U.S. Department of
Transportation

BUDGET ESTIMATES

FISCAL YEAR 2011

NATIONAL INFRASTRUCTURE INNOVATION AND FINANCE FUND

SUBMITTED FOR THE USE OF
THE COMMITTEES ON APPROPRIATIONS

DEPARTMENT OF TRANSPORTATION
NATIONAL INFRASTRUCTURE INNOVATIVE AND FINANCE FUND

FY 2011 CONGRESSIONAL BUDGET JUSTIFICATION

TABLE OF CONTENTS

Page

SECTION 1: OVERVIEW

Overview ..... Overview - 1
Organizational Chart ..... Overview - 2

SECTION 2: BUDGET SUMMARY TABLES

Exhibit II-1 – FY 2011 Comparative Statement of New Budget Authority ..... Sec.2 - 1
Exhibit II-2 – FY 2011 Budgetary Resources by Appropriation Account ..... Sec.2 - 2
Exhibit II-4 – Budgetary Authority ..... Sec.2 - 3
Exhibit II-5 – Outlays ..... Sec.2 - 4
Exhibit II-6 – Analysis of Change Tables ..... Sec.2 - 5
Exhibit II-8– Personnel Resource Summary – FTEs ..... Sec.2 - 6
Exhibit II-9 - Personnel Resource Summary – Positions ..... Sec.2 - 7

SECTION 3: FY 2011 BUDGET REQUEST BY APPROPRIATION

National Infrastructure Innovation and Finance Fund
Detailed Justification ..... NIIFF - 1
Budget Appendix Schedules ..... NIIFF - 3

NATIONAL INFRASTRUCTURE INNOVATION AND FINANCE FUND

OVERVIEW

FY 2011 resources requested for the National Infrastructure Innovation and Finance Fund total $4 billion. The National Infrastructure Innovation & Finance Fund will establish a new direction in Federal infrastructure investment that emphasizes demonstrable merit and analytical measures of performance. Fund 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. In addition, the Fund will sponsor planning, feasibility, and analytical capacity work necessary to identify high-value projects around the country. The Fund will encourage collaboration among non-Federal stakeholders including States, municipalities, and private investors, and also promote coordination with investments in other infrastructure sectors.

The National Infrastructure Innovation & Finance Fund investments will be overseen by a Policy and Investment Board that will establish and maintain the criteria for the evaluation of investment projects and make investment recommendations to the Secretary of Transportation. Eligible projects will be capital projects, or a unified program of smaller related projects, generally not less than $25,000,000, which are either (1) primarily for a highway, tunnel, bridge, transit, commuter rail, passenger and freight intermodal facilities, passenger rail, including Amtrak, freight rail, airports, aviation, ports and maritime investment, or (2) for a transportation component of a non-transportation project, or (3) for transportation infrastructure that increases the environmental sustainability of the transportation network in a region. The Secretary may waive the minimum grant size for the purpose of funding significant projects in smaller cities, regions, or States.

Of the $4 billion in funds requested, up to $150,000,000 is requested for planning, preparation, and design costs of projects, up to $50,000,000 for the analysis of costs and benefits of projects and up to $70,000,000 for establishing and administering the program.

U.S. Department of Transportation

National Infrastructure Innovation and Finance Fund

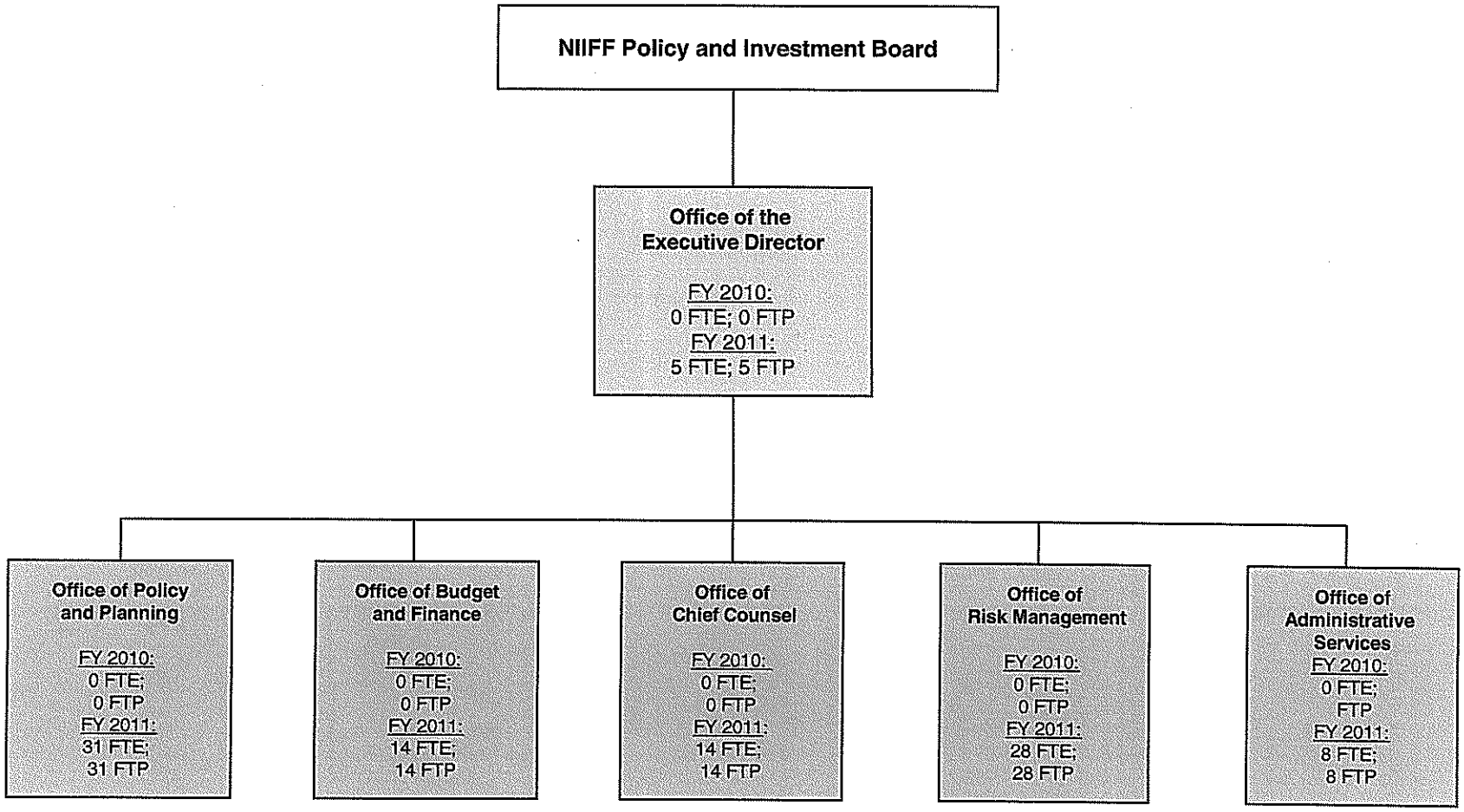

EXHIBIT II-1
COMPARATIVE STATEMENT OF NEW BUDGET AUTHORITY
NATIONAL INFRASTRUCTURE INNOVATION AND FINANCE FUND
($000)

ACCOUNTS	FY 2009 ACTUAL	FY 2010 ENACTED	FY 2011 REQUEST
NATIONAL INFRASTRUCTURE INNOVATION AND FINANCE FUND	0	0	4,000,000
TOTAL	**0**	**0**	**4,000,000**

EXHIBIT II-2
FY 2011 TOTAL BUDGETARY RESOURCES BY APPROPRIATION ACCOUNT
NATIONAL INFRASTRUCTURE INNOVATION AND FINANCE FUND
Appropriations, Obligation Limitations and Exempt Obligations
($000)

ACCOUNTS	FY 2009 ACTUAL	FY 2010 ENACTED	FY 2011 REQUEST
NATIONAL INFRASTRUCTURE INNOVATION AND FINANCE FUND	0	0	4,000,000
TOTAL APPROPS, OBLIG. LIMITATIONS, AND EXEMPT OBLIGATIONS	**0**	**0**	**4,000,000**

EXHIBIT II-4
FY 2011 TOTAL BUDGET AUTHORITY
NATIONAL INFRASTRUCTURE INNOVATION AND FINANCE FUND
($000)

ACCOUNTS	FY 2009 ACTUAL	FY 2010 ENACTED	FY 2011 REQUEST
NATIONAL INFRASTRUCTURE INNOVATION & FINANCE FUND	0	0	4,000,000
TOTAL BUDGET AUTHORITY	**0**	**0**	**4,000,000**
Discretionary	0	0	4,000,000

EXHIBIT II-5
FY 2011 OUTLAYS
NATIONAL INFRASTRUCTURE INNOVATION AND FINANCE FUND
($000)

ACCOUNTS	FY 2009 ACTUAL	FY 2010 ENACTED	FY 2011 REQUEST
National Infrastructure Innovation and Finance Fund	0	0	476,000
Total NIIFF Outlays	**0**	**0**	**476,000**
Discretionary			476,000

EXHIBIT II-6

SUMMARY OF REQUESTED FUNDING CHANGES FROM BASE
NATIONAL INFRASTRUCTURE INNOVATION AND FINANCE FUND
Appropriations, Obligation Limitations, and Exempt Obligations
($000)

NATIONAL INFRASTRUCTURE INNOVATION AND FINANCE FUND

	(A)				(B)	(C)	(D)	(E)	(F)						
						Baseline Changes									
	2010 Enacted	2010 PC&B By Program	2010 # FTE Per Program	2010 Contracts Expenses	Annualization of 2010 Pay Raises	2011 Pay Raises	Inflation/ Deflation	GSA Rent	WCF Increase/ Decrease	FY 2011 Adjusted Base	Program Increases/ Decreases	2011 PC&B Program Change	2011 # FTE Per Program Increase	2011 Contract Expense Program Changes	FY 2011 Request
OPERATIONS		Note Non-Add										Note Non-Add			
PERSONNEL RESOURCES															
(FTE)	0									0	100.0		100.0		100
Direct FTE	0									0	100.0		100.0		100
FINANCIAL RESOURCES															
Salaries and Benefits	$0	---	---	---	$0	$0				-	$14,500	$14,500			$14,500
-WCF Transit Benefits	$0	---	---	---			-		$0	-	$0	$0			$0
Travel	$0	---	---	---			-			-	$0				$0
Transportation	$0	---	---	---			-			-	$0				$0
GSA Rent	$0	---	---	---			-	$0		-	$500				$500
Communications, Utilities & Misc.	$0	---	---	---			-			-	$0				$0
Printing	$0	---	---	---			-			-	$0				$0
Other Services										-					$0
-WCF	$0			$0			-		$0	-	$0				$0
-Other	$0			$0			-			-	$55,000				$55,000
Supplies	$0	---	---	---			-			-	$0				$0
Equipment	$0	---	---	---			-			-	$0				$0
Admin Subtotal	$0				$0	$0	$0	$0	$0	$0	$70,000	$14,500	$0	$0	$70,000
PROGRAMS															
Infrastructure Grants and Loans											$3,930,000				$3,930,000
Programs Subtotal	$0				$0	$0	$0	$0	$0	$0	$3,930,000	$0	$0	$0	$3,930,000
Total:	$0				$0	$0	$0	$0	$0	$0	$4,000,000	$14,500	$0	$0	$4,000,000
GRAND TOTAL	$0				$0	$0	$0	$0	$0	$0	$4,000,000	$14,500	$0	$0	$4,000,000

EXHIBIT II-8
NATIONAL INFRASTRUCTURE INNOVATION AND FINANCE FUND
PERSONNEL RESOURCE -- SUMMARY
TOTAL FULL-TIME EQUIVALENTS

DIRECT FUNDED BY APPROPRIATION	FY 2009 ACTUAL	FY 2010 ENACTED	FY 2011 REQUEST
National Infrastrucutre Innovation and Finance Fund	0	0	100
TOTAL FTEs	**0**	**0**	**100**

EXHIBIT II-9
NATIONAL INFRASTRUCTURE INNOVATION AND FINANCE FUND
RESOURCE SUMMARY - STAFFING
FULL-TIME PERMANENT POSITIONS

DIRECT FUNDED BY APPROPRIATION	FY 2009 ACTUAL	FY 2010 ENACTED	FY 2011 REQUEST
National Infrastrucutre Innovation and Finance Fund	0	0	100
TOTAL POSITIONS	**0**	**0**	**100**

Detailed Justification for the National Infrastructure Innovation and Finance Fund

(In thousands of dollars)

	FY 2009 Actual	FY 2010 Enacted	FY 2011 Request	Difference From FY 2010 Enacted
FUNDING LEVELS				
Infrastructure Finance	0	0	3,930,000	3,930,000
Administrative Expenses	0	0	70,000	70,000
TOTAL	0	0	4,000,000	4,000,000
STAFFING				
Direct Positions	0	0	100	100
Direct FTE	0	0	100	100

National Infrastructure Innovation and Finance Fund	FY 2011 Request: $4,000,000

Overview:

The National Infrastructure Innovation & Finance Fund will establish a new direction in Federal infrastructure investment that emphasizes demonstrable merit and analytical measures of performance. Fund 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. In addition, the Fund will sponsor planning, feasibility, and analytical capacity work necessary to identify high-value projects around the country. The Fund will encourage collaboration among non-Federal stakeholders including States, municipalities, and private investors, and also promote coordination with investments in other infrastructure sectors.

FY 2011 Budget Request:

The FY 2011 Budget requests $4 billion for the National Infrastructure Innovation and Finance Fund (NIIFF). The mission of the NIIFF will be to seek out and invest in infrastructure projects of regional and national significance that would be difficult to fund otherwise. Funding may be

delivered to projects in the form of grants, loans and lines of credit, and loan guarantees and may support transportation and transportation-affiliated projects. Of the funding provided, $150 million is requested for grants or direct investments that support planning feasibility costs associated with eligible projects as well as analytical capacity building costs associated with evaluating potential investments and $50 million is requested for cost benefit analysis of projects. Of the overall funding provided, $70 million is requested for costs associated with establishing and administering the Fund.

The NIIFF would be established as a new entity within the Department reporting to the Secretary. The Fund would be governed by a Policy and Investment Board (PIB) that would establish and maintain the criteria for the evaluation of investment projects and to make investment recommendations to the Secretary of Transportation. The PIB would be composed of select senior DOT officials and other Federal agency representatives as determined by the Secretary, and would solicit input from outside of the Federal government. The Fund would be headed by a Director, appointed by the President, who would oversee the day-to-day operations and report to the Secretary. The administrative structure of the Fund would include Offices of Policy and Planning, Budget and Finance, Chief Counsel, Administration, and others as appropriate, such as Risk Management and Financial Analysis. The FY 2011 Budget requests 100 FTE's to staff the Fund.

Appropriations Language:

For grants and the cost of credit assistance for transportation and transportation-related infrastructure projects of national or regional significance, $4,000,000,000, to remain available until expended: Provided, That eligible projects would be capital projects, or a unified program of smaller related projects, generally not less than $25,000,000, which are either (1) primarily for a highway, tunnel, bridge, transit, commuter rail, passenger and freight intermodal facilities, passenger rail, including Amtrak, freight rail, airports, aviation, ports and maritime investment, or (2) for a transportation component of a non-transportation project, or (3) for transportation infrastructure that increases the environmental sustainability of the transportation network in a region: Provided further, That the Secretary may waive the minimum grant size cited in the preceding proviso for the purpose of funding significant projects in smaller cities, regions, or States: Provided further, That of the funds made available under this heading, up to $150,000,000 shall be available for planning, preparation, and design costs of projects, and up to $50,000,000 shall be available for the analysis of costs and benefits of projects: Provided further, That of the funds made available under this heading, up to $70,000,000 shall be available for establishing and administering the program: Provided further, that the remainder of such funds may be used for grants, direct loans, or loan guarantees that fund transportation and transportation-related infrastructure project costs: Provided further, That such costs of loans and loan guarantees, including the costs of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended.

DEPARTMENT OF TRANSPORTATION
NATIONAL INFRASTRUCTURE INNOVATION AND FINANCE FUND

PROGRAM ACCOUNT

PROGRAM AND FINANCING
(In thousands of dollars)

		FY 2009 ACTUAL	FY 2010 ENACTED	FY 2011 REQUEST
Program by activities:				
00.01	Direct Loan Subsidy	0	0	417,000
00.03	Planning and Capacity Grants	0	0	200,000
00.10	Infrastructure Grants	0	0	2,000,000
00.15	Administrative Costs	0	0	70,000
10.00	Total obligations	0	0	2,687,000
Budget resources available for obligation:				
22.00	New budget authority (gross)	0	0	4,000,000
23.95	New obligations	0	0	-2,687,000
24.40	Unobligated balance carried forward, end of year	0	0	1,313,000
New budget authority (gross), detail:				
Discretionary:				
40.00	Appropriation	0	0	4,000,000
43.00	Total new budget authority	0	0	4,000,000
Change in unpaid unobligation				
72.40	Obligated balance, start of year	0	0	0
73.10	New obligations	0	0	2,687,000
73.20	Total outlays (gross)	0	0	-476,000
74.40	Obligated balance, end of year	0	0	2,211,000
Outlays (gross) detail:				
86.90	Outlays from new discretionary authority	0	0	476,000
87.00	Total outlays (gross)	0	0	476,000
Net budget authority and outlays:				
89.00	Budget authority	0	0	4,000,000
90.00	Outlays	0	0	476,000

DEPARTMENT OF TRANSPORTATION
NATIONAL INFRASTRUCTURE INNOVATION AND FINANCE FUND

PROGRAM ACCOUNT

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

		FY 2009 ACTUAL	FY 2010 ENACTED	FY 2011 REQUEST
Direct loan levels supportable by subsidy budget authority:				
1150-01	NIIFF Direct Loans	0	0	1,670,000
1150-03	NIIFF Lines of Credit	0	0	415,000
1159	Total direct loan levels	0	0	2,085,000
1320-01	NIIFF Direct loans subsidy rate	0	0	20.00
1320-03	NIIFF Lines of Credit subsidy rate	0	0	20.00
1329	Weighed average subsidy rate	0	0	20.00
1330-01	NIIFF Direct Loans subsidy budget authority	0	0	334,000
1330-03	NIIFF Lines of Credit subsidy budget authority	0	0	83,000
1339	Total subsidy BA	0	0	417,000
1342-01	NIIFF Direct Loans subsidy outlays	0	0	40,000
1342-03	NIIFF Lines of Credit subsidy outlays	0	0	10,000
1349	Total subsidy outlays	0	0	50,000

OBJECT CLASSIFICATION
(In thousands of dollars)

		FY 2009 ACTUAL	FY 2010 ENACTED	FY 2011 REQUEST
	Direct obligations:			
	Personnel compensation:			
1111	Full-time permanent	0	0	11,800
1115	Other personnel compensation	0	0	600
1119	Total personnel compensation	0	0	12,400
1121	Civilian personnel benefits	0	0	2,200
1252	Other services	0	0	55,400
1410	Grants, subsidies, and contributions	0	0	2,617,000
9999	Total obligations	0	0	2,687,000

PERSONNEL SUMMARY
(In thousands of dollars)

		FY 2009 ACTUAL	FY 2010 ENACTED	FY 2011 REQUEST
	Direct:			
1001	Total compensable workyears: Civilian full-time equivalent employments	0	0	100

DEPARTMENT OF TRANSPORTATION
NATIONAL INFRASTRUCTURE INNOVATION AND FINANCE FUND

DIRECT LOAN FINANCING ACCOUNT

PROGRAM AND FINANCING
(In thousands of dollars)

		FY 2009 ACTUAL	FY 2010 ENACTED	FY 2011 REQUEST
	Program by activities:			
00.01	Direct loan obligations	0	0	2,085,000
00.02	Payment of interest to Treasury	0	0	10,000
10.00	Total obligations	0	0	2,095,000
	Budgetary resources available for obligation:			
22.00	New financing authority (gross)	0	0	2,095,000
23.95	Total new obligations	0	0	-2,095,000
24.40	Unobligated balance carried forward, end of year	0	0	0
	New financing authority (gross), detail:			
	Spending authority from offsetting collections			
	Mandatory			
67.10	Authority to borrow	0	0	1,678,000
69.00	Offsetting collections (cash)	0	0	50,000
69.10	Change in uncollected customer payments from Federal sources	0	0	367,000
69.90	Spending authority from offsetting collections (total)	0	0	417,000
70.00	Total new financing authority (gross)	0	0	2,095,000
	Change in obligated balances:			
73.10	Total new obligations	0	0	2,095,000
73.20	Total financing disbursements (gross)	0	0	-255,000
74.00	Change in uncollected customer payments from Federal sources	0	0	-367,000
74.40	Obligated balance, end of year	0	0	1,473,000
	Outlays (gross), detail			
87.00	Total financing disbursements (gross)	0	0	255
	Offsets			
	Against gross financing authority and financing disbursements:			
88.00	Offsetting collections (cash) from : Federal sources (subsidy)	0	0	50,000
88.95	Change in receivables from program accounts	0	0	367,000
	Net financing authority and financing disbursements			
89.00	Financing authority	0	0	1,678,000
90.00	Financing disbursements	0	0	205,000

DEPARTMENT OF TRANSPORTATION
NATIONAL INFRASTRUCTURE INNOVATION AND FINANCE FUND

DIRECT LOAN FINANCING ACCOUNT

STATUS OF DIRECT LOANS
(In thousands of dollars)

		FY 2009 ACTUAL	FY 2010 ENACTED	FY 2011 REQUEST
	Position with respect to appropriations act limitation on obligations			
1111	Limitation on guaranteed loans made by private lenders	0	0	0
1131	Direct loan obligations exempt from limitation	0	0	2,085,000
1150	Total direct loan obligations	0	0	2,085,000
	Cumulative balance of direct loans outstanding:			
1210	Outstanding, start of year	0	0	0
1231	Disbursements: Direct loan disbursements	0	0	250,000
1264	Other adjustments, net	0	0	0
1290	Outstanding, end of year	0	0	250,000
6200	Net financing disbursements	0	0	205,000