

(4) QUALIFICATIONS.—In appointing the voting members of the Governing Board, the President shall ensure that—

(A) all members have established expertise in finance, economics, law, environmental science, engineering, public administration, infrastructure projects, public health, or other relevant fields; and

(B) at least 5 of the members have demonstrated experience with, and endorsement from, labor organizations, non-profit organizations, and community advocacy groups.
(5) COMPENSATION.—

(A) CHAIR.—The Chair of the Governing Board shall be compensated at the rate of pay payable for a position at level I of the Executive Schedule under section 5312 of title 5, United States Code.

(B) OTHER MEMBERS.—The members of the Governing Board other than the Chair shall be compensated at the rate of pay payable for a position at level II of the Executive Schedule under section 5313 of title 5, United States Code.

(c) PROFESSIONAL STAFF.—To assist the NIA in the performance of its responsibilities under this Act, the Governing Board shall establish and operate professional full-time staff, the NIA Staff, whose structure shall include the following units:

(1) The Applied Research and Technology unit, which shall organize, finance, and coordinate applied research and development of technologies that could improve environmental, economic, and social outcomes.

(2) The Public Outreach and Communication unit, which shall ensure the continuous flow of information and communication between the Governing
Board and businesses and communities, including through the NIA regional offices.

(3) The Technical Assistance and Strategic Coordination unit, which shall—

(A) coordinate public investment strategies and ensure cooperation among Federal, State, and local agencies; and

(B) provide technical assistance to public and private entities.

(4) Such other units as the Governing Board determines necessary to support its operations.

(d) Office of Minority and Women Inclusion.—Section 342(g)(1) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (12 U.S.C. 5452(g)(1)) is amended—

(1) in subparagraph (H), by striking “and”.

(2) in subparagraph (I), by striking the period and inserting “; and”; and

(3) by adding at the end the following:

“(J) the National Investment Authority.”.

(e) Interagency Consultation and Coordination.—The NIA Governing Board, the Secretary of the Treasury, and the Board of Governors of the Federal Reserve System shall establish the process for regular con-
sultations to ensure effective cooperation and coordination of their policies and priorities.

SEC. 105. PROJECT ELIGIBILITY AND SELECTION.

(a) In General.—Subject to this section’s provisions, the Governing Board shall adopt rules and promulgate policies and procedures establishing core requirements for the eligibility, identification, evaluation, selection, and ongoing monitoring and management of the Portfolio Projects. In doing so, the Governing Board shall seek to ensure that the Portfolio Project selection process is conducted in a transparent, efficient, and publicly accountable manner, consistent with the core purposes of the NIA.

(b) Identifying Potential Portfolio Projects.—Projects potentially eligible for NIA funding shall be identified primarily through the following channels:

(1) External.—Projects identified by Federal, State, or local agencies, public banks, or other government-owned corporations that would benefit from NIA management or investment and meet the NIA’s eligibility requirements.

(2) Internal.—Prospective projects identified and proposed by the NIA staff, based on internal re-
search or in collaboration with the outside scientific
and technology experts and communities.

(3) PUBLIC AUCTION.—Projects—

(A) that meet a set of criteria identified by
the NIA staff in accordance with a particular
investment goal; and

(B) are announced to the public by the
NIA in a public call for proposals (the “auc-
ton”) that is conducted in a transparent and
fair manner, as determined by the Governing
Board, in coordination with the NIA regional
offices and the NIA Operating Subsidiaries.

(c) PORTFOLIO PROJECT ELIGIBILITY CRITERIA.—

(1) IN GENERAL.—The NIA and the NIA Oper-
ating Subsidiaries shall prioritize projects and in-
vestments that, in the NIA’s determination, have po-
tential to generate tangible long-term public benefits
and advance the goals of the NIA.

(2) SPECIFIC PROJECT ELIGIBILITY CR
TERIA.—The NIA Operating Subsidiaries shall apply
the following criteria and balance the following fac-
tors, to determine that each Portfolio Project is eli-
gible for the NIA funding, both at the Project Fund-
ing Date and on an ongoing basis:
(A) Financial and Economic Impact Criteria, which include—

(i) potential contribution to the long-term growth and sustainability of the national, regional, or local economy;

(ii) innovativeness and transformative technological potential;

(iii) potential strengthening of global competitiveness and resilience of the U.S. economy;

(iv) potential for and commitment to domestic job creation and “Buy America”;

(v) scale, time horizons, expected costs and cash revenues;

(vi) availability or lack of superior or viable private or public funding alternatives; and

(vii) such other factors as may be appropriate to consider under the circumstances.

(B) Environmental Impact Criteria, which include—

(i) project participants’ record of or commitment to mandatory compliance with
all relevant environmental laws, regulations, and standards;

(ii) absence of significant climate risk or mandatory climate-risk mitigation;

(iii) potential to facilitate a broader economy-wide shift to clean technologies or production; and

(iv) any additional requirements and commitments applicable to individual types of project or investment.

(C) Social and Racial Equity Impact Criteria, which include—

(i) potential to improve health, education, living conditions, income, and overall well-being of local, and especially disadvantaged, communities;

(ii) potential to rectify racial or socioeconomic inequity;

(iii) any other factors and commitments appropriate or necessary under the circumstances.

(D) Labor and Employment Impact Criteria, which include—

(i) project participants’ record of or commitment to mandatory compliance with
all relevant labor and wage-related laws, regulations and standards, including re-
quirements that the participants—

(I) provide written assurances

prescribed by the applicable NIA Op-
erating Subsidiary that any project
will be performed with the require-
ments of Federal laws that would oth-
erwise apply to similar projects to
which the United States is a party;

(II) with respect to recipients of
financial assistance authorized under
this Act that funds public transpor-
tation capital projects, as defined in
section 5302 of title 49, United States
Code, comply with the grant require-
ments applicable to grants made
under section 5309 of such title;

(III) with respect to recipient of
financial assistance for an infrastruc-
ture project involving reconstruction,
rehabilitation, replacement, or expan-
sion that may impact current public
employees on the project site, shall
protect the interests of employees af-
ected by the financial assistance under arrangements the Secretary of Labor concludes are fair and equitable in accordance with section 5333(b)(2) of title 49, United States Code;

(IV) with respect to recipients of financial assistance authorized under this Act that funds freight or passenger rail capital projects, as defined by section 22901(2) of title 49, United States Code, shall comply with the requirements of section 22905 of such 49; and

(V) with respect to recipients of financial assistance authorized under this Act that do not involve a Federal contract or assistance in which no Federal law is controlling for contractors, shall apply Executive Order 13658;

(ii) project participants’ record of or commitment to commitment to utilize unionized workers and employees;
(iii) project participants’ record of or commitment to labor representation in management structures; and

(iv) any other factors and commitments appropriate or necessary under the circumstances.

(3) ADDITIONAL GOVERNING BOARD AUTHORITY.—The Governing Board, in consultation with the NIA Operating Subsidiaries, may expand, interpret, adjust, or vary the context-specific application of the foregoing Portfolio Project eligibility requirements, if doing so serves the public interest, amplifies public benefits associated with the relevant NIA Projects, and facilitates the implementation of the National Investment Strategy or the broader statutory goals of the NIA.

(d) ENTITY ELIGIBILITY CRITERIA.—The Governing Board shall develop eligibility criteria for any external partners, participants in, or recipients of the NIA funding for Portfolio Projects, including Eligible Private Entities and Qualifying Fund Investors.

(e) PORTFOLIO PROJECT SELECTION BY NIA OPERATING SUBSIDIARIES.—

(1) PROJECT ANALYSIS AND MONITORING COMMITTEES.—Each NIA Operating Subsidiary, includ-
ing the NIB and the NCMC, shall establish a special
Project Analysis and Monitoring Committee charged
with identifying and evaluating its investment pros-
spects and selecting individual projects and under-
takings for inclusion in such NIA Operating Subsidi-
ary’s asset portfolio. In performing these tasks, both
the NIA Operating Subsidiary and its Project Anal-
ysis and Monitoring Committee shall comply with
the applicable rules, policies, and procedures promul-
gated by the Governing Board.

(2) PORTFOLIO PROJECT SELECTION.—

(A) IN GENERAL.—In selecting Portfolio
Projects, an NIA Operating Subsidiary shall—

(i) comply with all rules and proce-
dures issued by the Governing Board
under this section;

(ii) ensure fair and equitable access to
NIA funding, among other things, by
maintaining effective communication with
and providing technical assistance to local
public entities, nonprofit organizations,
employee- or community-owned enterprise,
start-ups, and minority-run businesses;

(iii) identify potential investment op-
portunities through the project identifica-
tion methods described under subsection (b); and

(iv) evaluate projects thoroughly, applying the project eligibility criteria specified in this section or established by the Governing Board.

(B) PROJECT ANALYSIS.—In evaluating and selecting potential Portfolio Projects, each NIA Operating Subsidiary, acting through its Project Analysis and Monitoring Committee shall conduct the following:

(i) FINANCIAL ANALYSIS.—A financial analysis of expected direct and indirect revenues and costs associated with the project, provided, however, that such financial analysis shall not constitute the sole or principal basis for the NIA Operating Subsidiary’s decisions with respect to any project or investment.

(ii) PUBLIC ECONOMIC BENEFIT ANALYSIS.—A public economic benefit analysis, including—

(I) the projected impact on macroeconomic growth, employment, and
similar metrics applied on local, State, regional, or national levels; and

(II) potential measurable benefits to affected communities, businesses, and other economic actors.

(iii) ENVIRONMENTAL AND SOCIAL BENEFITS ANALYSIS.—An environmental and social benefits analysis, including—

(I) reductions in emissions, increased environmental sustainability, and related metrics;

(II) long-term contribution to an environmentally sustainable and resilient economic growth;

(III) increased access to housing (including through reduced costs of living), employment (including through reduced commute times and costs), educational, and other opportunities for communities; and

(IV) health benefits (including through better or more equitable access to healthcare and wellness amenities).
(iv) Stakeholder Impact Analysis.—A stakeholder impact analysis, including—

(I) targeted benefits for disadvantaged communities and groups; and

(II) identification of potential for cooperation and coordination with public and private constituencies.

(f) Investment Advisory Council.—

(1) In General.—To assist and advise the NIA Operating Subsidiaries on technical matters related to their respective investment and portfolio management strategies, the Governing Board shall establish and appoint the Investment Advisory Council, a consultative body comprising individuals widely recognized for their expertise and experience in financial management, investment banking, infrastructure finance, macroeconomic analysis, urban planning, and related fields.

(2) Duties.—The Investment Advisory Council shall provide technical advice to the NIA Operating Subsidiaries in order to assist with a more comprehensive assessment of investment opportunities and performance. The Investment Advisory Council’s
powers and duties shall be exclusively of advisory
and consultative character.

(3) Membership; Conflicts of Interest.—
The Governing Board shall—

(A) determine the number, qualifications,
selection and appointment procedures, terms of
service, and rights and responsibilities of the
Investment Advisory Council members;

(B) establish rules and procedures govern-
ning the activities of the Investment Advisory
Council, including rules and procedures for
recusal or removal of individual members of the
Investment Advisory Council whose personal or
professional interests may conflict, or appear to
conflict, with the NIA’s interests and objectives;
and

(C) oversee the operation of the Invest-
ment Advisory Council on an ongoing basis.

SEC. 106. PUBLIC ACCOUNTABILITY.

(a) Periodic Reports and Congressional Testi-
mony.—

(1) Reports.—The Governing Board shall sub-
mit to the President and Congress, within 90 days
after the last day of each fiscal year, a completed
and detailed NIA Annual Report with respect to the preceding fiscal year, setting forth—

(A) the core principles, objectives, and implementation priorities of the National Investment Strategy over different time horizons;

(B) any changes, revisions, or adjustments to the National Investment Strategy and the NIA’s developmental goals and priorities since the date of the last NIA Annual Report;

(C) the Governing Board’s discussion and analysis of the NIA’s financial results and condition, overall performance of the NIA’s statutory duties and public policy objectives, and actions undertaken in pursuit of such objectives;

(D) the discussion and analysis of the environmental impact, social and racial equity impact, and labor and employment impact of the NIA’s activities; and

(E) any other information Congress may request.

(2) TESTIMONY.—In conjunction with the submission of the NIA Annual Report, the Chair of the Governing Board, along with the Presidents of the NIB, NCMC, and any other NIA Operating Subsidiary, shall provide written and oral testimony in

(b) **ANNUAL AUDITS.**—

(1) **RECORDKEEPING REQUIREMENT.**—The NIA and each NIA Operating Subsidiary shall maintain adequate books and records that correctly reflect the financial transactions, condition, and results of operation of the NIA or NIA Operating Subsidiary.

(2) **AUDITS.**—

(A) **GAO AUDIT OF NIA.**—The Comptroller General of the United States shall perform an annual audit of the NIA’s consolidated books of account.

(B) **SPECIAL NIA AUDIT PANEL.**—

(i) **IN GENERAL.**—The Comptroller General of the United States shall, annually, establish a Special NIA Audit Panel to perform an independent audit of the financial performance of each NIA Operating Subsidiary.

(ii) **MEMBERS.**—The Comptroller General shall ensure that each Special NIA Audit Panel consists of—
(I) representatives of the Government Accountability Office; and

(II) representatives of each U.S. public accounting firm of nationally recognized standing.

(3) ACCOUNTING STANDARDS.—The NIA and NIA Operating Subsidiaries shall use generally accepted accounting practices or such other recommended accounting practices as the Governing Board determines appropriate.

(c) PUBLIC INTEREST COUNCIL.—

(1) ESTABLISHMENT.—There is established the Public Interest Council (the “Council”), an independent advisory and consultative body, which shall safeguard the effective representation and incorporation of the interests of the American people in the formulation and implementation of the National Investment Strategy and other activities of the NIA and the NIA Operating Subsidiaries.

(2) MEMBERS.—The Public Interest Council shall consist of 7 members, appointed by the President from among individuals who—

(A) are academics, community leaders, consumer advocates, etc.;
(B) have demonstrated expertise in various areas relevant to the NIA’s overall mission, experience in community representation, and reputation for integrity; and

(C) do not have a conflict of interest.

(3) FUNCTIONS AND POWERS.—The Public Interest Council shall—

(A) advise the Governing Board on matters of public policy and public well-being arising in the course of the activities of the NIA and NIA Operating Subsidiaries;

(B) provide an independent public interest-based perspective on substantive policy issues faced, and strategic decisions made, by the NIA and NIA Operating Subsidiaries in the course of fulfilling their statutory functions and responsibilities;

(C) inform and advise Congress on matters of special public concern or significance, as related to the operations of the NIA and NIA Operating Subsidiaries;

(D) recommend to Congress and the Governing Board specific measures to—

(i) correct or improve the performance and impact of the NIA and NIA Operating Subsidiaries;
Subsidiaries on the well-being of the American public; or

(ii) enhance the transparency of the actions and decisions of the NIA and NIA Operating Subsidiaries;

(E) have broad rights to request access to the books and records of the NIA and NIA Operating Subsidiaries and such other information necessary or helpful to the Council in the performance of its duties;

(F) engage in an ongoing discussion and dialogue with communities, public interest groups, mass media, and other public stakeholders, for the purpose of keeping the American public informed about, and collecting public feedback with respect to, the activities and plans of the NIA and NIA Operating Subsidiaries; and

(G) take any other actions necessary or incidental to any of the foregoing.

(4) CONGRESSIONAL REPORTS.—Annually, the Public Interest Council shall prepare and submit to Congress and the President a full report, outlining the Council’s independent assessment of, and recommendations related to, the performance and the
impact of the NIA and NIA Operating Subsidiaries
on issues of public policy significance.

(5) STAFF.—The Public Interest Council shall
have full-time dedicated exclusively to supporting the
Council’s performance of its powers and duties.

(6) FUNDING.—There is appropriated, out of
any money in the Treasury not otherwise appro-
priated, $10,000,000 for fiscal year 2022 and each
fiscal year thereafter, to carry out the functions of
the Public Interest Council.

**TITLE II—NIA REGIONAL OFFICES**

**SEC. 201. ESTABLISHMENT.**

(a) IN GENERAL.—The Governing Board shall estab-
lish regional offices of the NIA in each of the following
geographic regions:

(1) Region 1, encompassing the States of
Maine, Vermont, New Hampshire, Massachusetts,
and Rhode Island.

(2) Region 2, encompassing the States of New
York, New Jersey, and Connecticut.

(3) Region 3, encompassing the States of Penn-
sylvania, Ohio, West Virginia, Delaware, and Ken-
tucky.
(4) Region 4, encompassing the States of Virginia, Maryland, North Carolina, and South Carolina and the District of Columbia.

(5) Region 5, encompassing the States of Tennessee, Mississippi, Alabama, and Arkansas.

(6) Region 6, encompassing the States of Florida and Georgia.

(7) Region 7, encompassing the States of Michigan, Wisconsin, Indiana, and Illinois.

(8) Region 8, encompassing the States of Minnesota, Iowa, and Missouri.

(9) Region 9, encompassing the States of Kansas, Nebraska, North Dakota, and South Dakota.

(10) Region 10, encompassing the States of Louisiana, Oklahoma, and Texas.

(11) Region 11, encompassing the States of Montana, Wyoming, and Idaho.

(12) Region 12, encompassing the States of Colorado, Utah, and Nevada.

(13) Region 13, encompassing the States of Arizona and New Mexico.

(14) Region 14, encompassing the state of California.

(15) Region 15, encompassing the States of Washington and Oregon.
(16) Region 16, encompassing the State of Alaska.

(17) Region 17, encompassing the State of Hawaii.

(18) Region 18, encompassing the territories of Puerto Rico, Guam, U.S. Virgin Islands, American Samoa, and Northern Mariana Islands

(b) ADJUSTMENTS.—The Governing Board may adjust the composition of the regions described under subsection (a) from time to time if the Governing Board determines it appropriate.

SEC. 202. ORGANIZATION AND STRUCTURE.

(a) LEADERSHIP.—Subject to the rules and procedures established under section 102(d), each regional office shall be headed by a Director, who shall be appointed by the Governing Board and be directly accountable to it.

(b) NIA STAFF.—The Director of each regional office shall appoint staff to provide regional support to the Governing Board in carrying out the duties of the Governing Board.

(c) NIA OPERATING SUBSIDIARIES.—The head of each NIA Operating Subsidiary shall locate staff within each regional office to provide the subsidiary with regional support in carrying out the duties of the subsidiary.
SEC. 203. FUNCTIONS.

In addition to the functions described under section 202, the regional offices shall—

(1) serve as the key liaison between the NIA and State, Tribal, and local public authorities, businesses, and communities;

(2) participate in Portfolio Project identification, selection, and management, in order to ensure effective representation of local and regional economic and community needs and interests and to provide an additional source of public accountability for the NIA;

(3) cooperate and coordinate the NIA’s regional operations with the activities of regional Federal reserve banks and other Federal agencies; and

(4) encourage the creation of, and cooperate with, State, Tribal, and local public banks, development banks, “green” banks, and other public finance institutions.

TITLE III—NATIONAL INFRASTRUCTURE BANK

SEC. 301. ESTABLISHMENT.

There is established, as a Government corporation subject to chapter 91 of title 31, United States Code, the National Infrastructure Bank (“NIB”).
SEC. 302. FUNCTIONS.

(a) NIB MANDATE.—The mandate of the NIB shall be to implement the National Investment Strategy by engaging in credit market activities supporting public and private investment in Critical Public Infrastructure projects.

(b) POWERS.—The NIB shall have the following powers:

(1) To make senior or subordinated loans, purchase senior or subordinated debt and equity securities, or to enter into a binding commitment to do any of the foregoing, the proceeds of which are to be used to finance or refinance the development of one or more Critical Public Infrastructure projects.

(2) To issue guarantees.

(3) To issue and sell debt obligations of the NIB, on secured or unsecured basis, of such maturities and on such terms as the NIB Board shall determine from time to time.

(4) To purchase in the open market any of NIB’s outstanding obligations at any time and at any price the NIB Board determines appropriate under the circumstances.

(5) To monitor and oversee Portfolio Projects financed, in whole or in part, by the NIB.
(6) To exercise all other lawful powers which are necessary or appropriate to carry out, and are consistent with, the purposes of the NIB.

(c) INVESTMENT PRIORITIES.—In carrying out the mandate of the NIB, the NIB Board shall, subject to the rules established by the Governing Board under section 105—

(1) conduct risk analysis and manage portfolio risk;

(2) target investments based on their potential to produce long-term public benefits and have a long-term economic impact and not based solely on anticipated revenues or profit considerations;

(3) in carrying out direct lending activities, target and prioritize projects that have some national socioeconomic significance but face difficulty in securing low-cost financing in traditional markets; and

(4) in carrying out secondary market-making activities, prioritize municipal bonds supporting public goods and projects, by purchasing such bonds directly from State and local public issuers at favorable rates.

SEC. 303. NIB GOVERNANCE.

(a) BOARD OF DIRECTORS.—
(1) **IN GENERAL.**—There is established the Board of Directors of the NIB, which shall, subject to the rules of the NIA established under section 102(c), serve as the head of the NIB.

(2) **MEMBERSHIP.**—The NIB Board shall consist of the following 9 members:

(A) **CLASS A DIRECTORS.**—Three class A directors, to be appointed by the President by and with the advice and consent of the Senate—

(i) one of which shall be designated by the President as the President of the NIB; and

(ii) one of which shall be designated by the President as the Vice President of the NIB.

(B) **CLASS B DIRECTORS.**—Three class B directors, to be appointed by the President, by and with the advice and consent of the Senate, from among a pool of candidates nominated by the private sector.

(C) **CLASS C DIRECTORS.**—Three class C directors, to be appointed by the President, by and with the advice and consent of the Senate, from among a pool of candidates nominated by
labor, environmental, and other public interest organizations.

(3) QUALIFICATIONS.—Class A and B directors shall be appointed from among individuals with proven technical expertise and experience in core fields, including infrastructure finance, banking, public finance, macroeconomics, environmental science or engineering, and such other non-financial disciplines as the Governing Board may determine appropriate.

(4) CONFLICTS OF INTEREST.—The Governing Board shall establish strict conflicts-of-interest prohibitions applicable to class A and B directors.

(5) SELECTION OF ENTITIES NOMINATING CANDIDATES.—The Governing Board shall establish policies and procedures for selecting which entities may nominate directors for the position of Class B and C directors.

(6) TERMS OF SERVICE.—

(A) IN GENERAL.—The members of the NIB Board shall serve a 10-year term, and members may not serve more than one term.

(B) STAGGERED TERMS.—Notwithstanding subparagraph (A)—
(i) in appointing the initial members of the NIB Board, the President shall stagger the terms of the initial members such that no more than one member’s term ends in any one year; and 

(ii) the initial members of the NIB Board may be appointed to a second term.

(7) COMPENSATION.—

(A) President.—The President of the NIB shall be compensated at the rate of pay payable for a position at level I of the Executive Schedule under section 5312 of title 5, United States Code.

(B) Other Members.—The members of the NIB Board other than the President shall be compensated at the rate of pay payable for a position at level II of the Executive Schedule under section 5313 of title 5, United States Code.

(b) Committees.—The NIB shall have the following committees:

(1) The Executive Committee, which shall be comprised of the President of the NIB, the Vice President of the NIB, and the executive officers described under subsection (c).
(2) The Risk Management Committee.

(3) The Project Analysis and Monitoring Committee.

(4) The Audit and Compliance Committee.

(5) The Policy Impact Committee, which shall focus on macroeconomic analysis and policy, commu-
nity impact, and labor-related standards.

(6) Such other committees as the NIB Board determines necessary.

(c) Executive Officers.—The NIB Board shall appoint, remove, fix the compensation, and define duties of the NIB’s executive officers, who shall include—

(1) the Chief Financial Officer;

(2) the Chief Compliance Officer;

(3) the Chief Risk Officer;

(4) the Chief Operations Officer;

(5) the General Counsel; and

(6) such other executive officers as the NIB Board determines necessary.

(d) Bylaws.—The NIB Board shall adopt bylaws and such other rules as are necessary for the proper man-
agement and functioning of the NIB.

SEC. 304. PROJECT ELIGIBILITY AND SELECTION.

(a) In General.—The NIB Board shall establish eligibility and selection criteria for the NIB Portfolio
Projects, subject to the provisions of section 105 and the policies and procedures for project selection and performance established by the Governing Board under section 105(e)(2).

(b) Specific Criteria.—In establishing the criteria required under subsection (a), the NIB Board shall prioritize providing credit support and technical assistance to State, Tribal, and local authorities and other public entities, for purposes of financing Critical Public Infrastructure.

TITLE IV—NATIONAL CAPITAL MANAGEMENT CORPORATION

SEC. 401. ESTABLISHMENT.
There is established, as a Government corporation subject to chapter 91 of title 31, United States Code, the National Capital Management Corporation.

SEC. 402. PURPOSE AND FUNCTIONS.

(a) NCMC Mandate.—The mandate of the NCMC shall be to implement the National Investment Strategy by engaging in capital market activities that support public and private investment in Critical Public Infrastructure projects.

(b) Principal Functions.—The principal functions of the NCMC shall be—
(1) to sponsor and manage the NCMC Funds, as described under section 403; and

(2) to hold and manage equity stakes of the Federal Government, as described under section 404.

(c) GENERAL POWERS.—The NCMC may—

(1) purchase, make commitments to purchase, or otherwise acquire, hold, and manage equity or equity-like instruments issued by, or interests in, any entity, both on its own behalf (including in its role as the agent of the Federal Government) and on behalf of any NCMC Fund; and

(2) exercise any rights and powers necessary or incidental to equity ownership, fund or asset management, and other functions performed in accordance with this Act.

(d) TARGET INVESTMENTS AND PRIORITIES.—In carrying out its mandate, the NCMC shall, subject to the rules established by the Governing Board under section 105, prioritize investments and projects that exhibit one or more of the following target characteristics:

(1) INNOVATION AND SCALE.—The NCMC shall target and prioritize Critical Infrastructure Projects that are potentially transformative, innovative, require long-term capital commitments, require multi-
jurisdictional coordination, have national or multi-re-
geonal scale or impact, or otherwise would both ben-
efit from NCMC funding and advance the goals of
NCMC and the NIA.

(2) Public standard-setting; catalytic
significance.—The NCMC shall prioritize Critical
Infrastructure Projects that, individually or together
with other NIA Portfolio Projects, can catalyze pub-
licly beneficial change in the relevant industry or
market standards, particularly with respect to boost-
ing the growth of domestic manufacturing, creating
American jobs, strengthening labor, revitalizing eco-
nomically disadvantaged communities or regions,
and reducing wealth gaps among different groups.

(3) Rescue and transformation of trou-
bled firms or industries.—The NCMC shall
manage Federal financial assistance to distressed
private firms or other entities, as provided in the rel-
levant Acts of Congress or determined by the Gov-
erning Board in accordance with this Act, with the
goal of preventing potential harm to the local, re-
geonal, or national economy and the American peo-
ple, including potential loss of domestic jobs, erosion
of the U.S. productive capacity and global competi-
tiveness, and environmental damage.
SEC. 403. NCMC FUNDS.

(a) IN GENERAL.—The NCMC shall sponsor and manage one or more investment funds, each of which shall be known as an “NCMC Fund”, in which—

(1) the NCMC shall be the manager and general partner; and

(2) Qualifying Fund Investors shall acquire and hold passive interests as limited partners.

(b) POWERS AND ACTIVITIES.—In its capacity as the NCMC Fund manager and general partner, the NCMC shall—

(1) determine each NCMC Fund’s term and investment strategy;

(2) solicit, negotiate with, and structure specific terms of participation by individual Qualifying Fund Investors in the NCMC Funds;

(3) subject to the rules established by the Governing Board under section 105, establish project eligibility and selection criteria for assets of the NCMC Funds;

(4) acquire and exercise full control over each NCMC Fund’s assets; and

(5) perform all acts that NCMC determines necessary or appropriate to carry out the business of the NCMC Funds.
(c) Expiration of the Term.—Upon expiration of the term of an individual NCMC Fund, the NCMC Board shall—

(1) determine the method, timing, and terms of disposition or reinvestment of the relevant Fund’s portfolio assets, in line with the NCMC’s statutory mandate and public policy priorities; and

(2) wind up the Fund, make final distributions, and take any other action necessary or incidental thereto, in accordance with the Fund documents and the NCMC’s policies and procedures.

(d) Variable Return Authority.—

(1) In General.—The NCMC Board may, in the NCMC Board’s sole discretion and to the extent necessary under the circumstances in order to implement the National Investment Strategy and fulfill the NCMC’s mandate, agree, with respect to any individual limited partner in an NCMC Fund, to—

(A) repay all or any part of the limited partner’s principal investment in the relevant NCMC Fund upon expiration of its term; or

(B) provide a variable additional return on the limited partner’s principal investment, calculated to reflect the aggregate public benefit that the NCMC Fund’s assets either have gen-
erated or are projected to generate over their productive lives.

(2) AGGREGATE PUBLIC BENEFIT DEFINED.—

   (A) IN GENERAL.—In this subsection, the term “aggregate public benefit” means the clear and measurable long-term benefit to society resulting from the public’s use of the Critical Public Infrastructure with respect to which a project is carried out, or the improvement such project provides in—

   (i) economic growth and productivity;

   (ii) creation of sustainable domestic jobs;

   (iii) poverty reduction;

   (iv) reduction of pollution and carbon emissions;

   (v) reduction in racial and socio-economic inequality;

   (vi) improved health and overall well-being of people and communities, especially in disadvantaged areas;

   (vii) adaptation and resilience to climate change;

   (viii) increased Federal, State, and local revenues; and
(ix) other areas of public significance.

(B) CALCULATION.—In calculating the aggregate public benefit under this paragraph, the NCMC shall solicit and aggregate macroeconomic estimates from—

(i) the NIA Staff;

(ii) other public entities with the relevant expertise (including the Board of Governors of the Federal Reserve System); and

(iii) nationally recognized research centers and non-government experts that meet the criteria established by the Governing Board and the NCMC Board under subparagraph (C).

(C) RULEMAKING.—

(i) IN GENERAL.—The Governing Board and the NCMC Board shall issue rules establishing—

(I) procedures and guidelines for the development and use of macroeconomic metrics and methodologies for measuring the aggregate public benefit; and
(II) expertise and conflict-of-interest criteria for non-governmental entities and research centers whose macroeconomic estimates the NCMC shall be authorized to use in performing calculations under this paragraph.

(ii) CONSULTATION.—In issuing the rules under clause (i), the Governing Board and the NCMC Board shall consult with the Board of Governors of the Federal Reserve System and the Office of Financial Research of the Department of the Treasury.

SEC. 404. PUBLIC ASSET MANAGER POWERS.

(a) FEDERAL CRISIS RESPONSE.—In unusual and exigent circumstances the NCMC shall, when designated pursuant to this section—

(1) allocate Federal funds for the purpose of providing emergency assistance to private and public entities in distress, including Federal funds specifically appropriated by an Act of Congress for such purpose;

(2) negotiate and monitor compliance with specific conditions attached to receipt of Federal funds;
(3) acquire, hold, and manage the Federal Government’s equity interests in entities receiving Federal funds; and

(4) perform any actions necessary or incidental to any of the foregoing.

(b) SECTOR RESTRUCTURING.—

(1) IN GENERAL.—The NCMC shall, when designated pursuant to this section, have the same authority described under subsection (a) with respect to distressed firms in the specific sectors of the economy or geographic areas that are identified in such designation.

(2) COORDINATION AUTHORITY.—In carrying out the authority described under paragraph (1), the NCMC may carry out the authority itself or do so in coordination with other Federal agencies, State, Tribal, and local governments, or private sector entities.

(c) CORE PUBLIC POLICY OBJECTIVES.—In carrying out the authorities under this section, the NCMC shall pursue the following public policy objectives:

(1) Preserving and enhancing the long-term productive capacity and resilience of the U.S. economy.
(2) Preserving and improving the quantity and quality of domestic jobs, including specifically preserving jobs at entities assisted under this section, as well as maintaining the rate of pay of such jobs.

(3) Maintaining and raising prevalent labor standards and working conditions.

(4) Reducing carbon emissions and making the U.S. economy environmentally sustainable.

(5) Safeguarding public funds and minimizing moral hazard associated with systemic crisis response management and sector restructurings.

(6) Increasing democratic accountability and procedural transparency in allocating public financial relief.

(7) Otherwise facilitating the achievement of the goals and objectives of the NIA System.

(d) DESIGNATION REQUIREMENT FOR FEDERAL CRISIS RESPONSE AUTHORITY.—

(1) IN GENERAL.—The NCMC may only carry out the Federal crisis authority described under subsection (a) if the NCMC has been designated to do so by—

(A) an Act of Congress; or

(B) the Governing Board, as provided under this subsection.
(2) ACT OF CONGRESS.—An Act of Congress described under paragraph (1) may—

(A) formally designate the NCMC as the manager of appropriated Federal funds;

(B) give the NCMC a more specific mandate in any applicable emergency appropriation Act, to ensure that the NCMC’s implementation of such Act directly addresses the crisis at hand; or

(C) specifically appoint the NCMC to hold and manage equity or equity-like interests issued to the Federal Government by any entities that receive Federal financial assistance.

(3) GOVERNING BOARD DESIGNATION.—

(A) IN GENERAL.—The Governing Board may designate the NCMC under this subsection (by order) upon the Governing Board’s own initiative, if the Governing Board determines that such action is necessary in the public interest.

(B) NOTIFICATION TO CONGRESS.—If the Governing Board makes a designation under subparagraph (A), the Governing Board shall immediately notify the Congress and, if the Governing Board determines it appropriate, request that Congress provide additional Federal
funds to the NCMC to enable the NCMC to act
pursuant to such designation.

(c) Designation Requirement for Sector Restructuring Authority.—

(1) In general.—The NCMC may only carry out the authority described under subsection (b)—
(A) if the NCMC has been designated to do so by—
(i) an Act of Congress; or
(ii) the Governing Board, as provided under this subsection; and
(B) with respect to firms in the specific sectors of the economy or geographic areas that are identified in such designation.

(2) Initiation of Governing Board Designation Process.—The Governing Board may designate the NCMC under this subsection, by order (the “Designation Order”), either—
(A) at the request of one or more distressed firms seeking the NCMC’s financial assistance; or
(B) upon the Governing Board’s own initiative.

(3) Governing Board Determination Required.—
(A) IN GENERAL.—The Governing Board shall designate the NCMC under this subsection only upon making a determination that such designation meets the criteria for public necessity, as provided in subparagraph (B).

(B) PUBLIC NECESSITY.—In determining whether a designation under this subsection meets the criteria for public necessity, the Governing Board shall consider, first and foremost, the potential impact of the foreseeable failure or prolonged decline of distressed firms in the relevant sectors of the economy or geographic areas on—

(i) the levels of employment or overall economic vitality of the relevant region or community;

(ii) financial or economic stability over various time horizons, the calculation of which may incorporate an analysis of stress tests conducted by prudential regulators and State insurance commissioners;

(iii) security and resilience of domestic supply chains; and

(iv) strategic interests of the United States.
(C) Determination Process.—In making a “public necessity” determination under subparagraph (A), the Governing Board shall, to the extent practicable, and in the manner reasonable under the circumstances—

(i) solicit and examine economic, financial, and other relevant data and analyses it deems necessary and helpful for purposes of its determination;

(ii) consult with and incorporate input from the relevant Federal agencies and State, local, and Tribal authorities;

(iii) solicit input from labor organizations and communities that, in the Governing Board’s view, are most likely to be affected by the designation;

(iv) give firms in the affected sectors of the economy or geographic areas a fair notice and reasonable opportunity to provide input and information; and

(v) give the Public Interest Council timely notice of, and full opportunity to participate in, the Governing Board’s deliberations.
(4) Review by the Secretary of the Treasury.—

(A) Review Period.—During the 48-hour period following a vote of the Governing Board to make a designation under this subsection, the Secretary of the Treasury may veto such vote if the Secretary determines that such designation should not be made.

(B) Treatment During Review Period.—A vote of the Governing Board to make a designation under this subsection shall not take effect until the end of the 48-hour period described under subparagraph (A).

(5) Publication of Designation Order.—If the Governing Board makes a designation under this subsection, the Governing Board shall promptly publish the Designation Order along with a statement of the key objectives and reasons for the Governing Body’s determination.

(6) Judicial Review of Designation Order.—

(A) Court Petition.—A distressed firm in a sector of the economy or geographic area identified in a Designation Order may petition
the District Court for the District of Columbia
to review the Designation Order.

(B) COURT REVIEW.—Upon receipt of a
petition described under subparagraph (A), the
District Court for the District of Columbia shall
determine whether the Governing Board com-
plied with the procedural requirements under
this Act in issuing the Designation Order.

(C) DESIGNATION VALID BY OPERATION
OF LAW.—If, after the 1-week period beginning
on the date a Designation Order is issued, the
District Court for the District of Columbia has
not made a determination as to whether the
Governing Body complied with the procedural
requirements under this Act in issuing the Des-
ignation Order, the Designation Order shall be
deemed to have been issued in compliance with
the requirements under this Act.

(f) POWERS AND DUTIES OF NCMC WITH RESPECT
TO COVERED ENTITIES.—

(1) COVERED ENTITY DEFINED.—In this sub-
section, the term “covered entity” means—

(A) a private entity with respect to which
NCMC is designated to carry out the authority
described under subsection (a); or
(B) a firm that falls within the scope of a Designation Order authorizing the NCMC to carry out the authority described under subsection (b).

(2) DUTIES.—The NCMC shall—

(A) structure and effectuate investments in covered entities;

(B) manage the Federal Government’s equity or any equity-like interest in a covered entity, including any special claim or instrument designed for or issued exclusively to the Federal Government; and

(C) exercise any and all rights and powers necessary or incidental to the ownership of the public’s financial interest in covered entities, in accordance with NCMC’s mandate and public policy goals, applicable Federal statutes, and Designation Orders.

(3) RULES AND POLICIES.—The Governing Board shall adopt rules and policies governing the NCMC’s performance of its authorities under this section.

(4) MISSION.—The overall mission of NCMC in carrying out this section is to exercise prudent man-
agement of each covered entity’s affairs in a way that—

(A) achieves specific purposes set forth by the applicable Act of Congress or Designation Order;

(B) maximizes public benefits; and

(C) protects the interests of the American public.

(5) INVESTMENT TOOLS.—

(A) EQUITY INVESTMENT.—In carrying out the this section with respect to a covered entity, the NCMC may acquire and hold equity stakes in the covered entity. Permissible equity investments include—

(i) preferred stock;

(ii) common stock (or common stock equivalent) of any class; and

(iii) a special “golden share” instrument with conditional management rights, which—

(I) gives the NCMC primarily observational and monitoring rights; and

(II) specifies conditions that would trigger the NCMC’s right to
participate in the management of the covered entity’s affairs.

(B) Debt Investment.—In carrying out the this section with respect to a covered entity, the NCMC may make senior and subordinated loans, issue guarantees, purchase new or existing debt of the covered entity, and manage or dispose of any and all such debt instruments as the NCMC determines appropriate, subject to the requirements of this Act.

(6) Terms.—

(A) In General.—The NCMC shall have the authority and flexibility to tailor the agreed terms of its financing in each covered entity.

(B) Authorities.—If necessary and prudent under the circumstances, the NCMC may—

(i) as a major creditor of a covered entity, force the restructuring of its debt in a way that would give the NCMC ownership control of the covered entity, either through conversion into equity or through pre-packaged and expedited proceedings under chapter 11 of the Bankruptcy Code;
(ii) buy out the existing shareholders of a covered entity, at a reasonable price reflecting the fair value of the shares (exclusive of any element of value arising from the issuance or anticipation of the Designation Order); and

(iii) if a covered entity’s management and shareholders consent to a NCMC-led restructuring and relinquish their claims against the NCMC—

(I) give the covered entity’s shareholders certain limited or contingent economic rights, including a right to receive dividends after a certain threshold of profitability is reached and the NCMC has recovered the cost of its investment;

(II) allow the covered entity’s directors to continue serving on the entity’s board during the restructuring as special class directors with limited voting rights; or

(III) agree to other arrangements, as long as such arrangements do not impair or significantly interfere
with the NCMC’s ability to control
and manage the covered entity’s busi-
ness affairs.

(C) JUDICIAL REVIEW OF THE BUY-OUT
PRICE.—

(i) IN GENERAL.—In the event that
the NCMC exercises the authority de-
scribed under subparagraph (B)(ii) to buy
out existing shareholders of a covered enti-
ty, any shareholder who did not sell or
agree to sell their shares to the NCMC can
petition the United States District Court
for the District of Columbia for a review of
whether the buy-out price constitutes rea-
sonable compensation for the shares, exclu-
sive of any element of value arising from
the issuance or anticipation of the Des-
ignation Order.

(ii) DEADLINE.—A petition described
under clause (i) may only be filed—

(I) within [30 days] of the date
on which the NCMC’s offer to buy the
shares expires; and

(II) by current holders of record
of the covered entity’s stock who held
their shares continuously for at least six months prior to the issuance of the relevant Designation Order.

(iii) Burden of Proof; Litigation Costs.—A petitioner described under this subparagraph shall bear the initial burden of proof that the buy-out price is unreasonable and, if the court determines that the buy-out price being reviewed is reasonable, the petitioner shall pay in full the respondent’s costs of litigation.

(7) Exit.—The NCMC shall determine the timing, the manner, and the terms of its exit from each investment, in order to maximize the long-term benefit to the public or financial return on the public’s investment, regardless of whether such exit dilutes or otherwise affects the interests of the covered entity’s shareholders. If necessary or prudent for public policy reasons, upon exit, the NCMC may retain a continuing equity or equity-like interest (including a "golden share" or a similar instrument) in the restructured entity.

(g) Use of Proceeds.—The proceeds from any investments or activities of NCMC under this section shall be retained by NCMC and constitute a revolving fund.
which may be used by the NCMC to carry out the functions of the NCMC under this Act.

(h) ADDITIONAL ACCOUNTABILITY AND TRANSPARENCY.—The Governing Board shall establish specific procedures to ensure that the NCMC, in carrying out this section, conducts operations in a fair and transparent manner, and in full accordance with the NCMC’s mandate.

SEC. 405. NCMC GOVERNANCE.

(a) BOARD OF DIRECTORS.—

(1) IN GENERAL.—There is established the Board of Directors of the NCMC, which shall, subject to the rules of the Governing Board established under section 102(c), serve as the head of the NCMC.

(2) MEMBERSHIP.—The NCMC Board shall consist of the following 9 members:

(A) CLASS A DIRECTORS.—Three class A directors, to be appointed by the President by and with the advice and consent of the Senate—

(i) one of which shall be designated by the President as the President of the NCMC; and
(ii) one of which shall be designated by the President as the Vice President of the NCMC.

(B) Class B Directors.—Three class B directors, to be appointed by the President, by and with the advice and consent of the Senate, from among a pool of candidates nominated by the private sector.

(C) Class C Directors.—Three class C directors, to be appointed by the President, by and with the advice and consent of the Senate, from among a pool of candidates nominated by labor, environmental, and other public interest organizations.

(3) Qualifications.—Class A and B directors shall be appointed from among individuals with proven technical expertise and experience in core fields, including infrastructure finance, investment management, law, macroeconomics, environmental science or engineering, and such other non-financial disciplines as the Governing Board may determine appropriate.

(4) Conflicts of Interest.—The Governing Board shall establish strict conflicts-of-interest prohibitions applicable to class A and B directors.
5 Selection of Entities Nominating Candidates.—The Governing Board shall establish policies and procedures for selecting which entities may nominate directors for the position of Class B and C directors.

6 Terms of Service.—

(A) In General.—The members of the NCMC Board shall serve a 10-year term, and members may not serve more than one term.

(B) Staggered Terms.—Notwithstanding subparagraph (A)—

(i) in appointing the initial members of the NCMC Board, the President shall stagger the terms of the initial members such that no more than one member’s term ends in any one year; and

(ii) the initial members of the NCMC Board may be appointed to a second term.

7 Compensation.—

(A) President.—The President of the NCMC shall be compensated at the rate of pay payable for a position at level I of the Executive Schedule under section 5312 of title 5, United States Code.
(B) OTHER MEMBERS.—The members of the NCMC Board other than the President shall be compensated at the rate of pay payable for a position at level II of the Executive Schedule under section 5313 of title 5, United States Code.]

(b) COMMITTEES.—The NCMC shall have the following committees:

(1) The Executive Committee, which shall be comprised of the President of the NCMC, the Vice President of the NCMC, and the executive officers described under subsection (c).

(2) The Risk Management Committee.

(3) The Audit and Compliance Committee.

(4) The Policy Impact Committee, which shall focus on macroeconomic analysis and policy, community impact, and labor-related standards.

(5) The Project Analysis and Monitoring Committee.

(6) Such other committees as the NCMC Board determines necessary.

(c) EXECUTIVE OFFICERS.—The NCMC Board shall appoint, remove, fix the compensation, and define duties of the NCMC’s executive officers, who shall include—

(1) the Chief Financial Officer;
(2) the Chief Compliance Officer;
(3) the Chief Risk Officer;
(4) the Chief Operations Officer;
(5) the General Counsel; and
(6) such other executive officers as the NCMC Board determines necessary.

(d) Bylaws.—The NCMC Board shall adopt bylaws and such other rules as are necessary for the proper management and functioning of the NCMC.

(e) Portfolio Management.—For purposes of conducting the NCMC’s business operations, the NCMC—

(1) shall establish internal manager teams with the necessary expertise (including sectoral expertise); and

(2) may establish a network of outside industry-expert partners to assist, to the extent necessary and on terms determined by the NCMC Board, with the daily running of portfolio companies’ businesses.