

Infrastructure Bank for America, Inc.

The Business Solution
to
a Critical National Problem

June 2020



The Problem and How to Solve It



The Need: \$5 trillion in infrastructure spending during the next 10+ years.

The Problem: Infrastructure is an economic and national security priority, but Federal, State and Local Governments cannot pay for it.

The Solution: Funding of \$1 trillion or more from the Infrastructure Bank for America, Inc., which relies solely on private funding.

The Enabling Legislation: The Infrastructure Bank for America Act of 2020 H. R. 7231 was introduced on June 15, 2020.

Legislative Strategy: First the US House, then the Senate and the Administration. Squire Patton Boggs are our lobbyists and advisors.

Funding Strategy: Access domestic and foreign private investment sources as well as QE funds to rebuild our nation's infrastructure.



American Society of Civil Engineers



- ASCE estimates \$5 trillion infrastructure spending needed over the next 10 + years, about \$500 billion per year.
- \$60 to \$80 billion/year from the Federal Government.
- \$260 billion/year from State and Local Governments.
- \$60+ billion/year from Private Equity and other sources.
- The shortfall is \$200 to \$300 billion/year, mostly in maintenance and upgrades.
- Filling the gap will only raise the rating of US infrastructure from “D” to “B”, which does not include major new initiatives.
- Solution: Increase Infrastructure Spending from 2.0% to 4% of GDP.
- China spends about 9% +/- of GDP on domestic infrastructure.



100 North American Infrastructure Projects



Sectors	Number of Projects	Total Value (USD \$B)
Airports	6	19.61
Energy (Oil & Gas)	9	109.40
Energy - Renewable	12	19.95
Energy - Transmission	7	12.30
Energy & Mining	1	50.00
Highways, Bridges & Tunnels	13	23.03
Ports & Logistics	10	21.79
Rail	11	71.72
Social Infrastructure	6	12.50
Telecommunications	1	20.40
Urban Mass Transit	14	40.71
Water & Waste Water	10	16.91
GRAND TOTAL	100	418.32

Source: CG/LA Infrastructue

New York City: Current Needs

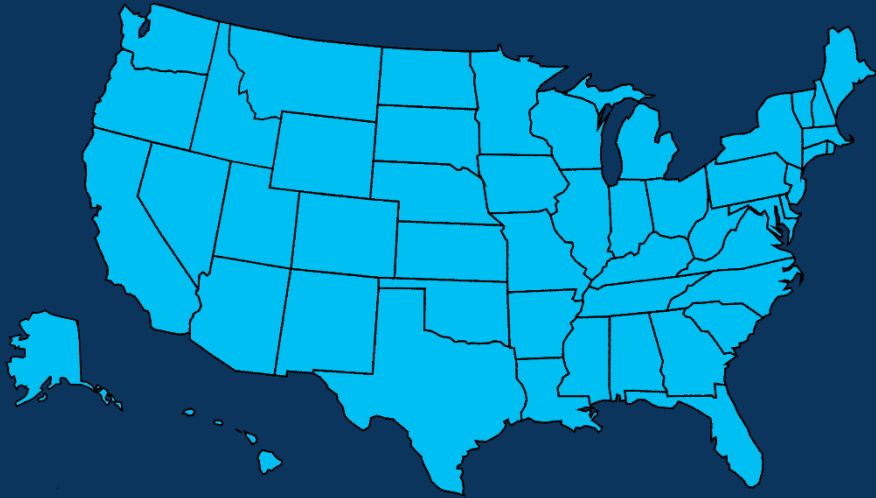


NYC Projects

(000,000)

Surface Transportation	\$ 20,000
Gateway Tunnel Project	\$ 25,000
Subways	\$ 15,000
Public Housing	\$ 25,000
Water & Waste Water	\$ 5,000
Ports & Airports	\$ 5,000
Flood Control	\$ 5,000
Solid Waste	\$ 5,000
Other	\$ -
Total	\$ 105,000

Every State Needs Infrastructure



- Every State Governor wants infrastructure.
- The need is truly bi-partisan, and benefits will accrue to all.
- There are 34 State Infrastructure Banks (SIB), but only 4 or 5 are active, due to lack of funds.
- Most SIBs are established under Federal Legislation, but there is little Federal money to fund them.
- The California Infrastructure and Economic Development Bank is quite successful, and its bonds are rated AAA. It is funded privately, with no Federal or State funds.
- SIBs are a most efficient vehicle to fund local infrastructure.



Benefits to U.S. Economy



Strong stimulus to US economy - 1% or more added to real GDP Growth.

12 mm new direct jobs, plus 2x or more indirect and induced jobs.

Increased Federal Tax Revenue of net \$500B over 10 years.

Construction and infrastructure jobs have a much greater multiplier effect on the velocity of money (5x) than do service jobs (2x).

Funds invested in US infrastructure displace funds invested in Chinese infrastructure.

Timing – Rapid deployment of funds for infrastructure.



Benefits to Borrowers

Access: Borrowers, especially State Infrastructure Banks, will have ready access to the Infrastructure Bank as a strong partner and major source of infrastructure funds.

Rates: As a GSE, the Infrastructure Bank shall have funding costs similar to the Federal Home Loan Banks (the “FHLB”) and lend at competitive rates to Borrowers.

Terms: Terms will be consistent with industry standards and based on ability to repay with sufficient guarantees.

Timing: When chartered, our Infrastructure Bank can make loans immediately to borrowers for infrastructure projects.

Entity: The Infrastructure Bank for America will be a constant source of funding for infrastructure, such as the FHLB is for housing.



Structure of the IBA



Structure: The Infrastructure Bank will be a Federally Chartered Bank and GSE, similar to the FHLB, and will also be privately owned, funded and managed.

Function: The Infrastructure Bank will be a wholesale lender to and clearing house for infrastructure projects throughout the USA, both directly and through states and local governments.

Regulatory Agencies: The Board of Governors of the Federal Reserve System and the US Treasury.

Guarantees: No Federal guarantees as a GSE, but, as needed, a Private Guarantee Fund, Risk Insurance, State and Local guarantees, etc. will be secured.

Government Sponsored Enterprise: Definition - A GSE is any enterprise or agency created by an Act of Congress for a public purpose.



Funding Sources

\$ Private and governmental entities globally, including sovereign wealth funds, pension funds, labor funds, PE firms, etc.

\$ Federal Reserve could reinvest in the Infrastructure Bank Bonds as it restructures its \$5-\$6 trillion portfolio, which is 40% plus in mortgage backed securities.



\$ Maturing Fed QE Debt could be invested in Infrastructure Bank Bonds at no cost to the taxpayer and no impact on the Federal Deficit or Budget.

Financing the Infrastructure Bank



Equity Capital: Up to \$100 billion with an Equity/Debt Ratio of 10% to total footings.

Debt: Up to \$1 trillion over 5 to 10 years in the form of short, medium-term and long-term debt securities rated AAA. Interest on IBA bonds will be priced at 20 - 40+/- basis points above Treasuries, similar to FHLB securities.

IPO: Equity shares will be offered publicly to raise funds and to provide a liquidity event for early investors in Infra-Bk, LLC.

Underwriting Agents: Major Investment Banks will lead the underwriting syndicates to raise the Equity and Debt, such as they do for the FHLB.

In the US, we are bound by the Rule of Law and the US Constitution.

China is ruled by the Communist Party, the CCP.

One Belt, One Road means “All Roads Lead to China.”

Wang Chuanfu, the billionaire founder of BYD, the world’s largest manufacturer of electric vehicles, has said admiringly, “The Chinese Government is omnipotent.”

In free societies, we say that term applies only to God.

If we fail, the USA will be a vassal state of China.



Ownership, Management and Goals

Ownership: Owners of the Infrastructure Bank will be totally private, including individuals, investment firms, Sovereign Wealth Funds, banks, pension funds, corporations and institutions involved in infrastructure in the USA.

Management: Professional and private. No political interference in investment decision making.

Short Term Goal: Fund the Infrastructure Bank and begin lending to infrastructure projects immediately.

Long Term Goals: Reinvigorate the 34 established State Infrastructure Banks. Establish Regional Infrastructure Banks, similar to the FHLB system, to localize and direct funding to infrastructure projects throughout the USA.



The Infra-Bk Management

Infra-Bk, LLC is the development entity to promote passage of the legislation and secure the Federal Bank Charter.

Management Team

Howard E. Steinberg, Chairman

William T. Nolan, President and Managing Member

Thomas C. Arata, Chief Administration Officer

Robert J. Rosenberg, Advisor

Patrick Dealy, Advisor

See www.infra-bk.com for full bios.



The Infra-Bk Advisory Board

Howard E. Steinberg – Of Counsel to McDermott, Will & Emery and former Chairman of the New York State Thruway Authority and of the Long Island Power Authority.

David P. Nolan – Former Vice Chairman of Millennium Management; Trustee of Johns Hopkins University.

Belinda Foxworth – General Counsel for Gulf Oil Corporation and former EVP of U. S. Power Generating Company.

Noel Elizabeth Harwerth - Chairman of the UK Export Finance Agency and former COO of Citibank International PLC.

Ambassador James K. Glassman – Former Under Secretary of State.

Teveia Barnes – Former Executive Director of the California Infrastructure and Economic Development Bank.

Norman J. Anderson – President/CEO of CG/LA Infrastructure, Inc.





Infrastructure Bank for America

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For the Solution, see the video



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